Seven Estimating Success Factors

1. **You understand the work because you've done it before.** Ask a roofer for an estimate to re-roof your house, but don't ask a roofer for an estimate for new siding. A detailed understanding of how the work will be performed is essential, because it's often the little things that cause our estimates to be dramatically wrong.

2. **You are estimating a well developed solution – not a hypothetical one.** Estimates are guesses about the future based on similar experiences in the past. That's why you'll get a better estimate about the cost of your remodel when you are estimating from a detailed blueprint than a napkin sketch.

3. **You use data from similar past projects as the basis for estimating.** No matter what you are predicting – effort, materials, schedule or even the weather – using accurate history from similar past experiences is the only reasonable basis. Estimates made without actual performance data from the past tend to be wishful intuition. (And these kinds of wishes rarely come true.)

4. **You and your team use a consistent development approach.** If similar projects follow similar paths then the data you've collected from past projects will be meaningful. If the last team used Extreme Programming don't expect their performance data to be useful to the next team that uses a waterfall methodology.

5. **You are using a proven model.** Your estimating model integrates your past performance data, your development approach, and the variables that exist within the scope of your project. Further, this estimating model has been used on previous projects and has demonstrated a reasonable margin of error.

6. **You have isolated or eliminated the unknowns.** This is why estimating is so related to risk management. If you don't know whether you'll use carpet or hardwood floor, the flooring estimate won't be accurate. If you can't rely on the delivery date promised by a subcontractor, then the estimate has a greater margin for error.

7. **You will get complete cooperation from all stakeholders.** People will show up on time, focus on your project rather than someone else's, be honest, work for the best interests of the organization, and communicate effectively with each other.