

Analogous

Analogous Estimation uses a similar past project information to estimate the duration or cost of your current project, hence the word, "analogy". You can use analogous estimation when there is limited information regarding your current project.

Quite often, there will be situations when project managers will be asked to give cost and duration estimates for a new project as the executives need decision-making data to decide whether the project is worth doing. Usually, neither the project manager nor anyone else in the organization has ever done a project like the new one but the executives still want accurate cost and duration estimates.

In such cases, analogous estimation is the best solution. It may not be perfect but is accurate as it is based on past data. Analogous estimation is an easy-to-implement technique. The project success rate can be up to 60% as compared to the initial estimates.

Analogous Estimation – Definition

Analogous estimation is a technique which uses the values of parameters from historical data as the basis for estimating similar parameter for a future activity. Parameters examples: Scope, cost, and duration. Measures of scale examples – Size, weight, and complexity.

Because the project manager's, and possibly the team's experience and judgment are applied to the estimating process, it is considered a combination of historical information and expert judgment.

Analogous Estimation Requirements

For analogous estimation following is the requirement –

- Data from previous and on-going projects
 - Work hours per week of each team member
 - Costs involved to get the project completed
- Project close to the current project
- In case the current Project is new, and no past project is similar
 - Modules from past projects that are similar to those in current project
 - Activities from past projects that are similar to those in current project
 - Data from these selected ones

- Participation of the project manager and estimation team to ensure experienced judgment on the estimates.

Analogous Estimation Steps

The project manager and team have to collectively do analogous estimation.

- **Step 1** – Identify the domain of the current project.
- **Step 2** – Identify the technology of the current project.
- **Step 3** – Look in the organization database if a similar project data is available. If available, go to Step (4). Otherwise go to Step (6).
- **Step 4** – Compare the current project with the identified past project data.
- **Step 5** – Arrive at the duration and cost estimates of the current project. This ends analogous estimation of the project.
- **Step 6** – Look in the organization database if any past projects have similar modules as those in the current project.
- **Step 7** – Look in the organization database if any past projects have similar activities as those in the current project.
- **Step 8** – Collect all those and use expert judgment to arrive at the duration and cost estimates of the current project.

Advantages of Analogous Estimation

- Analogous estimation is a better way of estimation in the initial stages of the project when very few details are known.
- The technique is simple and time taken for estimation is very less.
- Organization's success rate can be expected to be high since the technique is based on the organization's past project data.
- Analogous estimation can be used to estimate the effort and duration of individual tasks too. Hence, in WBS when you estimate the tasks, you can use Analogy.