

Copy # _____

FullCost

Project Managers' Handbook

July 1, 2013

copyright 2013 N. Dean Meyer and Associates Inc.

DISTRIBUTION LIMITED TO LICENSEES

FullCost Project Managers' Handbook

Meyer, N. Dean

Key words: business planning, budget, budgeting, product costing, service costing, activity-based costing, activity-based budgeting, activity-based management, pricing, rates, chargebacks, fee-for-service, allocations, shared services, service catalog, internal economy.

Version July 1, 2013

NDMA Publishing
3-B Kenosia Avenue
Danbury, CT 06810 USA
203-790-1100
ndma@ndma.com

Copyright 2013.

All rights are reserved. This document, or parts thereof, may not be reproduced in any form without the written permission of the publisher. It is available only to employees of licensed organizations.

"FullCost" and "Full-cost Maturity Model" are registered trademarks of N. Dean Meyer and Associates Inc.

"Excel" is a registered trademark of Microsoft Corp.

Printed in the United States of America.

Contents

Introduction	1
Key Decisions	3
Part 1: The Process	5
Process Overview	5
Workshop 1: Preliminary Planning	6
Client Task 1: Appoint Project Managers, Procure License	7
Workshop 2: Project Plan	8
Client Task 2: Prepare for Senior Management Meeting	9
Workshop 3: Senior Management Meeting	10
Workshop 4: Project Managers Training: Concepts	11
Client Task 3: Communicate Process	15
Client Task 4: Prepare for Budget Unit Managers Education	18
Workshop 5: Budget Unit Managers Education	21
Workshop 6: Project Managers Workshop: Generate FullCost Workbooks	22
Client Task 5: Distribute FullCost Workbooks	30
Workshop 7: Project Managers Training: Catalog, Units, and Deliverables	32
Client Task 6: Catalog and Units, Draft	35
Client Task 7: Catalog and Units, Draft, Coaching	36
Workshop 8: Catalog and Units, Draft	37
Client Task 8: Catalog and Units, Final	38
Client Task 9: Catalog and Units, Final, Coaching	39
Workshop 9: Catalog and Units, Final; Teach Deliverables	40
Client Task 10: Deliverables, Draft	41
Client Task 11: Deliverables, Draft, Coaching {FMM 3+}	42
Workshop 10: Deliverables, Draft {FMM 3+}	44
Client Task 12: Deliverables, Final	45
Client Task 13: Deliverables, Final, Coaching	46
Workshop 11: Deliverables, Final	50

Client Task 14: Priorities and Forecasted Units	51
Client Task 15: Priorities and Forecasted Units Coaching	52
Workshop 12: Project Managers Training: Compensation and Costs	54
Workshop 13: Compensation Costs, Hours	57
Client Task 16: Compensation Costs, Hours	58
Client Task 17: Compensation Costs, Hours Coaching	59
Workshop 14: Compensation Costs, Hours; Teach External Costs	62
Client Task 18: External Costs, Draft	63
Client Task 19: External Costs, Coaching	64
Workshop 15: Coaching in External Costs; Teach Revenues	67
Workshop 16: Project Managers Training: Revenues, Internal and Overhead	68
Client Task 20: Revenues	71
Workshop 17: Internal Sales	72
Client Task 21: Internal Indirect Questions	73
Client Task 22: Check Internal-indirect Data and Calculations	74
Workshop 18: Overhead Sales	77
Workshop 19: Project Managers Workshop: Data Cleanup	78
Client Task 23: Prepare for Management Scrutiny	83
Client Task 24: Management Scrutiny	85
Client Task 25: Match Budget Targets	86
Client Task 26: FLIP: Final Reports	87
Workshop 20: FLIP: Review Final Reports	88
Workshop 21: FLIP: Prepare for Next Year	89
Client Task 27: FLIP: Catalog, Units	91
Client Task 28: FLIP: Deliverables	92
Workshop 22: FLIP: Checkpoint Review 1	93
Client Task 29: FLIP: Compensation Costs	94
Client Task 30: FLIP: External Costs	95
Workshop 23: FLIP: Checkpoint Review 2	96
Client Task 31: FLIP: Internal, Overhead Sales	97
Client Task 32: FLIP: Revenues	98

Workshop 24: FLIP: Project Managers Workshop: Data Cleanup	99
Client Task 33: FLIP: Prepare for Management Scrutiny	100
Client Task 34: FLIP: Management Scrutiny	101
Client Task 35: FLIP: Match Budget Targets	102
Client Task 36: Final Reports	103
Workshop 25: Review Final Reports	104
Client Task 37: Budget Negotiation Preparation	107
Client Task 38: Budget Negotiation	108
Client Task 39: Final Reports, Upload	109
Workshop 26: Next Steps	117
Client Task 40: Prepare for Next Year	118
Subsequent Years	120
Part 2: The Data	123
Worksheet: Overview	123
Worksheet: Budget Units	127
Worksheet: Charts	135
Worksheet: Staffing Categories	136
Worksheet: Clients	138
Worksheet: Consortia	140
Worksheet: Checkbooks	143
Worksheet: Contract Bundles	144
Worksheet: Initiatives	145
Worksheet: Sale Types	146
Worksheet: Product Sets	147
Worksheet: Service Portfolios	148
Worksheet: Currencies	149
Worksheet: Overhead	150
Worksheet: Corporate BUs	154
Worksheet: Corporate Indirect	155
Worksheet: Deliverables	156

Budget Unit Calculations	158
Part 3: The Commands	161
General Instructions	161
Adding, Deleting, and Renaming FullCost Files	161
Masterfile Filename	161
Opening the Masterfile	162
Saving the Masterfile	162
CSV Files	162
Excel Functions	163
Warning: Cut and Paste	163
Reminder: Space versus Empty Cell	164
Navigation	164
Calculation	164
Budget Units Filter	165
Files	167
Open and update	167
Save	169
Close	170
Windows	171
Minimize all	171
Tile all	171
Maximize all	171
Max Growth Cap set	172
Apply next Edit command	173
Recalculation	175
Automatic	176
Manual	176

Internal deliverables	177
Decide	177
Row	177
Budget Unit	178
All/selected Budget Units	179
Sell	180
Row [CONTROL-SHIFT-T] (transfer costs)	180
Budget Unit	181
All/selected Budget Units	182
Unsell	183
Row	183
Budget Unit	184
All/selected Budget Units	185
Repair	185
Row	186
Budget Unit	187
All/selected Budget Units	188
Circular references fix	189
Overhead	197
Decide	197
Row	197
Budget Unit	198
All/selected Budget Units	199
Sell	200
Row	200
Budget Unit	200
All/selected Budget Units	201
Unsell	202
Row	202
Budget Unit	203
All/selected Budget Units	203

Deliverable rows	205
Gather all into Masterfile	206
Delete from Masterfile	209
Reports	210
Catalog list	211
Units list	212
People list	212
External Indirect list	213
Internal Indirect list	214
Direct Costs list	214
Reimbursables list	215
Deliverables verify	215
Staffing summary	217
Minimum hour usage	217
Headroom	218
Spending plan	218
Cost drivers	219
Upload column totals	219
Hours	220
Costs-Revenues	220
Budget	221
Internal-Overhead	222
Project costs	223
Profitability	224
Rates	224
Catalog with rates	225
Rate Analysis	226
Chart	227
Delete all/selected reports	228

Rates freeze/unfreeze	229
Rates	229
Row	230
Budget Unit	231
All/selected Budget Units	232
Billable Hours/Unit	232
Row	233
Budget Unit	233
All/selected Budget Units	234
Setup	235
Budget Units worksheet	235
Hide properties	235
Unhide properties	235
Password (master)	236
Update (fix)	237
Budget Unit	237
All/selected Budget Units	238
Masterfile	238
Everything (Masterfile and all Budget Units)	239
NDMA	239
Debug mode ON/OFF	239
Demo lock/unlock	240
Reset	241
Part 4: Software Issues	243
System Requirements	243
Excel Installation, Configuration, and Restoration	245
Excel File Limitations	247
Installing the FullCost Software	248
Updating the Software	250
Software Crashes	252
Sending Files to/from NDMA	253
Demonstration Versions	254

Part 5: Restructuring Budget Units	255
Moving a Budget Unit to a New Supervisor	255
Merging Budget Units	256
Organizationwide Restructuring	259
INDEX	261