

A top-down view of a person's hands writing in a spiral-bound notebook on a dark wooden desk. The person is wearing a thick, yellow cable-knit sweater. Their right hand holds a green pen, and their left hand rests on the notebook. To the left of the notebook is a white disposable coffee cup with a green sleeve. To the right is a silver laptop, partially visible, showing the keyboard and trackpad. The scene is lit with warm, soft light, creating a cozy atmosphere.

Budgeting Essentials

Objectives

At the end of this course, you will be able to:



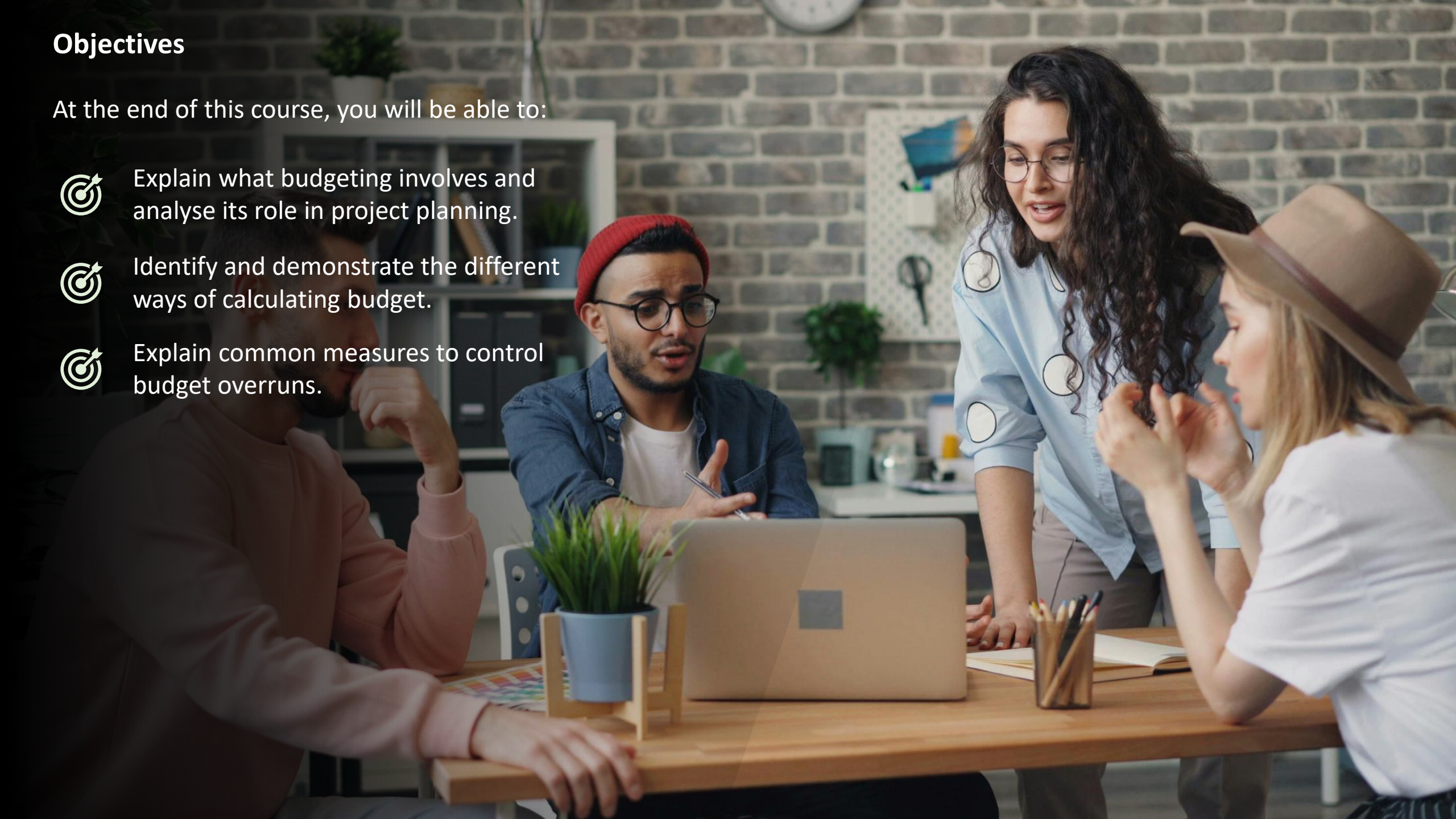
Explain what budgeting involves and analyse its role in project planning.



Identify and demonstrate the different ways of calculating budget.



Explain common measures to control budget overruns.



Introduction

Hi there! Welcome to this gamified learning experience. I'm Lex and I'll be the narrator and your walkthrough buddy for this course.

Whether you're looking to upskill yourself or simply fuelling your passion for project management, this course allows you to safely test the water.

You will step into the shoes of a project manager, follow their workday, and learn the nuances of budgeting. You will practice handling challenges, earn progress points, and lead the team to success.

As you go through these challenges, I will share key resources and helpful tips. Select the Ask Lex button on the top right-hand corner if you have any questions.

Ready to begin your journey?



Ask Lex



Module overview

Here are the different levels you will navigate in this course.



Level 1: Budgeting basics

What is budgeting and why is it important?



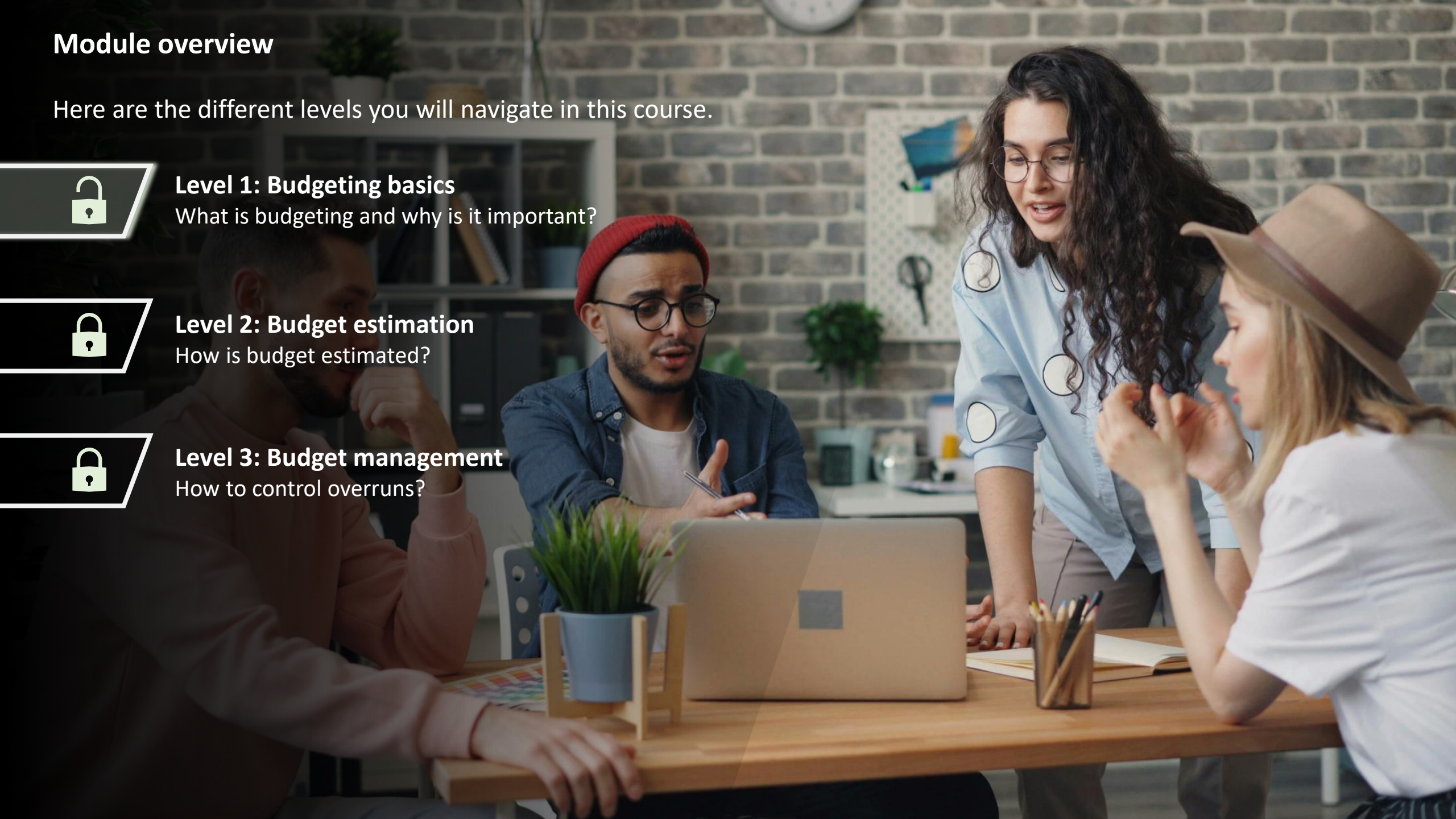
Level 2: Budget estimation

How is budget estimated?



Level 3: Budget management

How to control overruns?



Budgeting basics

Consider that you are a senior team member at IGen. You are onboarding a team of interns who will be helping out various initiatives over the course of next six months. The team wants some practical insights on how budgeting impacts the organizational health. You have gathered some data and want to do a final review and be ready for any questions the team might have.

Select the Plus icon to review the gathered information.

What's a budget?



Impact on resource allocation



Impact on performance measurement



Impact on resiliency



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What's a budget? +

Budget is the lifeline of a project, and it provides the financial basis required to meet the determined outcomes. It is the total cost of all individual tasks that make up a project.

Impact on resource allocation +

Impact on performance measurement +

Impact on resiliency +

Budgeting basics

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What's a budget?



Impact on resource allocation



Depending on the complexity of the project, some tasks may require additional attention compared to others. Budgeting allows project managers to control resources accordingly. This also helps in handling emergencies such as unexpected absentees or change in the customer's expectations. Efficient resource allocation allows for swift restructuring, ensuring timely delivery.

Impact on performance measurement



Impact on resiliency



Budgeting basics

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What's a budget?



Impact on resource allocation



Impact on performance measurement



Budgeting provides a baseline to measure performance. By analyzing the amount of work completed against the amount of budget spent on completing the work, you can determine the financial health of the project. This measure will guide you on how quickly you need to progress and how much resources you need to complete the pending work.

Impact on resiliency



Budgeting basics

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What's a budget?



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Impact on performance measurement



Impact on resiliency



Budgeting helps build resiliency into the project. As part of calculating a budget, you anticipate hurdles and reserve a portion of the allocated budget to navigate obscurities. Not just that, a portion of the budget are also reserved for unknown hurdles, helping ensure stability when unexpected risks crop up.

Budgeting basics

You meet the interns and share your perspective on how budgeting impacts the organization. Following the meeting, one of the interns, Alina, has the following question. Could you help her?

1. Which of the following factors should be compared against each other to determine if additional resources are required to complete a project.

Select all the correct options and then select Submit.

- ☐ Allocated resources
- ☐ Work completed
- ☐ Budget spent
- ☐ Customer satisfaction rate
- ☐ Number of changes requested

Submit



Budgeting basics

You meet the interns and share your perspective on how budgeting impacts the organization. Following the meeting, one of the interns, Alina, has the following question. Could you help her?

Feedback



That's correct/That's not quite right!

To determine whether you need additional resources to complete a project, you need to check the amount of work completed against the budget spent. This clarifies how much of work is pending and how much budget is remaining. Based on that, additional resources can be planned.

The other factors do not clarify details on the amount of work completed or budget spent.

select Submit.

☐ Customer satisfaction rate

☐ Number of changes requested

Submit

Budgeting basics

Following the meeting with interns, Tina, your department head reaches out to you. The digital learning team is facing a resource crunch. One of the team leads has to step away from a project, which is in its final stage. Tina reaches out to you to check if you can see the project to closure as you've proved your mettle in client coordination.

You discover that the project has just returned from the final review and the client still requires visual changes before signing off the deliverables. Some of the images used, layouts, and the visual treatment of certain sections seem to disappoint the client.

The deadline is fast approaching, you have about three days to complete the client's request and obtain their sign off. You think of convening a meeting with the internal stakeholders, but you also wonder how to do that without disrupting everyone's schedule.

How do you think you would handle this situation?

Select the Next arrow to progress.



Budgeting basics

1. Which of the following will be your first step in deciding a course of action?

Select the correct option and then select Submit.

- ☐ Deny the update request as it is very close to the delivery deadline.
- ☐ Accept the client's demand and request the team to put in additional efforts.
- ☐ Request for additional resources and budget to complete the project.
- ☐ Analyze the effect of changes requested on the expected delivery date.

Submit

Progress bar: 



10 progress
points



Ask Lex

Budgeting basics



Ask Lex

Glad you called for help! I see that you're in the middle of a crisis. Before deciding on actions like pushing back or asking for additional resources, you need more data. When you know the extent of rework, you can decide whether you can meet the expectations.

Think from different perspectives. The client requires a partial, visual revamping not an extensive overhaul. In the real-world, you would understand what the team can realistically achieve within the given timeframe before making any crucial changes.

Hope I helped clarify some of your doubts. Select Return to get back to the problem.

[Return](#)

Budgeting basics

That's not quite right/Try again!

X

Last minute change requests are quite common across domains. When you step into a firefighting situation similar to this, pushing back on demands, requesting for additional resources, or transferring the burden to the team can only be done upon careful consideration. You need to gather data and weigh all the options before you decide on either one of these steps.

Revisit the challenge and reflect on this information before trying once again. You got this!

Progress bar: 

That's correct!

X

The first step you need before calling on the stakeholders or deciding the course, would be to determine the impact of changes on the project deadline. Perhaps the team already knows how to make the changes without impacting the timeline, or maybe these visuals were present in a previous version. Knowing the extent of rework is key in driving the project to completion.

Last minute change requests are quite common across domains. When you step into a firefighting situation similar to this, pushing back on demands, requesting for additional resources, or transferring the burden to the team can only be done upon careful consideration. You need to gather data and weigh all the options before you decide on either one of these steps.

Progress bar: 