

# *Secrets of Earned Value Management Success*

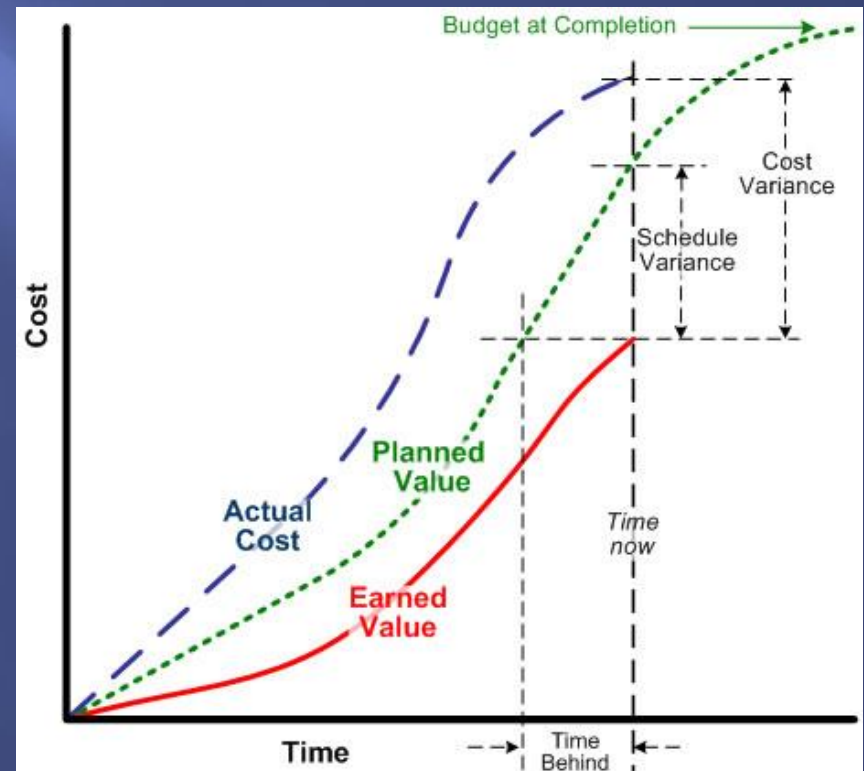
*Best Practices of  
Exceptional  
Project Managers*



**Paul J. Fields, PhD**

# EVM Review

- Earned Value Management
- Formulas
- Example
- Excel Template



# EVM Summary

- Amazingly Simple Tool
- “Quick & Dirty”
- But, Proven Reliable

Earned Value Management	
What is the project's budget?	\$2,000,000
How much work has been completed to date?	20.0%
How much work should have been completed to date?	25.0%
How much has been spent to date?	\$415,000
Budget at Completion (BAC)	\$2,000,000
Actual Costs (AC)	\$415,000
Earned Value (EV)	\$400,000
Planned Value (PV)	\$500,000
Cost Variance (CV)	(\$15,000)
Schedule Variance (SV)	(\$100,000)
Cost Performance Index (CPI)	0.964
Schedule Performance Index (SPI)	0.800
Estimate at Completion (EAC), if future work is performed as had been planned	\$2,015,000
Estimate at Completion (EAC), if future work is performed as work has been completed to date	\$2,075,000
Estimate at Completion (EAC) with performance as to date and completion by the original planned date	\$2,490,000
Estimate to Complete (ETC), if future work is completed as work to date	\$1,660,000

# Secrets

1. Learn EVM
2. Use EVM
3. Report Honestly
4. Start Small
5. Keep it Simple
6. Excel Works
7. Explain EVM Vocabulary to Others
8. Coordinate with Accounting

# More Secrets

9. Obtain Accurate and Timely Accounting Information
10. Define Completely Scope, Schedule and Budget
11. Use EVM as is a Planning Tool
12. Build Open Communication
13. Remember: One Tool in the Tool Kit
14. Use EVM from the Start

# Still More Secrets

- 15. Document, Document, Document
- 16. Use WBS
- 17. Integrate Triple Constraints
- 18. Ensure Baselines are Correct
- 19. Plan Effective Change Management
- 20. Gain Management Support