

# Managing with CRIMS

Benefits for Project Managers and  
Stake Holders When Using CRIMS

Accurately forecast and manage

# Traditional Cost Estimate

## One Possible Outcome



Planning	\$104,217
Booth Space	\$270,964
Booth Construction	\$156,325
Pre-show PR	\$41,687
Printed Material	\$31,265
Shipping	\$104,217
On-site Services	\$229,277
Personnel Expenses	\$52,108
Promotions	\$52,108
Total	\$1,042,168

## Can You Answer These!

*How much might it end up costing me?*

*How likely will it be completed at this cost?*

*How can I reassign resources to change the cost/ risk assessment?*

A spreadsheet is one possible outcome to complete a project.

# CRIMS Cost Estimate

CRIMS

Spreadsheet  
\$1,042,168

Probability to Complete	Total Cost
10.0	\$756,579
25.0	\$921,385
50.0	\$1,042,168
75.0	\$1,246,022
90.0	\$1,754,334

CRIMS identifies how much the project could cost.

CRIMS identifies the probability that a project can be completed at a specific cost.

CRIMS predicts how the reallocation of resources will impact probability to complete the project.

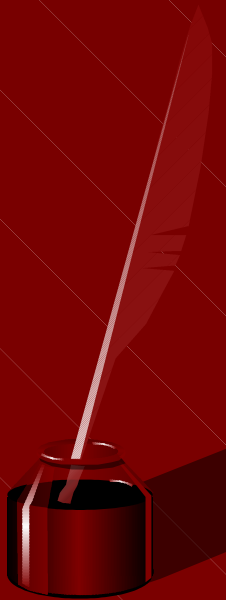


# Risk Identification

Activity	Risk Level	Cost Exposure
3 <sup>rd</sup> Party Integration	Unknown	\$100,000
Upgrade Definition	Significant	\$75,000
User Interface	Moderate	\$100,000
Market Requirements	Minimum	\$150,000
Beta Testing	Minimum	\$50,000
Localization	None	\$75,000

Association of risk when budgeting has multiple benefits:

1. Resource reallocation and monitoring.
2. Evaluation of potential cost and return on investment.
3. Document the decision making process for review.



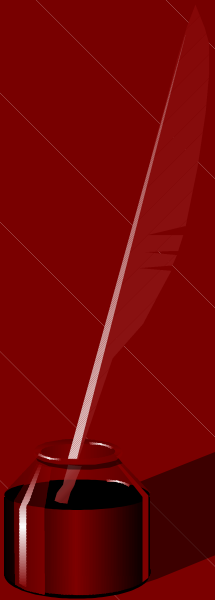
# Alternative Tools...

What tool forecasts cost and risk?

Microsoft Project – No

Microsoft Excel – Maybe

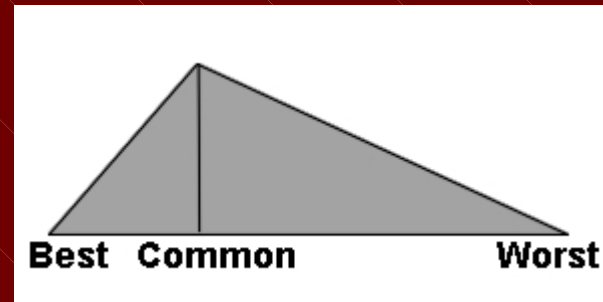
Applications designed for mathematicians  
and statisticians - Difficult to learn



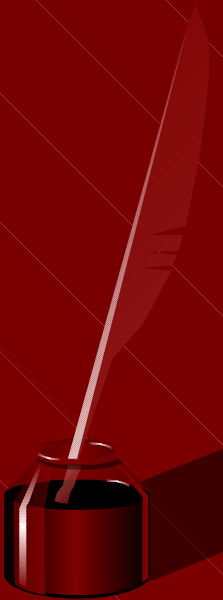
Great Budget is easy to learn and as customizable as you need.

# How CRIMS Works

- Step 1:**  
Get cost knowledge
- Best case
  - Worst case
  - A 'common' case



- Step 2:**  
How likely is the 'common' case?
- Optimistic
  - Pessimistic
  - Neutral



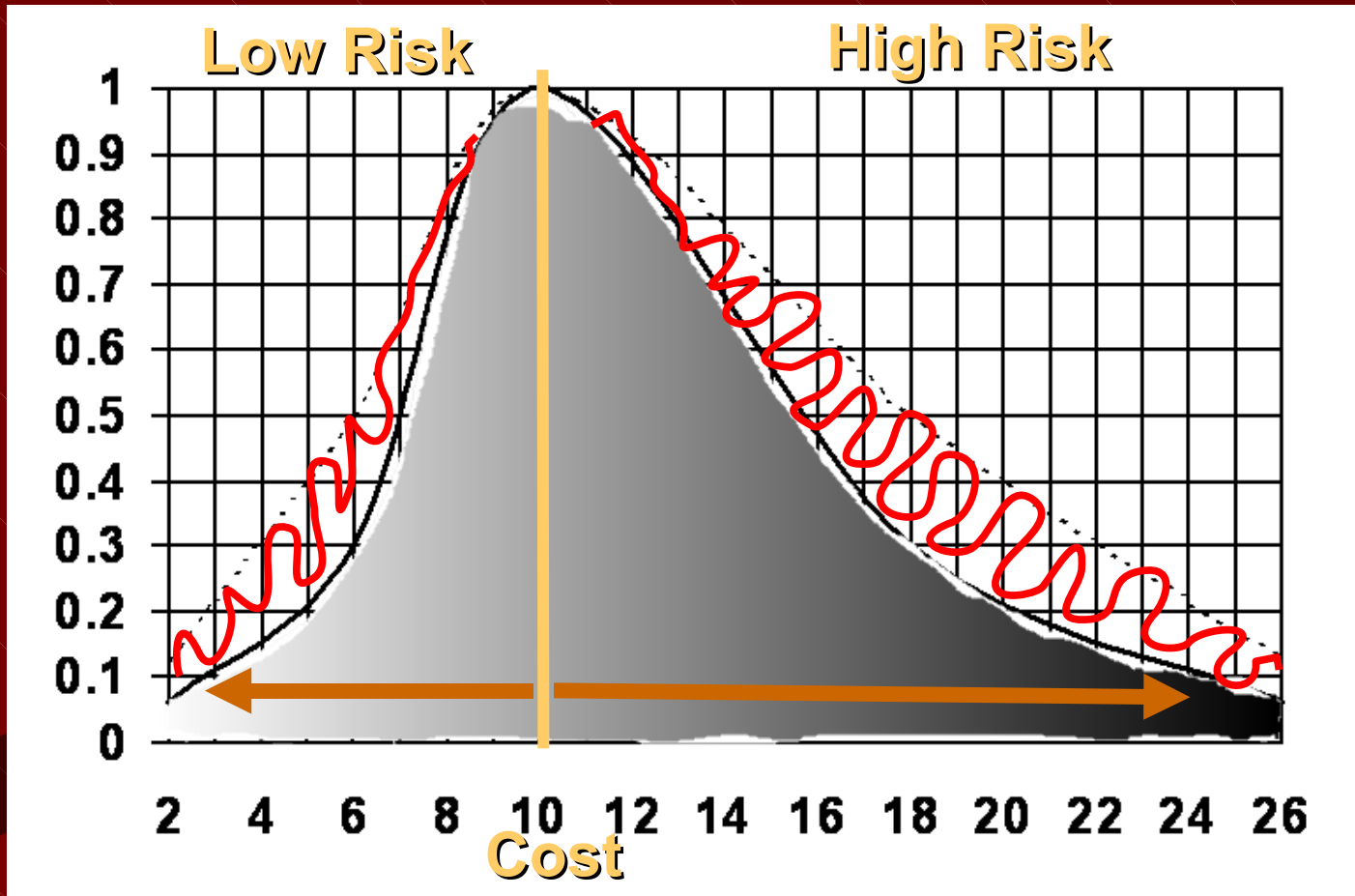
# How Great Budget Works

You provide:

Great Budget Calculates:

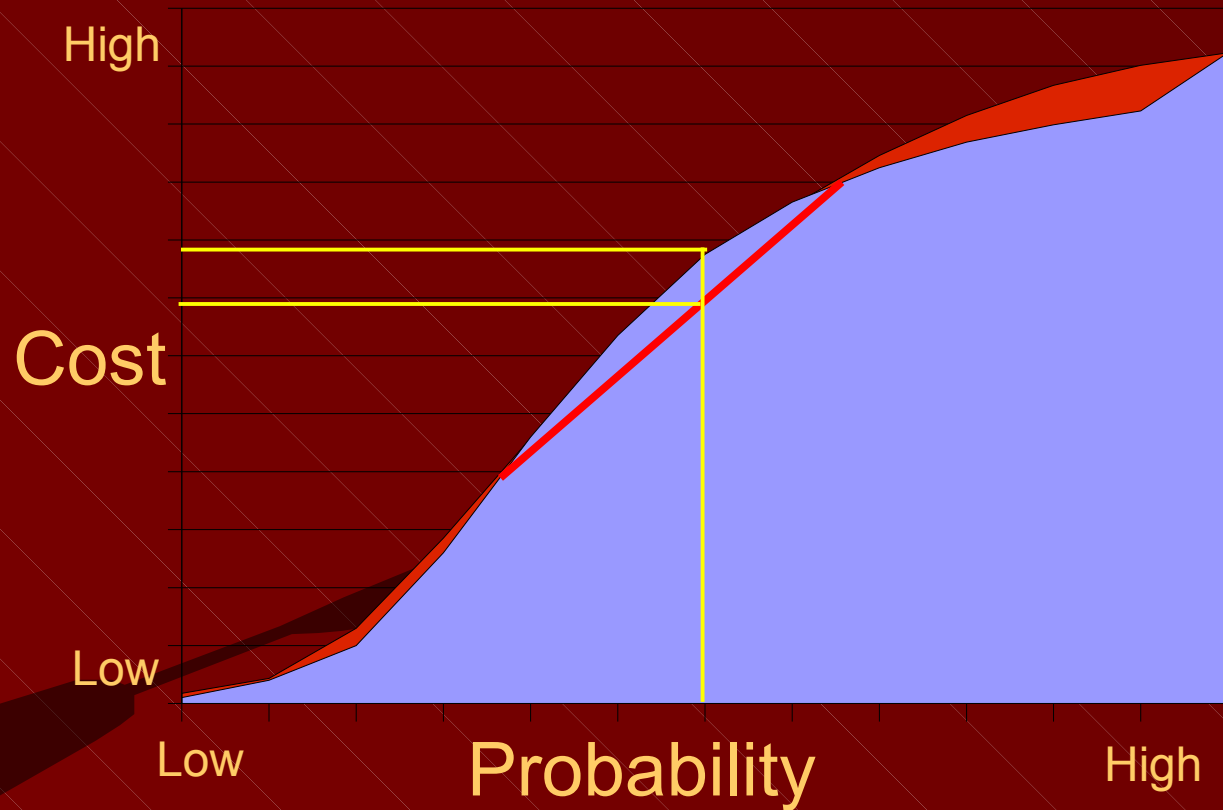
Activity	Risk Level	Cost Exposure	<b>Minimum</b>	<b>Maximum</b>	<b>Perception</b>
3rd Party Integration	Unknown	\$100,000	<b>\$90,000</b>	<b>\$300,000</b>	<b>Normal</b>
Upgrade Definition	Significant	\$75,000	<b>\$50,000</b>	<b>\$150,000</b>	<b>Pessimistic</b>
User Interface	Moderate	\$100,000	<b>\$80,000</b>	<b>\$150,000</b>	<b>Optimistic</b>
Market Requirements	Minimum	\$150,000	<b>\$150,000</b>	<b>\$200,000</b>	<b>Optimistic</b>
Beta Testing	Minimum	\$50,000	<b>\$50,000</b>	<b>\$100,000</b>	<b>Normal</b>
Localization	None	\$75,000	<b>\$65,000</b>	<b>\$90,000</b>	<b>Normal</b>

# The Cost/ Risk Curve



Which is more risky? The original curve or the curve above the red?

# Cost Comparison



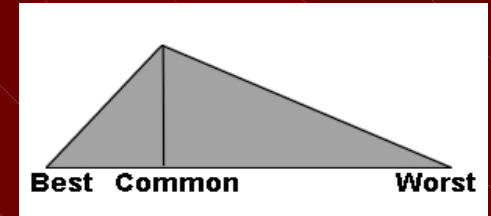
The 'Red' solution is less risky. The yellow lines indicate how at 50% probability, red is a less expensive proposal.



# How does Great Budget Do It?

## Given:

35 Activities and  
best, worst and common cost scenarios



## Results:

50,000 Billion possible outcomes

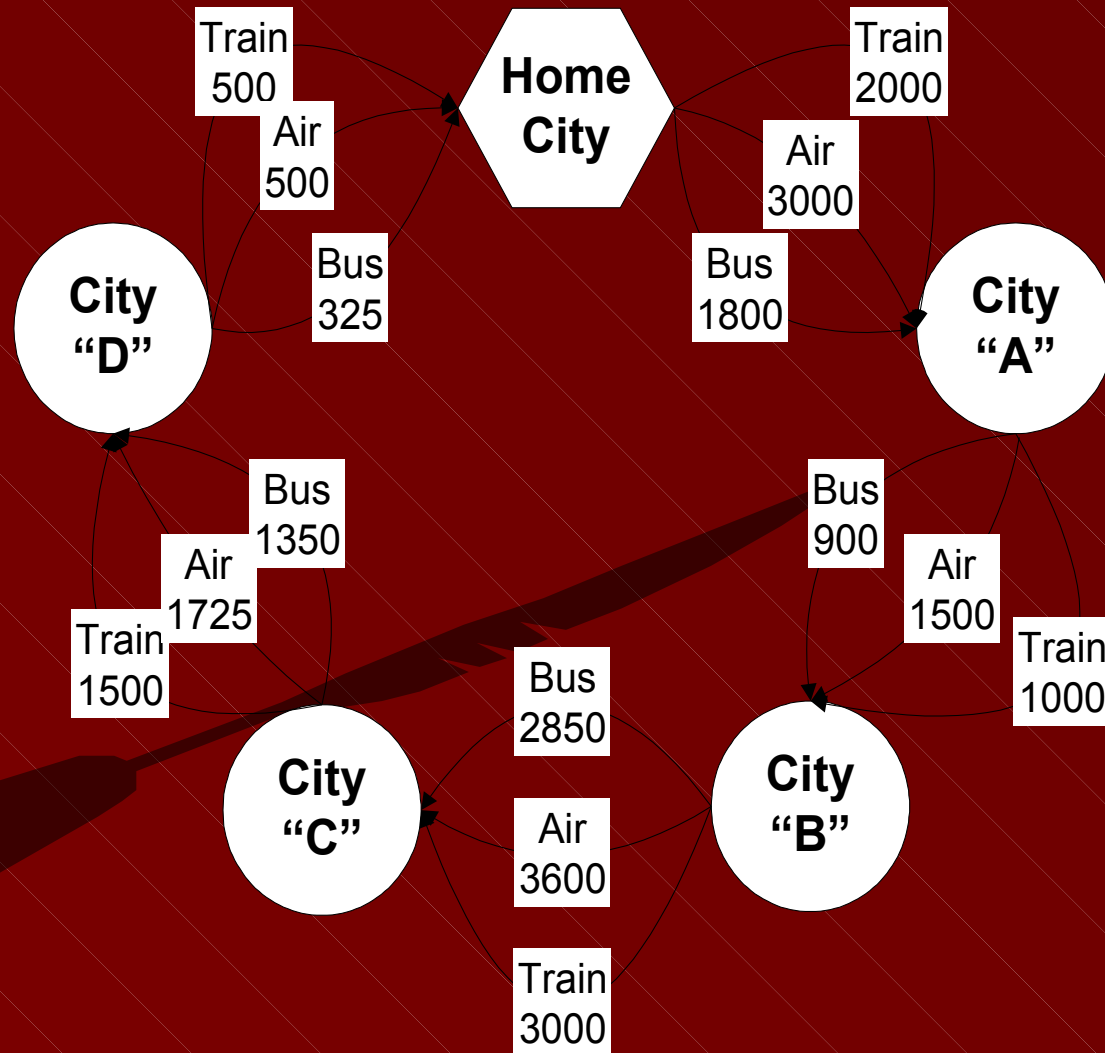
Add two intermediate points for more accuracy:

## Results:

3 e+24 (3 followed by 24 0's)  
How many miles is that?


6 Billion people traveling to the sun and back 1 1/2 Million times

# Traveling Salesman



How much should you budget for this trip?

# Sample from Traveling Salesman

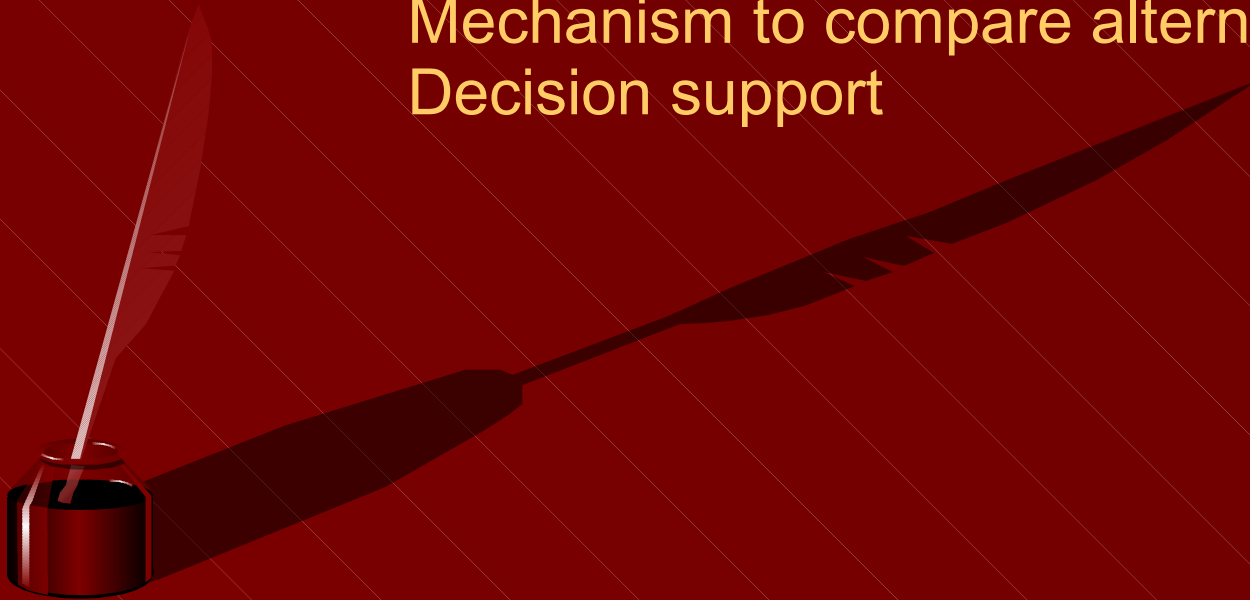


Test #	Route					Total
	1	2	3	4	5	
150	1800	1500	3600	1500	325	8725
151	2000	900	3600	1725	500	8725
152	2000	900	3600	1725	500	8725
153	2000	1500	3000	1725	500	8725
154	2000	1500	3000	1725	500	8725
155	3000	900	3000	1500	325	8725
156	1800	1500	3600	1350	500	8750
157	1800	1500	3600	1350	500	8750
158	3000	900	2850	1500	500	8750
159	3000	900	2850	1500	500	8750
160	3000	900	3000	1350	500	8750
161	3000	900	3000	1350	500	8750

There are 343 possible outcomes, which is most likely?

# Include Risk in Budgeting...

Gives context to the number  
Mechanism to compare alternatives  
Decision support



Accurately Forecast and Manage

A blue sports car is driving on a multi-lane highway. The car is in the center lane, moving away from the viewer. In the background, other cars are visible on the road. A green banner with a black border is positioned at the top of the image, containing two website URLs. The overall scene is set against a clear blue sky and a distant horizon.

[www.CRIMS.org](http://www.CRIMS.org)  
[www.greatbudget.com](http://www.greatbudget.com)

Your Bridge to more  
Accurate Forecasting