

Cost S Curve Interpretation

As in planning where reams of reports can be provided, simple graphics are available that allow easy and quick assimilation of the cost status of a project. The most commonly used is the cost S Curve. This a time phased plot showing as a minimum; the budget, commitments, and VOWD.

Simple rules for review of a cost curve

- Commitment and VOWD should always be under budget.
- Commitments should always be more than VOWD.

S Curves are often used in management briefings and can be provided for an overall project or split by project phase or engineering discipline.

Tip: When you attend the management briefing meetings, the Project Engineer will be expected to explain any issues or trends.

The S Curve can highlight issues such as:

- The project being behind schedule, shown by the amount of actual VOWD being less than planned VOWD.
- The project is overspending, shown by actual expenditure being more than planned expenditure.
- The project has unconstrained growth issues, shown by the slope of actual costs being greater than budgeted costs.