

## Great Budget is offering...

CRIMS in the work place.

**Our mission** is to supply technology, tools methodology and for superior forecasting and managing .

**Our technology** offers simplicity, clarity and preciseness to establish and maintain the highest level of fiscal and decision making integrity.

**Our tools** support superior data collection, trend analysis and management flexibility.

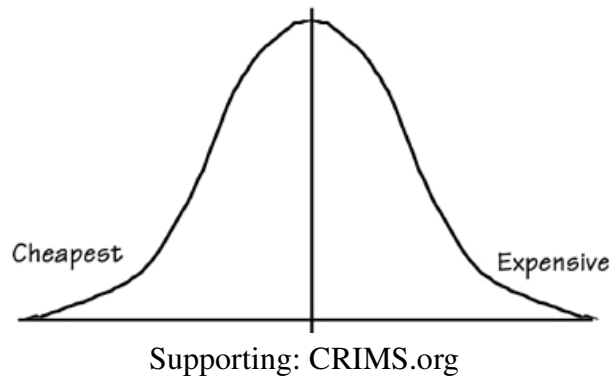
**Our methodology** insures accountability in decision validation and promotes confidence in the decision making process.

Fullfilling the promise to accurately forecast and manage.

## Support for Your Decision

Learn more by visiting the organization for the design and advancement of CRIMS in the enterprise.

<http://www.crimis.org>



E-mail: [support@greatbudget.com](mailto:support@greatbudget.com)  
Web: <http://www.greatbudget.com>

*For your next project be sure to insist on CRIMS*

For your next project be sure to use...

# CRIMS

## Understanding Cost Risk Identification and Management

Cost is tightly associated with uncertainty and risk. The greater the uncertainty the more difficult to predict cost. Inside, two illustrations demonstrate the challenge of budgeting for uncertainty. It is possible to have accurate budgets if you implement a CRIMS strategy. CRIMS is the acronym for Cost/ Risk Identification and Management. It is a innovative method for budgeting.

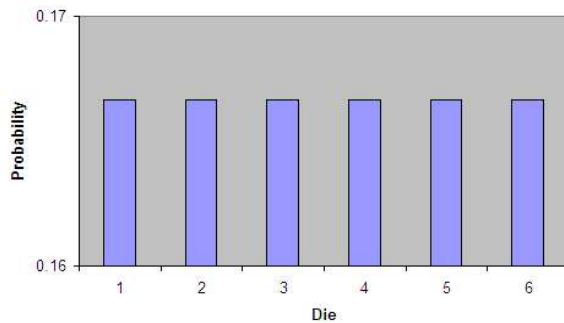
### CRIMS, The New Paradigm for Budgeting

Cost	Probability
1,750,000	10 %
3,025,000	30 %
6,350,000	50 %
10,725,000	70 %
22,200,000	90 %

changing the  
role of  
information in  
business

## Two Illustrations and the Answer

### Illustration 1: Each Outcome is Equally A Fun Problem – What would you do?



A local coffee shop has a price policy based on the toss of a die. The guest pays one dollar for each spot face up. How would you budget for this cup of coffee? Statistically, one might argue to budget for \$3.50, although it is impossible that this be the actual outcome. Individuals might invent creative ways to budget this and probably few would be the same.

#### Problems Identified

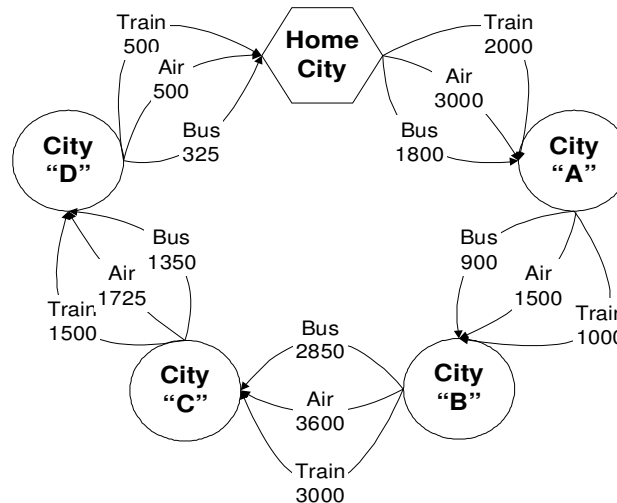
How should the employee predict how much the coffee would cost?

How can the manager know how close the prediction is to the likely final cost?

If an outside review is required, how would they know how the estimate was derived?

### Illustration 2: Possibilities are Known and the Selection is Not Known

A traveling sales agent is planning a four city tour. Intercity travel can be by bus, train or air and the sales agent will select the 'best' method depending on cost, available time and potential profit at the destination. Statistically, there are 243 different route combinations. The sales agent does not know which will be the final combination, how should the budget projected cost be calculated?



- What is the 'correct' cost to budget. Is it minimum, maximum, average, most likely or another
- How likely or how much over or under the projected costs could be expected?
- Can it be proved that the projected cost is reasonable?

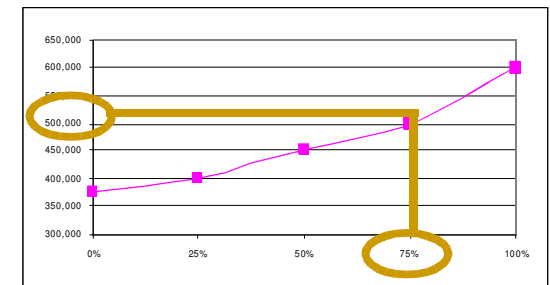
## The Answer ...

### The CRIMS Innovation

CRIMS uses probability to calculate total project cost. Project budgeting used to consist of predicting (crystal ball) the cost of activities. A more accurate method is to use estimating ranges. These ranges can be used to build a matrix of billions of possible scenarios.

Great Budget patent pending technology builds a model to simulate different scenarios and accurately predicts the total cost of the project. This can be accomplished without predetermining an exact cost of each activity.

Great Budget Software and TurboBudget are products that build an accurate budget based on the scenarios. The products collect activity ranges and build a table of probability based on many of the billion possible scenarios.



This is accurate project budgeting