

Copy # _____

FullCost
Budget Unit Managers' Handbook

January 17, 2014

copyright 2014 N. Dean Meyer and Associates Inc.

DISTRIBUTION LIMITED TO LICENSEES

Contents

| | |
|---|-------------|
| Figures | viii |
| Introduction | 1 |
| Part 1: The Process | 3 |
| Overview | 3 |
| Workshop 1: Preliminary Planning | 4 |
| Client Task 1: Appoint Project Managers, Procure License | 10 |
| Workshop 2: Project Plan | 12 |
| Client Task 2: Prepare for Senior Management Meeting | 13 |
| Workshop 3: Senior Management Meeting | 15 |
| Workshop 4: Project Managers Training: Concepts | 34 |
| Client Task 3: Communicate Process | 35 |
| Client Task 4: Prepare for Budget Unit Managers Education | 41 |
| Workshop 5: Budget Unit Managers Education | 42 |
| Workshop 6: Project Managers Workshop: Generate FullCost Workbooks | 49 |
| Client Task 5: Distribute FullCost Workbooks | 50 |
| Workshop 7: Project Managers Training: Catalog, Units, and Deliverables | 51 |
| Client Task 6: Catalog and Units, Draft | 52 |
| Client Task 7: Catalog and Units, Draft, Coaching | 54 |
| Workshop 8: Catalog and Units, Draft | 55 |
| Client Task 8: Catalog and Units, Final | 57 |
| Client Task 9: Catalog and Units, Final, Coaching | 58 |
| Workshop 9: Catalog and Units, Final; Teach Deliverables | 59 |
| Client Task 10: Deliverables, Draft | 60 |
| Client Task 11: Deliverables, Draft, Coaching {FMM 3+} | 64 |
| Workshop 10: Deliverables, Draft {FMM 3+} | 65 |
| Client Task 12: Deliverables, Final | 67 |
| Client Task 13: Deliverables, Final, Coaching | 68 |
| Workshop 11: Deliverables, Final | 69 |

| | |
|---|-----|
| Client Task 14: Priorities and Forecasted Units | 71 |
| Client Task 15: Priorities and Forecasted Units Coaching | 73 |
| Workshop 12: Project Managers Training: Compensation and Costs | 74 |
| Workshop 13: Compensation Costs, Hours | 75 |
| Client Task 16: Compensation Costs, Hours | 77 |
| Client Task 17: Compensation Costs, Hours Coaching | 80 |
| Workshop 14: Compensation Costs, Hours; Teach External Costs | 81 |
| Client Task 18: External Costs, Draft | 83 |
| Client Task 19: External Costs, Coaching | 88 |
| Workshop 15: Coaching in External Costs; Teach Revenues | 89 |
| Workshop 16: Project Managers Training: Revenues, Internal and Overhead | 91 |
| Client Task 20: Revenues | 92 |
| Workshop 17: Internal Sales | 94 |
| Client Task 21: Internal Indirect Questions | 96 |
| Client Task 22: Check Internal-indirect Data and Calculations | 98 |
| Workshop 18: Overhead Sales | 99 |
| Workshop 19: Project Managers Workshop: Data Cleanup | 100 |
| Client Task 23: Prepare for Management Scrutiny | 101 |
| Client Task 24: Management Scrutiny | 102 |
| Client Task 25: Match Budget Targets | 111 |
| Client Task 26: FLIP: Final Reports | 114 |
| Workshop 20: FLIP: Review Final Reports | 115 |
| Workshop 21: FLIP: Prepare for Next Year | 118 |
| Client Task 27: FLIP: Catalog, Units | 119 |
| Client Task 28: FLIP: Deliverables | 120 |
| Workshop 22: FLIP: Checkpoint Review 1 | 121 |
| Client Task 29: FLIP: Compensation Costs | 122 |
| Client Task 30: FLIP: External Costs | 124 |
| Workshop 23: FLIP: Checkpoint Review 2 | 125 |
| Client Task 31: FLIP: Internal, Overhead Sales | 126 |
| Client Task 32: FLIP: Revenues | 127 |

| | |
|--|------------|
| Workshop 24: FLIP: Project Managers Workshop: Data Cleanup | 128 |
| Client Task 33: FLIP: Prepare for Management Scrutiny | 129 |
| Client Task 34: FLIP: Management Scrutiny | 130 |
| Client Task 35: FLIP: Match Budget Targets | 131 |
| Client Task 36: Final Reports | 132 |
| Workshop 25: Review Final Reports | 133 |
| Client Task 37: Budget Negotiation Preparation | 136 |
| Client Task 38: Budget Negotiation | 139 |
| Client Task 39: Final Reports, Upload | 146 |
| Workshop 26: Next Steps | 147 |
| Client Task 40: Prepare for Next Year | 156 |
| Subsequent Years | 157 |
| Part 2: The Data | 159 |
| Worksheet: BudgetUnit Overview | 159 |
| Worksheet: Deliverables | 163 |
| Worksheet: Catalog | 205 |
| Worksheet: Units | 216 |
| Worksheet: Staffing Plan | 230 |
| Worksheet: People | 254 |
| Worksheet: External Indirect | 258 |
| Worksheet: Internal Indirect | 263 |
| Worksheet: Corporate Indirect | 266 |
| Worksheet: Costs | 268 |
| Worksheet: Staffing Categories | 269 |
| Worksheet: Contract Bundles | 270 |
| Worksheet: Initiatives | 271 |
| Worksheet: Sale Types | 272 |
| Worksheet: Product Sets | 273 |
| Worksheet: Service Portfolios | 274 |
| Worksheet: Cost Towers | 275 |

| | | |
|--------------------------------------|-------------------|------------|
| Worksheet: Budget Units | | 276 |
| Worksheet: Corporate BUs | | 277 |
| Worksheet: Clients | | 278 |
| Worksheet: Overhead | | 279 |
| Worksheet: Checkbooks | | 280 |
| Part 3: The Commands | | 281 |
| Installing and Updating the Software | | 281 |
| General Instructions | | 284 |
| Budget Unit Filename | | 284 |
| Opening a Budget Unit Workbook | | 284 |
| Saving a Budget Unit Workbook | | 284 |
| CSV Files | | 285 |
| Excel Functions | | 285 |
| Warning: Cut and Paste | | 286 |
| Reminder: Space versus Empty Cell | | 286 |
| Navigation | | 286 |
| Calculation | | 286 |
| Selecting Rows/Columns | | 287 |
| Row Filter | | 288 |
| Add rows/column | [CONTROL-SHIFT-A] | 290 |
| Delete rows/column | [CONTROL-SHIFT-D] | 291 |
| Move rows/column | [CONTROL-SHIFT-M] | 292 |
| Copy rows/column | [CONTROL-SHIFT-Y] | 293 |
| Sort rows/column | [CONTROL-SHIFT-S] | 294 |
| Sequence of rows save/restore | [CONTROL-SHIFT-Q] | 295 |
| View titles row full/short | [CONTROL-SHIFT-V] | 296 |
| Number codes on deliverables rows | [CONTROL-SHIFT-N] | 297 |
| Prime on/off on deliverables rows | [CONTROL-SHIFT-E] | 299 |
| Width of column(s) | [CONTROL-SHIFT-W] | 300 |
| Comment cells | [CONTROL-SHIFT-C] | 301 |

| | | |
|--|-------------------|------------|
| Highlight cells | [CONTROL-SHIFT-H] | 302 |
| Replace/delete all text in cells | [CONTROL-SHIFT-R] | 303 |
| Insert text in front/back of cells | [CONTROL-SHIFT-I] | 304 |
| Password in Budget Unit | [CONTROL-SHIFT-P] | 305 |
| Worksheet add/delete/rename | [CONTROL-SHIFT-K] | 307 |
| External references examine (entire workbook) | [CONTROL-SHIFT-X] | 308 |
| Circular reference search in workbook | [CONTROL-SHIFT-O] | 309 |
| Fix formats/formulas (entire workbook) | [CONTROL-SHIFT-F] | 310 |
| Go back/forward | [CONTROL-SHIFT-G] | 311 |
| Bookmark save/go to/clear | [CONTROL-SHIFT-B] | 312 |
| Jump | [CONTROL-SHIFT-J] | 314 |
| Part 4: Special Situations and Walk-throughs | | 319 |
| Revenues: Allocations | | 319 |
| Revenues: Multiple Clients Share a Funding Source | | 320 |
| Revenues: Multiple Funding Sources Pay for a Deliverable | | 321 |
| Revenues: Reimbursables (Pass-throughs) | | 322 |
| Revenues: Clients Pay for Infrastructure | | 324 |
| Revenues: Start-up Business | | 326 |
| Revenues: New Services that are Both Venture and Service Delivery | | 327 |
| Revenues: Unfunded Mandates | | 328 |
| Revenues: Make Clients Whole During Rate Transition | | 329 |
| Revenues: Profit Target | | 331 |
| Catalog and Units: Compound Rates (Base Rate and Volume Rate) | | 332 |
| Catalog and Units: Applications Hosting, Deliverable-unique Subcontracts | | 333 |
| Catalog and Units: Many SKUs | | 334 |
| Costs, Personnel: Vacant Positions | | 336 |
| Costs, Personnel: Person Split Across Budget Units | | 337 |
| Costs, Personnel: All Staff in Budget Unit are Part-time | | 338 |
| Costs, Personnel: After-hours Work | | 339 |
| Costs, Personnel: On-call | | 340 |

| | |
|--|------------|
| Costs, Personnel: Comp-time | 342 |
| Costs, Personnel: Unbillable Time Per Budget Unit | 343 |
| Costs, Personnel: Compensation Excluded from the Budget | 344 |
| Costs, Personnel: Clients Pay Staff Compensation | 347 |
| Costs, Non-personnel: Lease-Purchase | 352 |
| Costs, Non-personnel: Vendor Licenses and Support Agreements | 354 |
| Assets: Inventory | 356 |
| Assets: Rolling Fund, Working Capital Fund | 357 |
| Assets: Discretionary Fund | 361 |
| Walk-through: Solution Delivery and Maintenance | 362 |
| Walk-through: Solution Operations | 363 |
| Walk-through: Solution Support (Help Desk) | 364 |
| Walk-through: Infrastructure Investments | 365 |
| Walk-through: Documentation and Training Materials | 366 |
| Walk-through: Training | 367 |
| Part 5: Reports in the Masterfile | 369 |
| Charts | 369 |
| Deliverables | 369 |
| Internal Circularity | 371 |
| Catalog List | 373 |
| Units List | 375 |
| People List | 377 |
| External Indirect List | 379 |
| Internal Indirect List | 380 |
| Direct Costs List | 381 |
| Reimbursables List | 383 |
| Deliverables Verify | 384 |
| Staffing Summary | 388 |
| Minimum Hours Usage | 390 |
| Headroom | 392 |

| | |
|----------------------------|------------|
| Spending Plan | 395 |
| Cost Towers Analysis | 396 |
| Cost Drivers | 397 |
| Upload | 399 |
| Hours | 401 |
| Rates Analysis | 402 |
| Costs-Revenues | 404 |
| Budget | 407 |
| Internal-Overhead | 411 |
| Project Costs | 413 |
| Profitability | 415 |
| Rates | 419 |
| Catalog | 423 |
| Rate Costs | 425 |
| Custom Chart | 427 |
| Part 6: Definitions | 429 |
| INDEX | 462 |

Figures

| | |
|--|-----|
| Figure 1: Level of Detail on Deliverables | 32 |
| Figure 2: Key Changes | 39 |
| Figure 3: Mapping Budget Units to Cost Centers | 45 |
| Figure 4: External Costs Decision Tree | 85 |
| Figure 5: Revenue Source Decision Tree | 179 |
| Figure 6: Proponent by Revenue Source | 181 |
| Figure 7: Summary of Revenue Calculations | 195 |