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MODULE III

Project Management Seminar

Module III – Project Life Cycle, Part II

Schedule, costs and budget; execution, communications and status reporting; RAG status monitoring and formal closing. With a note on using AI in each phase.

Juan Mauricio Pérez Jaramillo · 2021 · updated in 2026

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Agenda

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PROCESSES

01 Recap: initiating and scope planning

02 Planning: activities, schedule, costs and budget

03 Execution and communications: the status report (PSR)

04 Monitoring and controlling: risks, issues and RAG status

05 Formal project closing

06 AI in project management, and the module challenge

1. Recap: where we are

WITH AI Paste in your WBS and have it propose initial activities per work package.

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PROCESSES

01 Initiating → 02 Planning → 03 Executing → 04 Monitoring and controlling → 05 Closing

Covered · module II

- Project charter and stakeholders
- Requirements and scope
- WBS: deliverables and work packages

Today · module III

- Activities, schedule, costs and budget
- Execution, communications and PSR
- Monitoring, control, closing

Activities come from the WBS; the schedule and budget come from the activities.

Source: PMBOK Guide, 6th ed. (2017).

02

Planning: time and money

Activities, schedule, costs and budget.

2. From deliverables to activities

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WITH AI Have it propose activities and predecessors: the draft is rough but quick to fix.

Define	Sequence	Estimate
Break down each work package into the activities needed to produce it.	Set dependencies: what comes first, what comes next, what can run in parallel.	Duration and resources for each activity, with the people doing the work.

WBS = deliverables · Activities = the effort to produce them
Rolling wave planning: near-term work is planned in detail; later work at a high level, refined as more information arrives.

Source: PMBOK Guide, 6th ed. (2017).

2. Three models for scheduling work

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WITH AI Describe your project and ask which scheduling model fits and why.

Critical path Predictive	Iterative with backlog Scrum	On demand Kanban
The longest sequence of dependent activities sets the project duration. **Tools: MS Project**	Requirements as user stories, prioritized and refined just before building them, in fixed periods. **Tools: Trello, Jira**	Work is pulled from the backlog when capacity is available; there are no fixed periods. **Tools: Kanban boards**

WHEN CHOOSING, CONSIDER

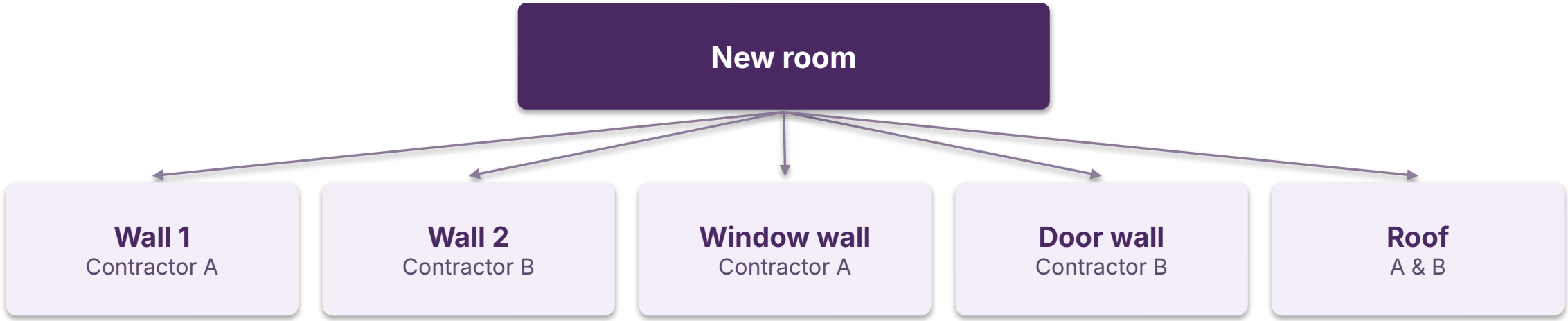
The project life cycle · its size and complexity · the project type (technology or operational) · resource availability.

Source: PMBOK Guide, 6th ed. (2017).

2. Example: building a room

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PROCESSES

WITH AI Have it spot dependencies you missed. Durations come from those doing the work.



- **Define:** building each wall means footing, laying brick, patching, installing and painting.
- **Sequence:** the roof doesn't start until all four walls are done; walls can run in parallel.
- **Estimate:** hours per contractor for each package; these yield the execution cost.

Source: Practice example for educational purposes.

2. Costs and budget: two formulas

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WITH AI Have it build the spreadsheet formulas. Rates and hours come from the team or history.

Execution cost = resource cost × task time

Budget = procurement + execution cost

Detailed estimate	Light estimate
When scope is stable: cost per activity, rolled up.	With high uncertainty: high-level forecast, adjusted as changes arise.

Source: PMBOK Guide, 6th ed. (2017).

2. The room budget

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WITH AI Give it the table and have it check that sums and totals match before presenting.

Procurement	Wall 1	Wall 2	Window wall	Door wall	Roof	Total
Bricks	90,000	90,000	67,500	67,500	—	315,000
Cement, sand and putty	29,340	29,340	19,560	19,560	—	97,800
Paint	41,100	41,100	27,400	27,400	—	137,000
Window, door and electrical	70,000	—	220,000	150,000	—	440,000
Tiles, frame, downspouts	—	—	—	—	500,000	500,000
Total procurement	230,440	160,440	334,460	264,460	500,000	1,489,800

Execution: 2 contractors × $16,000/h	Hrs each	Cost
Walls 48 + 48 + 64 + 64 h; roof 56 h	280	8,960,000

BUDGET
$10,449,800

Source: Practice example with reference prices (2021).

03 Execution and communications

Direct the work and report progress to those who need it.

3. Direct and manage the work

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WITH AI Have it summarize meetings: decisions, owners and what was left open.

Coordinate execution	Review and report progress	Manage changes
Assign resources, manage their use and the technical and organizational interfaces.	Gather performance data and turn it into information for decisions.	Assess the impact of each change and implement only approved ones.

Execution is where most of the budget is spent. Deliverables are produced as outputs of the work planned in the project management plan.

Source: PMBOK Guide, 6th ed. (2017).

3. Communication channels

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WITH AI Ask it for the communications plan: stakeholder, message, channel and frequency.

Written
Emails, newsletters, monthly reports, letters and announcements

Digital
Intranet, portals and reference repositories

In person
Team meetings, committees, briefings and focus groups

One-on-one
Calls and conversations with each stakeholder

Choose the channel per stakeholder: what they need to know, how often and in how much detail. The project's key communication is the status report.

Source: PMBOK Guide, 6th ed. (2017).

3. The project status report (PSR)

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PROCESSES

WITH AI Give it your notes and have it write the PSR in three versions: board, team and user.

Quantitative	Qualitative	Project-specific
• % project completion • Deliverable and task progress • RAG status • Time • Finance	• Wins and milestones • Risks, issues and dependencies • Next steps	• Tests and samples • Topics relevant to the committee • Results

PSR: Project Status Report. A single source of truth on project status, with the same structure in every issue.

04 Monitoring and controlling

Compare actual against planned throughout the project.

4. What we control

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WITH AI Give it the baseline and actuals: have it list variances over 10% by impact.

- Periodically assess performance against the baseline
- Check risks and how they evolve
- Review the underlying information
- Validate the PSR information and constraint tracking
- **Ensure the project stays aligned with the business need** that started it

RISK
A problem that has not materialized and could affect the project.

ISSUE
A risk that has already materialized and is causing damage.

Source: PMBOK Guide, 6th ed. (2017).

4. RAG status by constraint

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WITH AI Have it check that your colors match the PSR text. You set the color.

Constraint	Status	Reading
Overall		Management judgment on the whole
Scope		Deliverables versus commitments
Cost		Execution versus budget
Time		Milestones versus schedule



Green: On track with the plan.



Amber: Risks could push the plan off track.



Red: Issues have already derailed it; needs a decision.

Color is a management judgment

Amber triggers committees and calls for explanations. The project owner decides, not an automatic threshold: thresholds don't know the sole critical vendor just quit.

05 Formal project closing

The most-skipped group, and the one that leaves the most value for the next project.

5. Closing list

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PROCESSES

WITH AI Give it all PSRs and changes: have it find the patterns for lessons learned.

1. Meet the completion or exit criteria
2. Update documents and deliverables; resolve incidents
3. **Obtain formal acceptance of deliverables**
4. Allocate all costs and close the accounts
5. Reassign staff, facilities and equipment
6. Dispose of surplus materials
7. Prepare the final reports
8. Hold the closing session and log lessons learned

The key word is formal: a project whose deliverable nobody accepted in writing is still open.

Source: PMBOK Guide, 6th ed. (2017).

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AI in project management

2026 note: what changed in the toolbox and what didn't.

6. Where it helps, phase by phase

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WITH AI Rule of thumb: if the task transforms information you have, delegate it; if it invents it, don't.

Phase	Helps with	What you don't hand over
Initiating	Going from business case to draft charter	The figures and stakeholder influence analysis
Planning	Reviewing the WBS and writing up agreed scope	Duration and cost estimates
Executing	Turning notes and minutes into communications	What to tell whom
Monitoring and controlling	Spotting variances and checking PSR consistency	Setting the RAG status color
Closing	Lessons learned drawn from all records	Customer acceptance

Good at transforming existing information; bad at producing information that doesn't exist.

6. Four uses to avoid

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WITH AI Before pasting anything, ask whether it could leave the company another way.

Estimates no one validates
An invented cost becomes the baseline, and the project is measured against it for months.

Scope decisions
What's in and out depends on negotiation, budget and strategic priority.

Confidential data in public tools
Unpublished figures, contracts and personal data. If it can't leave the company another way, not this one either.

The stakeholder relationship
AI drafts the email; the hard conversation with the sponsor is the PM's job.

Source: Law 1581 of 2012 (personal data protection).

Module challenge

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PROCESSES

WITH AI Build the PSR content yourself and ask for three versions for three audiences.

Build and present the status report (PSR) for a real project:

1. **Quantitative information: progress, time and finance**
2. **Qualitative information: achievements, risks, issues and next steps**
3. **Project-specific topics**
4. **The RAG status of each constraint, with its rationale**

If you use AI, use it well: build the content yourself and ask for three versions for three audiences (team, committee and sponsor).

Key takeaways

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PROCESSES

WITH AI It saves hours on documents and tracking; estimates and RAG status are still yours.

The budget comes from the WBS
Procurement plus execution cost, package by package.

The PSR is the source of truth
Quantitative, qualitative and specific, with the same structure in every issue.

Risks aren't issues
Amber anticipates; red already happened. The accountable owner sets it.

No acceptance, no closing
The customer's sign-off is an act, not a document.

Sources

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PROCESSES

- A Guide to the Project Management Body of Knowledge (PMBOK Guide), 6th edition. Project Management Institute (2017)
- Law 1581 of 2012, general personal data protection regime (Colombia)
- The room example is for practice, with 2021 reference prices.
- The AI section is an update by the author in 2026.
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Next: Module IV – Agile and Scrum

Juan Mauricio Pérez Jaramillo · WiseData