

Hospital Scheduling Project

How to handle the project budget

When you first estimated the project cost, you used average values for two of the scheduling system vendors to arrive at a cost estimate of \$950,000.

One option is to wait until the vendor has been selected. For example, Vendor 2 has a typical cost of \$750,000 and an extensive estimate of \$1,000,000. The value halfway between these two values is \$875,000. In this case, you need to cut only \$25,000 from the budget. In addition, if management decides to go with Vendor 1, who is more expensive, they will negotiate with the vendor and could get a lower cost.

Another option is to review the requirements with the vendors and ask them for more accurate estimates. If their estimates decrease, you won't have to cut as much from the budget. If their estimates increase, you'll have to do more work on the budget.

Let's say that Vendor 1 is selected, and you need to cut \$25,000 from the budget. Here are a few ideas for reducing cost:

- Reduce the number of scheduling system licenses purchased.
- Ask the system vendor to provide train-the-trainer sessions for a few of your hospital staff, so the staff can train the rest of the schedulers.
- Suggest to the project sponsor that you divide system scope into Phase 1 and Phase 2. Then, Phase 2 customization could be pushed into 2021 and paid for with a new grant.