

Can you describe your process when creating a budget for a project as the project Manager, how much autonomy are you given by a client to create a budget? How important is it to the client to stay on budget?

(Autonomy) That depends on the amount of control, or the amount of influence that I have over a budget and defining that budget varies on the project. When we work for external clients, they often want a fairly detailed prescription of what we intend to do and what it will cost. We do that by breaking down tasks. We usually have a pretty good idea of the various specific tasks that you're going to have to carry out in order to complete a budget or to complete a project. And so the finer grained the detail you can go into at that point, the easier it is. I mean, not the easier it is to go ahead and estimate. Sometimes you're just like, "I don't know, I think it'll be about this many hours to do, I think it'll be about this." But if you're working at a finer grain of detail, there's a better chance that you'll make smaller errors and errors in both directions as you go. Does that make sense? And so in the end, you're likely going to get closer. Some of this comes from experience as well. And I do like to budget with a percentage of slack. In other words, approach a client about "Here's what we think this is going to cost and here's why." But then always have, say, 10% of fudge room, where you can just push into that area without extra approval. You don't have to go back to the client about it, just know that you've got that to work with if you really need it. But the expectation is that you come in on time, on budget, and beyond expectations every time. I've developed a number of small budgets and large budgets over time. But it's usually focused on particulars, in most cases, hiring external services, hiring people to accomplish specific tasks that come out of the memorandum of understanding or the contract. (For example) You know that you don't have people available to, let's say on your team, who can handle animation. And so you want to bring in two people for 40 hours each to handle the animation that you want to do. There are formulas for figuring out, for every 30 seconds of animation that you're going to need this (much budget). You win some, you lose some on those kinds of things. Hire good people, they're usually faster. And they're usually worth the extra money if you do. But by and large, it's identifying those people and the amount of time, and then assigning those to a budget. I think it's most important, even more important than the money itself, is to avoid surprises. That's regardless of the project. If you can avoid saying, oops, I completely forgot that what we have to do is register this, we have to pay for copyright release on all of this music, and it's going to cost you X amount of dollars. We had one project where we wanted to use a small passage of a Beatles song in the material. And we hadn't budgeted for it. We hadn't cleared it. We went to find out how do we even clear this? And it was for a not a non-profit organization. And so we finally found it. It happened to be people who were representing the estate of Michael Jackson. He actually owned the catalog. And in the end, it was going to cost something like for one line, it was going to cost something like \$600. Well, we went back to them. And we said, "We don't have that budgeted, we don't have \$600, for one line that's going to be used here. And it wasn't even the original music, it was just the lyrics." And they said, "Well, you know, your nonprofit organization, we can cut that to 500." Well, at that point, we found our own lyrics. But those kinds of surprises are almost always unwelcome. And trying to think through as carefully as you can, where all the surprise pockets of expense might be. And I think copyright is, by the way, one of those places that we don't often consider well enough. But we want to anticipate the immediate and the ongoing costs too. Something that gets overlooked in a number of contracts, is that when we hand our projects off to clients, they often have ongoing costs. Let's say they're buying bandwidth, they're paying for bandwidth to roll out a

bunch of video. That kind of storage. Let's say that they have subscriptions that they have to pay for, that they have legal fees that they have to cover off, they have domain names that they have to purchase and renew, and renew and renew. Well, they not only need to know how to do that, and who we talked to when making the original arrangements, but they have to know how much that's going to cost and be able to budget for that down the line. It's always good to think that through as well as you can before you begin the project. But certainly as those things arise during a project, if you make a decision to go with a particular domain name, realize that you need to talk to the client again, about that's going to have financial implications down the road. And they often welcome those kinds of conversations. They just don't like surprises. I've never met a client yet who liked a financial surprise.