Project Management Foundations: Budgets

with Bob McGannon



Potential Compromises

Source of Conflict	Potential Compromises
Quality versus cost	Use some higher-quality products and other less expensive ones, with nearly the same quality.
	Create two versions of the product: one that is lower cost and lower quality and another that's higher cost and the best quality.
	Use internal resources that are less expensive compared to consultants. Monitor quality to ensure the standard required is achieved.
Deadlines	A partial set of requirements can be produced for the deadline, and further enhancements provided later.
	Investigate what the motivator is for a particular deadline. Sometimes, it is arbitrary and can be altered with logical reasons for doing so.
Meeting regulations	Confirm what is regulated. Sometimes, an output or outcome is regulated, but the process to create that outcome is not. This can allow for more flexibility than originally anticipated.
	A partial set of requirements can be produced to meet regulations via an initial project, and further enhancements provided to support expanded functionality or flexibility to project deliverables in a future project or "phase 2" of the original project.

Working with a predetermined budget	 Prioritize the requirements and produce those that are the most important, until the funding is exhausted. Ask stakeholders to provide additional funding from areas that did not initially fund the project – this funding would be tied to producing the requirements those stakeholders are wanting most if not in the overall highest priorities.
Meeting quality policies	 A partial set of requirements can be produced to meet quality policies, and further enhancements provided to support expanded functionality or flexibility to project deliverables. Challenge if the quality policies are
Scope requirements to remain competitive	 necessary in the case of your project. Examine the business case and ensure it highlights the impacts if your products or services do not remain competitive. A partial set of requirements can be
	produced to meet marketplace competition needs in an initial project, and further enhancements provided in a future project to support expanded functionality or flexibility with project deliverables.
Stakeholder priority conflicts	Ask stakeholders whose requirements are not deemed as a high priority to provide additional funding and/or staff to deliver the scope that is of interest to them.
	Compare the desired requirements to overall organizational strategy. For stakeholders whose requirements are deemed not to support strategy as strongly, have them develop a business case to demonstrate otherwise.

Business initiatives that pull staff away

- Note and review the priority of the project against the initiative that pulled staff away. Realign the staff members' work to the priorities, and, if appropriate, change the schedule for your project to allow staff members to work on the other business initiative.
- Examine the possibility of hiring contract staff. While this may be more expensive, finishing your project earlier may be the best business decision despite higher contract staff costs.