

Cost Management Plan: LanguaLiser

Project: LanguaLiser

Description: Implementation of the LanguaLiser mobile app on iOS and Android

PM's name and surname: *Kamil Truszkowski*

Date: 01.09.2024

1. BUDGET ALLOCATION

Total Budget: 800,000 PLN

The total project budget of 800,000 PLN is allocated across various categories essential for the successful completion of the LanguaLiser app. The allocation ensures that each aspect of the project is adequately funded, minimizing the risk of budget overruns and ensuring resources are available where they are most needed.

Budget Breakdown:

- **Development:** 400,000 PLN
 - **Description:** This category covers all expenses related to the development of the app, including backend and frontend coding, integration of features (e.g., interactive lessons, progress tracking, offline capabilities), and testing. It also includes expenses for hiring external developers or development teams if necessary.
- **Licenses:** 50,000 PLN
 - **Description:** This includes the cost of acquiring necessary software licenses, tools, and platforms required for the development and deployment of the app. This also covers API licenses and any third-party software or services integrated into the app.

- **Marketing:** 250,000 PLN
 - **Description:** The marketing budget covers all promotional activities, including digital marketing campaigns, social media promotions, content creation, and partnerships. The goal is to drive user acquisition and increase brand visibility before and after the app launch.
- **Training:** 100,000 PLN
 - **Description:** This budget is allocated for training the project team, including developers, marketers, and support staff. Training may cover new technologies, marketing strategies, customer support, and any other area where skill enhancement is required for the project's success.

2. COST MONITORING AND CONTROL

Cost Monitoring:

Cost monitoring is essential to ensure the project remains within the allocated budget and that funds are being used efficiently. The following methods and tools will be employed to monitor costs throughout the project lifecycle:

- **Budget Tracking Tool:** The project will utilize a budget tracking tool (e.g., Microsoft Project, Trello, or dedicated cost management software) to record and monitor all expenditures in real-time. This tool will provide a clear overview of the budget status across all categories, highlighting any areas of concern.
- **Weekly Budget Reviews:** The PM will conduct weekly budget reviews to assess the current spending against the projected budget. During these reviews, the PM will compare actual costs to the planned budget, identify any variances, and determine if any corrective actions are needed.
- **Variance Analysis:** Regular variance analysis will be conducted to identify discrepancies between budgeted and actual expenditures. Any variance of more than 5% will trigger an investigation to understand the cause and implement corrective measures if necessary.

Managing Budget Overruns:

- **Contingency Planning:** A contingency fund (10% of the total budget, i.e., 80,000 PLN) is set aside to handle unexpected costs or budget overruns. This fund is managed by the PM and can be accessed only with approval from the sponsor.
- **Change Control Process:** Any change in scope that may impact the budget must go through the change control process. This process involves assessing the financial impact of the change, obtaining approval from stakeholders, and updating the budget allocation accordingly.
- **Stakeholder Reporting:** The PM will provide regular budget reports to stakeholders, including a summary of expenditures, any variances, and a forecast of future costs. This ensures transparency and allows stakeholders to make informed decisions.
- **Escalation Process:** If budget overruns are detected that exceed the contingency fund, the issue will be escalated to the Steering Committee. A review will be conducted to determine if additional funds are necessary or if cost-cutting measures can be implemented.