**Introduction Worksheet: answers**

As you watch the video, make notes.

|  |
| --- |
| Why it is important to manage costs:* There will be a set budget for the project. Any changes to the costs could mean that it goes over budget which might mean:
	+ the project doesn’t even start
	+ problems during the project
	+ a change in design is required
	+ difficult conversations as to why it has cost more than planned – potential reputational damage.
* Any additional cost on top of contingency needs to be flagged to the client and they might not have access to additional money.
 |
| Challenges involving costs:* Change in costs can occur over a lengthy project, which need accounting for:
	+ changes to government
	+ legal changes
	+ inflation, causing changes to the costs of products and services.
 |
| Actions to manage costs through a whole project:* Accurate initial estimates,
* Balancing the priorities as changes occur, possibly compromising in one area to allow for greater costs in another to keep everything within budget.
 |