**Introduction Worksheet: answers**

As you watch the video, make notes.

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| 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. |