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Financial Value Methodologies of Accounting for Resource Management



Project Integrated Accounting Systems For Financial Control and Project Profitability. A Financial Managers Approach to Project Management When Developing Products With Constrained Budgets.

43%

Only 43% of businesses agree that they "always" or "most of the time" complete projects within the established budget.

3 of Top 5

Budgeting, expenditures, and resource overruns are three (3) of the top five (5) budget problems associated with project management.

\$MMs

Companies are wasting millions of dollars and struggling to meet project management financial challenges.

Success or Failure

The project manager's skill as a financial manager can mean the difference between the success or failure of a project.

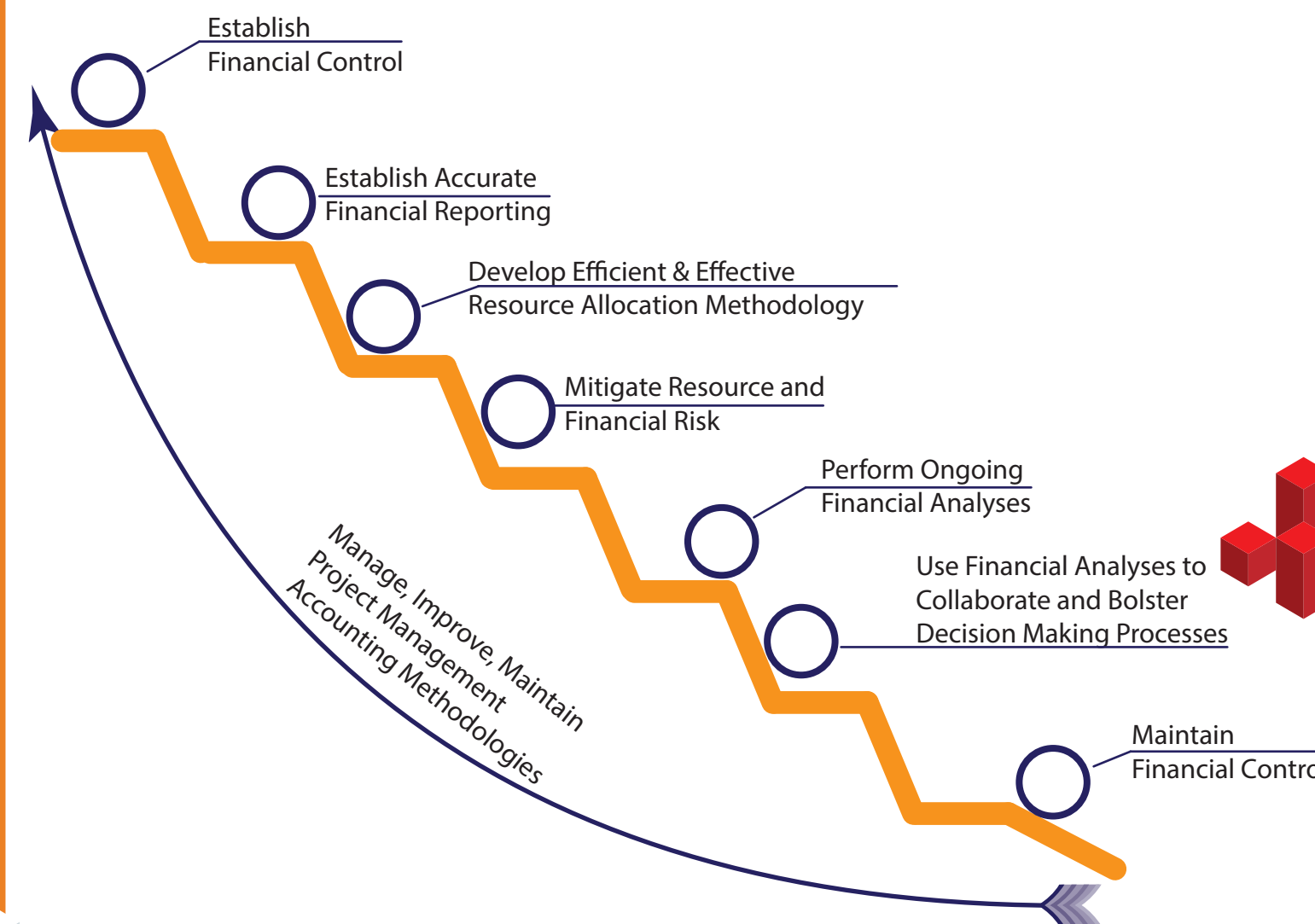
Project Management & EVA

According to the PMI, Earned Value Management (EVM) is a well-known and widely accepted performance management technique. EVM, however, can be very subjective. EVM methods apply a percent completion to a budget value to determine what is earned. This value is determined by the PjM (or the manager or record).

Typically, EVM has an integrated cost and schedule based on past performances. Is past performance the proper gauge for cost control? What if past performance didn't have a complete financial analysis? If you have an incomplete baseline analysis, is the basis a valid gauge?

EVM considers historical cost, schedule, and scope when evaluating accomplishments for a task or an entire project. Does EVM provide an accurate representation of value if the foundation of EVM is built on an unstable cost or schedule basis? A methodology to correct is provided:

EVM Enhancements to More Accurately Define Earned Value



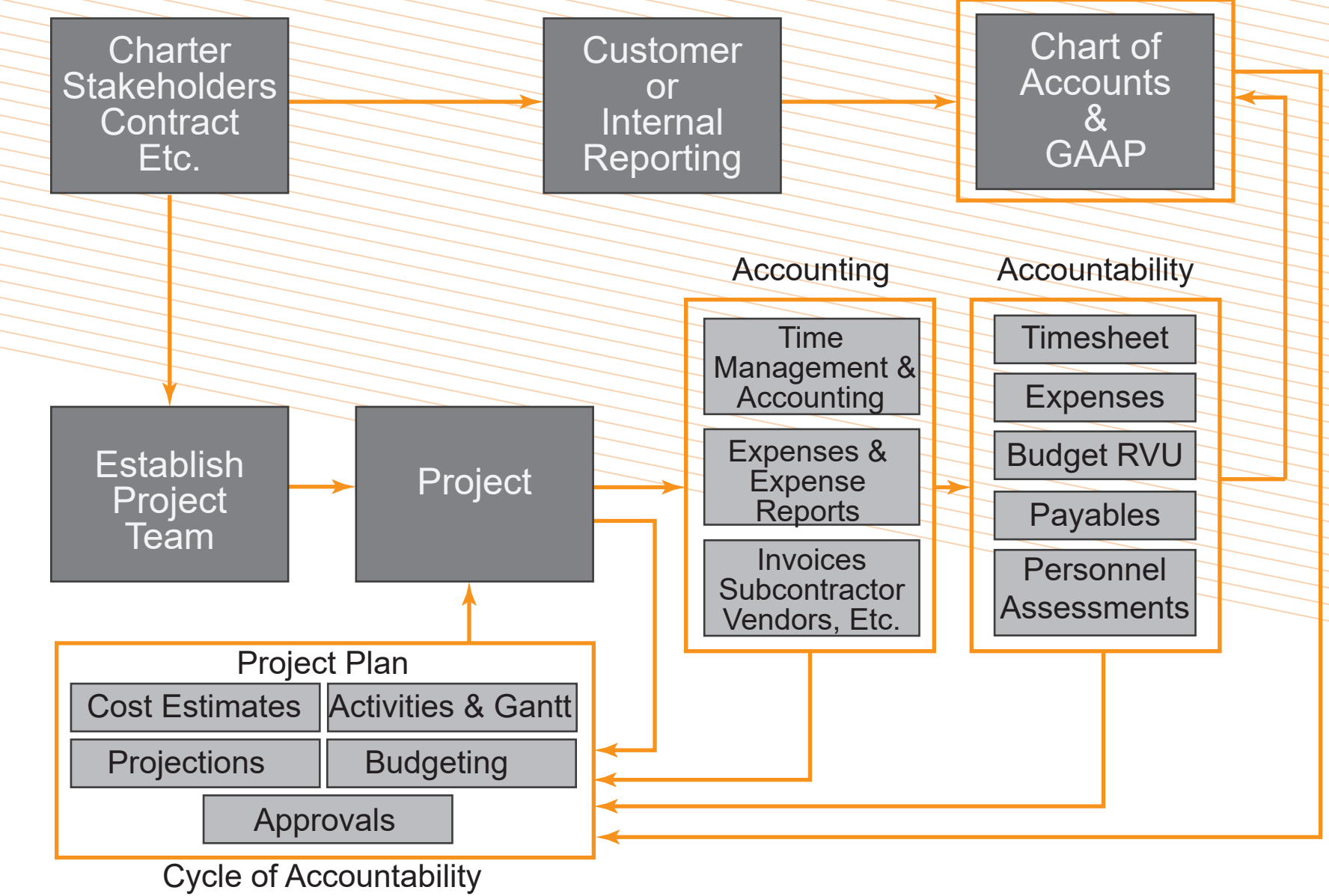
To determine progress and value, EVM measures actual accomplishments against those baseline performances to evaluate or determine progress. That prediction is used to estimate (predict) the final cost and schedule results.

Unfortunately, the predicted percent completed value is used to determine earned value.

Is there truly an earned value? EVM should be integrated with accounting methods, chart of accounts, and GAAP for a more accurate and actual earned value analysis of financials and cost control.

Accountable PjM Accounting

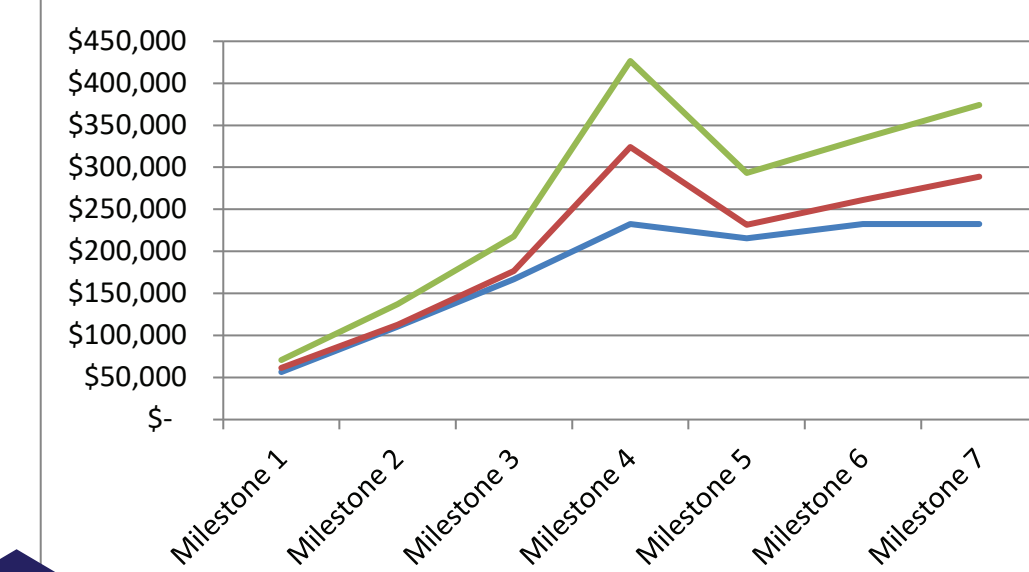
Project Management, Accountability, and GAAP Accounting



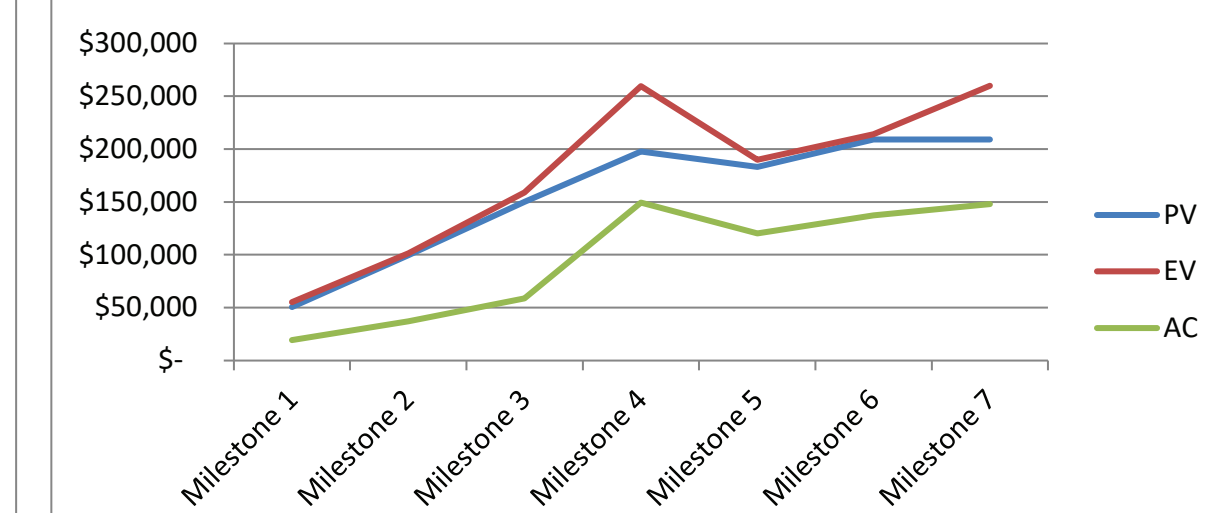
Cycle of Accountability

EVM Integrated Accounting Systems

Earned Value Analysis - Massis Innovations



GAAP Management Analysis Massis Innovations



AC = Actual Cost EV = Earned Value PV = Planned Value

Reference Note: Due to the confidential nature of product development and this Capstone, financial information is scaled to represent EVA and GAAP analyses but not to reflect the exact amount of any expenditure to preserve information presented during product development, a capital raise, and proprietary data.

DESIGN THINKING USER INTERFACE (UI) & USER EXPERIENCE (UX)

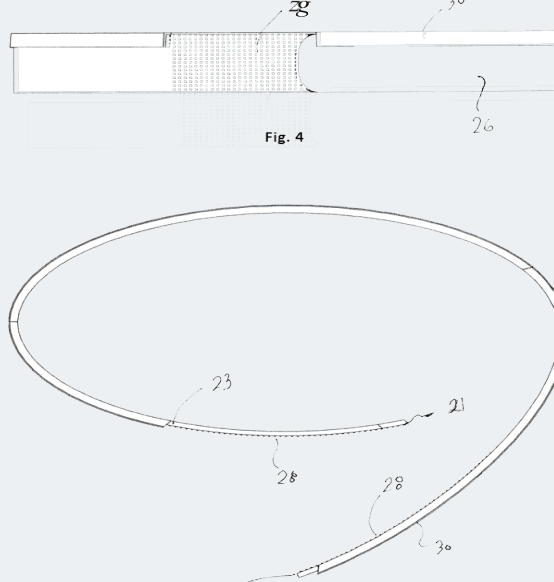
Design Thinking Served As The Basis For Product Development; and As The User-Centered, Creative, and Collaborative Problem-Solving Methodology.

U.S. Patent

USPTO: US 10,455,823 B1
 Date of Patent: Oct. 29, 2019

Basis of Design and Function

Wearable device designed to prevent bacterial infectious disease.



Problem Statement

Evidence shows companies are wasting millions of dollars and struggling to meet Project Management ("PjM") financial challenges. While a minority number of businesses surveyed agree that they complete projects within the set budget, the majority of those businesses are having trouble with finishing projects without spending more money than planned.

Hypothesis

Project Managers that shift from conventional PjM expertise in areas of traditional earned value processes, methods, and knowledge to applying new business accounting and finance practices to their projects can deliver a project within budget that demonstrates profitability and completed on-time with spending less money than planned.

Project Overview

Based on businesses surveyed, over 50% of the businesses managing projects are having trouble with finishing projects within budget or without spending more money than they planned (Memon, 2022). According to the Project Management Institute (PMI), budgeting, expenditure, resources overruns are 3 of the top 5 budget problems associated with project management (Harrin, 2018).

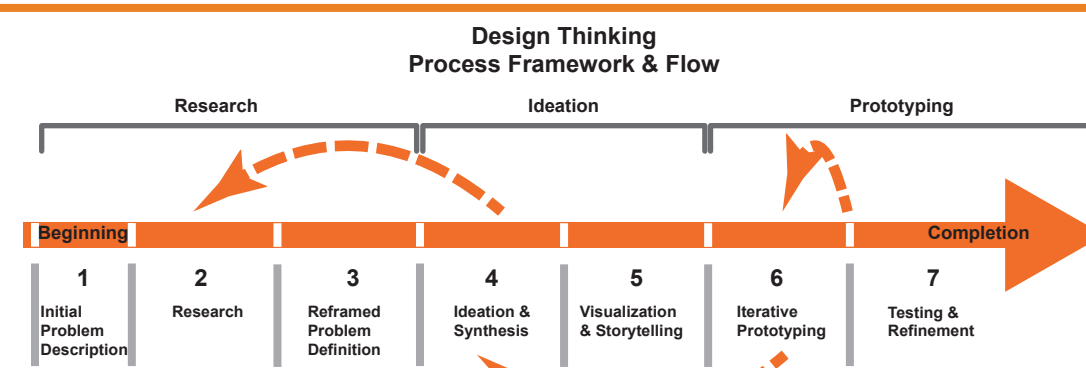
Project Managers must shift their area of expertise from the parameters of processes, methods, skills, knowledge, and experience (Project Management Expertise) to achieve specific project objectives with a constrained budget and schedule to formally applying business accounting and finance practices to ordinary Project Management Expertise that delivers a profitable project.

Design Thinking Product Dev.

Design Thinking user-centered, creative, and

collaborative problem-solving was utilized for the product development and project management facets of defining the Financial Value Methodologies of Accounting for Resource Management.

Key elements of the process considered Technology, Business Elements, and the User. Technology evolved into understanding what is feasible; the systems, mechanisms, or science that makes the wearable work; and the tools and materials available for fabrication of various prototypes.



Business elements considered what is viable and how a business model can be produced. Massis Innovation, Inc. (MI) business and technology goals, the alignment of personnel and products were factored when establishing the organization's mission and strategic direction; and financial and human resource requirements.

User Interface (UI) and Experience (UX) are significant elements in determining particular product needs and wants. Understanding UI and UX play a significant role in considering and evaluating how the user context and use affects the potential prototype solution.

Works Cited

1. Harrin, E. (January, 2018). 5 Common Project Budget Problems (and How to Fix Them). Project Management Institute. 2. Memon, M. (May, 2022). All About Financial Management of Projects. Runn Project & Resource Management. 3. Callahan, K., Stetz, G., Brooks, L. (May 2011). Project Management Accounting: Budgeting, Tracking, and Reporting Costs and Profitability. Wiley Corporate F&A. 4. Project Management Institute (U.S.) issuing body (2017). A Guide To The Project Management Body Of Knowledge (PMBOK Guide). Newtown Square, Pennsylvania; Seventh Edition. 5. Meredith, J., Mantel, S., Shafer, S. (2015). Project Management: A Managerial Approach. Wiley Publishing. 6. Cobb, C. (2015). The Project Manager's Guide to Mastering Agile: Principles and Practices for an Adaptive Approach. Wiley Publishing. 7. Dijkstrahuis, E., Silvius (2022). The Design Thinking Approach to Projects. The Journal of Modern Project Management, PM World Journal. Vol. V, Issue VI. 8. Sorli, M., Stokic, M., Stokic, D. (2009). Innovation in Product/Process Development. In: Innovating in Product/Process Development. Springer, London. 9. Harris, J. (August, 2011). Let's Get Fiscal! Project Management Institute. Jeffery Thomas Massis, Tick Trap Belt, Patent No.: US 10,455,823, October 29, 2019.