An adage in construction is that a successful project is any project that comes in under budget and ahead of schedule. Or at least one that doesn't considerably over-run either one.

In some cases, however, we have completely different audiences monitoring each of these two pillars within the triangle of scope, cost, and time. While project teams in the

appears to be on schedules: what are we doing this week, what do we need to prepare for next week? And while teams

schedule over-runs, their primary focus is on comparing actual vs budgeted costs.

The Essence of Cost and Work Breakdown Structures

When we think of a cost breakdown structure (CBS) we typically think of execution budgets. In many cases, these budgets are sum0dge3ppMC *P* b00e (omo any)36ny a(m)E30 1 Tm[(a(m)E30MCI1001027 175.40 Tm[budgets ar are2050C010A0070B0805

The Difference is in the Details

In many cases, the level of detail in the CBS is different than in the WBS, and this can lead to confusion and uncertainty about the way costs and schedules may be connected. Sometimes we spend way too much time trying to align a summary budget with a detailed schedule or a detailed cost breakdown with a summarized schedule.

In both the budgeting and scheduling worlds, the least common denominator may be a list of schedule milestones that can be aligned with a cost breakdown structure. WBS Summaries and Level of Effort tasks can help with this. Done this way, we don't need a one-to-one relationship between each line item in the schedule and each budget item in the detailed cost breakdown. Instead, we can summarize one to feed the other.

In cases where costs won't be distributed evenly between start

if we know certain exterior work can't be done during the rainy season, we can model how much work will be performed before and after the period in question.

Breakdowns That Bring it All Together

Why tie the two together at all? Many organizations are keen to understand the time-phasing of their costs, revenue, and even resource utilization. During execution, it may be important to analyze a time-phased forecast of remaining costs. Many Key Performance Indices are used to measure individual and corporate performance, which are based on the timing, progress, and budgets of the work.

Schedule performance index (SPI), for example, combines the amount of work which should've been completed during a particular period to the actual amount of work performed at that time. This can be particularly helpful to identify those activities, which if left alone, might have a dramatic

corrected.

The ability to time-phase budgets and forecasts is particularly helpful in managing funding sources for owners and can help contractors better understand the relationship between the costs they incur when they perform work, and the revenue they receive when they will get paid for that work. Having this

owners as well as contractors.

Today's technology allows for a straightforward marriage of a project CBS and WBS and provides valuable input to those folks who are responsible for bringing the project in under budget and ahead of schedule.