

PROJECT MANAGEMENT COSTS

WHAT IS SOFTWARE COST MADE UP?

Software development cost is made up of time and effort estimation that are spent on the project
There are several components that make up a total cost
First of them are **direct** and **indirect costs**

DIRECT COSTS

Direct costs comprise:

- The labor cost of every project team member
- Costs for the hardware and software licenses
- Investments on equipment and consumables
- Amounts spent on specific risks related to the project
- Third party tasks
- Outsourced tasks

INDIRECT COSTS

Indirect costs comprise:

- Control of the quality
- Audits
- Security issues
- Software purchases and maintenance
- Renting an office, paying the bills

In simple words, they are not addressed for a specific project or its part