

ESTIMATING, BUDGETING AND COST CONTROL



GENTEX[®]
TRAINING CENTER



Introduction

Estimating, Budgeting and Cost Control Training Course builds the three connected skills that keep a project or department financially on track. Participants work through cost estimation techniques, budget construction, and cost control routines as one continuous discipline. The programme links the accuracy of an estimate with the budget that follows and the controls that protect it. As a result, learners gain a method that reduces surprises rather than explaining them later. Furthermore, the course strengthens numerical rigour, cost judgement, and the reporting discipline that keeps spending aligned with plan.

Estimating, Budgeting and Cost Control Course Objectives

- Explain the relationship between estimating, budgeting, and cost control.
- Apply cost classification: fixed, variable, direct, and indirect.
- Estimate costs using historical data, parametric methods, and bottom-up build-ups.
- Apply three-point estimating and contingency allowances for risk.
- Build operating, capital, and cash budgets with documented assumptions.
- Apply activity-based costing (ABC) and standard costing to monitor cost.
- Analyse price, volume, mix, and efficiency variances.
- Apply earned value management (EVM) concepts to cost performance.
- Apply commitment control, spend gates, and approval limits.
- Design cost control reporting, dashboards, and corrective action routines.

Course Methodology

- Interactive sessions built on estimating, budgeting, and control cases.
- Workshops on estimation methods, budget construction, and variance analysis.

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- Group exercises on contingency setting, EVM interpretation, and corrective action.
- Hands-on practice with estimate build-ups, budget templates, and variance reports.
- Simulation of a cost overrun investigation and an estimate review.
- Facilitator coaching and peer review on personal cost management plans.

Who Should Take This Course

- Cost estimators and cost engineers.
- Project controls and project finance professionals.
- Finance officers and management accountants.
- Department and unit managers accountable for budgets.
- Procurement and contract cost specialists.
- Consultants advising on estimating and cost control improvement.

Estimating, Budgeting and Cost Control Course Outlines

Day 1: Cost Foundations and Classification

- Why estimating, budgeting, and control must work together.
- Cost classification: fixed, variable, direct, and indirect.
- Cost behaviour and the relevant range in estimating.
- Cost drivers and their role in building estimates.
- Overhead recovery and absorption principles.
- Lifecycle costing and total cost of ownership basics.
- Case discussion: an estimate that was accurate and a budget that was not.





Day 2: Estimation Methods and Techniques

- Historical and analogous estimating from comparable work.
- Parametric estimating using unit rates and scaling factors.
- Bottom-up estimating and work breakdown structures (WBS).
- Three-point estimating (optimistic, most likely, pessimistic).
- Contingency, risk allowance, and escalation provisions.
- Documenting assumptions, exclusions, and estimate classes.
- Workshop: building and defending a cost estimate.

Day 3: Budget Construction and Cost Planning

- Turning an estimate into an approved budget.
- Incremental, zero-based, and activity-based budgeting compared.
- Building operating, capital, and cash budgets.
- Cost baselines, phasing, and cash flow timing.
- Overhead allocation and cost recovery planning.
- Cost codes, cost centres, and budget accountability.
- Exercise: preparing a cost-loaded budget from an estimate.

Day 4: Cost Control and Variance Analysis

- Establishing cost baselines and control accounts.
- Commitment accounting and accrual-based cost capture.
- Variance analysis: price, volume, mix, and efficiency.
- Earned value management (EVM): PV, EV, AC, CV, and CPI.
- Estimate at completion (EAC) and forecast to complete.

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- Root cause investigation for cost overruns.
- Simulation: investigating an overrun and forecasting the outturn.

Day 5: Reporting, Governance, and Corrective Action

- Cost control reports, dashboards, and reporting cadence.
- Spend gates, approval limits, and commitment control discipline.
- Change control and its effect on cost baselines.
- Corrective action: recovery plans and cost reduction options.
- Benefits tracking and lessons learned for future estimates.
- Ethics, transparency, and audit readiness in cost reporting.
- Capstone: presenting an integrated estimating, budgeting, and control plan.

Conclusion

By successfully completing Estimating, Budgeting and Cost Control, participants will gain a practical command of estimation methods, budget construction, and cost control analysis. They will acquire skills in three-point estimating, contingency setting, variance analysis, earned value interpretation, and corrective action planning that keep cost performance visible. Gentex Training Center designs the programme to help professionals estimate, plan, and control cost with confidence.

FAQs





Q1 What is the "Estimating, Budgeting and Cost Control" course about?

It builds the three connected skills that keep a project or department financially on track. The course spans cost foundations and classification, estimation methods and techniques, budget construction and cost planning, cost control and variance analysis, and reporting, governance, and corrective action.

Q2 What are the key benefits of the "Estimating, Budgeting and Cost Control" course?

You gain a method that reduces surprises rather than explaining them later. The course improves estimate accuracy and contingency setting, strengthens budget construction and phasing, sharpens variance and earned value analysis, and gives you corrective action routines that protect the cost baseline.

Q3 What skills will I gain from the "Estimating, Budgeting and Cost Control" course?

You will develop four core skills: cost classification and estimation technique, budget construction and cost planning, cost control with variance and earned value analysis, and cost reporting with governance and corrective action.



Q4 What tools, methods, or standards are covered in the "Estimating, Budgeting and Cost Control" course?

The course covers cost classification and behaviour analysis, the relevant range and cost drivers, lifecycle costing and total cost of ownership, historical and analogous estimating, parametric estimating with unit rates, bottom-up estimating with work breakdown structures (WBS), three-point estimating, contingency and escalation provisions, estimate classes and assumption documentation, incremental, zero-based and activity-based budgeting, operating, capital and cash budget construction, cost baselines and phasing, overhead allocation, cost codes and cost centres, commitment accounting, price, volume, mix and efficiency variance analysis, earned value management (PV, EV, AC, CV, CPI), estimate at completion (EAC) and forecast to complete, root cause investigation, spend gates and approval limits, change control, corrective action and recovery planning, and audit readiness standards.

Q5 How is the "Estimating, Budgeting and Cost Control" course applied in real-world practice?

Participants apply it to real work such as building and defending a cost estimate, converting an estimate into a cost-loaded budget, investigating a cost overrun and forecasting the outturn, running an earned value review, and presenting a recovery plan to management. The same methods support change control assessment and lessons learned for future estimates.