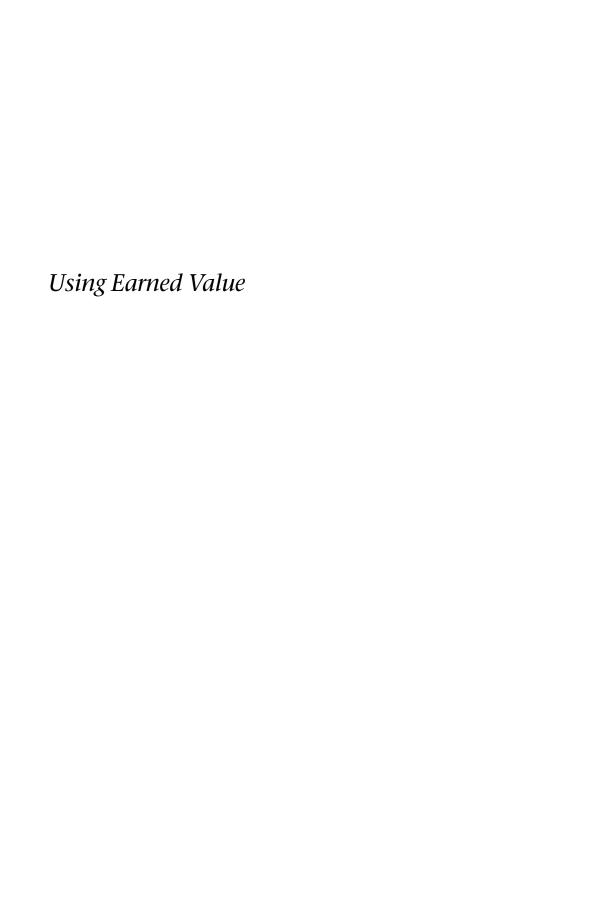
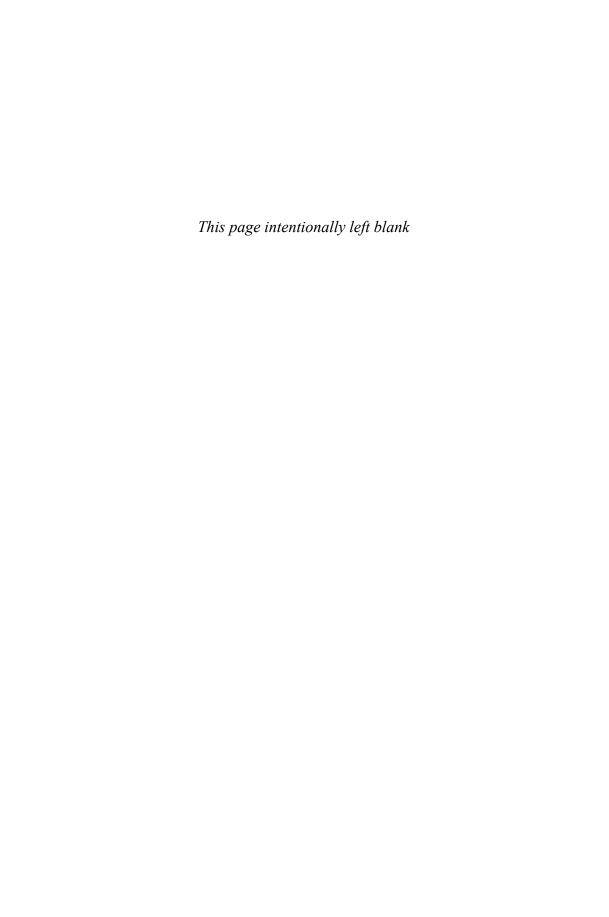
USING EARNED VALUE

ALAN WEBB







Using Earned Value

A Project Manager's Guide

ALAN WEBB



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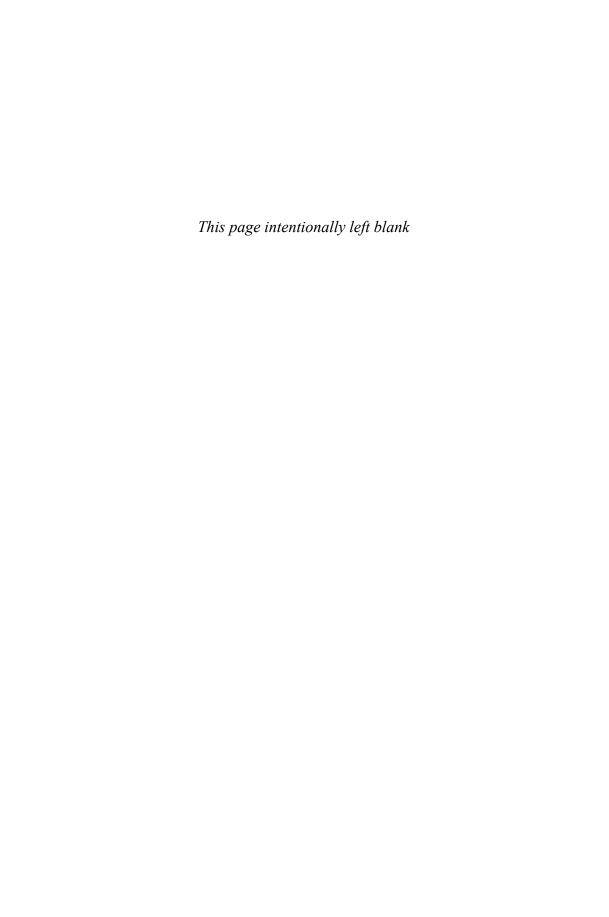
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Contents

List of Figures	vii
List of Tables	ix
Foreword	xi
Acknowledgement	xiii
Preface	XV
1. Earned Value – What and Why	1
2. Origins and History	8
3. Terms and Methodology	18
4. Work Breakdown Structures	39
5. Plans and Budgets	50
6. Data Structures and Reporting Relationships	60
7. Managing With Earned Value Data	73
8. Software for Earned Value Methods	98
9. Implementing Earned Value Methods	109
Appendix 1: Terms Used Within Earned Value Methods	118
Appendix 2: Earned Value Management Systems Criteria	123
Appendix 3: Formulae Used for Earned Value Calculations	126
Index	128



List of Figures

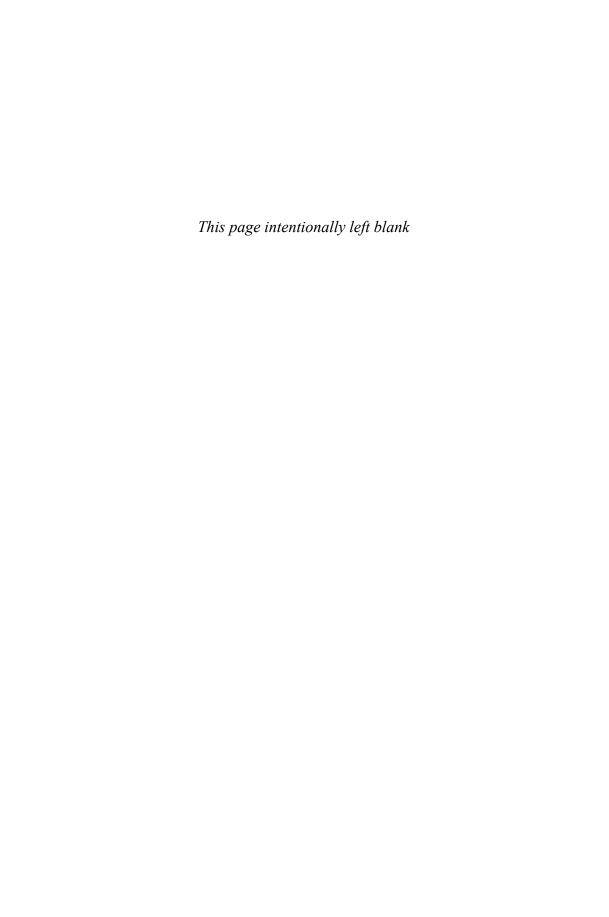
1.1	Adding the value generated as time passes gives a greater insight into the	
	project than simply comparing the planned and actual values. The worth in	
	financial terms associated with the value generated is termed the 'earned value'	2
1.2	The range of application of earned value principles as seen in the USA	5
1.3	Benefits associated with earned value methods as seen in a British survey	6
2.1	An example of an earned value progress report from Prestige PC dating from	
	1990	16
3.1	The relationship between the plan and the costs over time	19
3.2	Planned and actual expenditure for a project at the mid-point of its life	20
3.3	Adding an assessment of progress gives further meaning to the project	
	position	21
3.4	The earned value is estimated from the actual achievement based on the	
	original costs	22
3.5	Earned value assessment for a project that is running ahead of schedule	23
3.6	Cost and schedule variances	24
3.7	Schedule slippage can be established from the earned value and the planned	
	S-curve	25
3.8	The Cost and Schedule Performance Indices	26
3.9	Calculating the end conditions from the BCWS, BCWP, ACWP, CPI and SPI	27
3.10	The initial view of the project before work commences	28
3.11	The position of the project at the end of Month 3	29
3.12	Predicted position at project completion based on earned value measurements	
	and formulae	31
3.13	Assessing schedule performance from earned value cost measurements can be	
	improved if the time dimension is put back into the calculation	37
4.1	Top-level work breakdown structure for a housebuilding project	41
4.2	Expanded work breakdown structure for a housebuilding project	42
4.3	Expanded work breakdown structure with allocation of work	43
4.4	Partial work breakdown structure	44
4.5	Alternative work breakdown structures	46
4.6	Hybrid work breakdown structure showing the different levels of interest	
	and how they are summarized upwards	47
4.7	Work breakdown structure used on the Concorde project	47
5.1	The project cycle of activities	51
5.2	Generating an initial plan for both activities and costs	53
5.3	Build-up and allocation of contingency to various budgets as used on some	
	UK projects	56
5.4	Allocation of contingencies and budgets from DODI 7000.2	57

viii Using Earned Value

6.1	Organization structure for C/SCSC reporting according to the US Department	
	of Defense in DODI 7000.2	61
6.2	Simple expansion of the Cost Accounts in the RAM can lead to a complex	
	relationship between the basic data structure and the project plan	62
6.3	Functional work breakdown structure based on a matrix	66
6.4	Basic task logic is derived from the work breakdown structure	69
6.5	Detailed task logic is derived from the basic logic by breaking down the	
	major tasks into minor tasks or activities	69
6.6	Satisfying both customer and company requirements may need a software	
	package that can handle multiple WBS codes	71
6.7	Organization and information relationships for earned value performance	
	measurement	71
7.1	Plotting the Cost and Schedule Variances against time can show a trend, if there	
	is one	79
7.2	Relationship between BCWS, BCWP, ACWP and the cost and schedule	
	performance indices	80
7.3	Alternative project positions indicated by the movement of the CPI and SPI	81
7.4	Cost and Schedule Performance Indices plotted against each other on	
	a quadrant diagram	81
7.5	The behaviour of the performance indices	83
7.6	Slip diagram techniques can be used to forecast the end conditions for both	
	time and cost by tracking variations in the EAC and the estimated completion	
	date at each reporting point	88
7.7	A project status report for a work package	90
7.8	The effect of front-end loading can disguise a potential cost overrun during	
	the early part of the project	93
7.9	The 'rubber baseline' – continuous revisions to the budget timing can also	
	disguise a potential cost overrun	93
7.10	Options for revising the project cost baseline to reflect the current situation	95
8.1	The basic input screen for <i>Cobra</i>	102
8.2	Four different forecasting methods have been used to estimate the final cost	
	(EAC) of work package No. 1.0.01 1410 01	103
8.3	Cost Performance Report (CPR) generated by Cobra	104
8.4	Tracking of budget and actual costs over time in Cobra	105
8.5	Earned value report from Primavera Project Planner P3	107

List of Tables

3.1	Expenditure plan	29
3.2	Position at the end of Month 3	29
3.3	BCWP calculation at Month 3	30
3.4	Earned value calculations using the additional formulae	34
3.5	Example of the possible error in calculating the Estimated Time to	
	Completion (ETTC)	35
4.1	Chapter numbers for the main work blocks within the Concorde work	
	breakdown structure	48



Foreword

Earned value is coming of age. From its distant roots in work measurement at the dawn of the industrial revolution, earned value management has gone through many evolutions. Once the sole domain of the United States Department of Defense, earned value has now been adapted for use by commercial enterprises and governments around the world. This development parallels the path of project management, also undergoing its own evolution on the international stage. Once earned value was seen properly in the light of integrated project management and as the responsibility of the project manager, great strides were made in recognizing its core principles, thus making it even more adaptable to a broader range of projects.

Much of the criticism that has been levied on earned value in the past was due to an inflexible and dogmatic approach that was applied in the early days; however, recent developments in international standards and tireless work by its advocates have shown the world that the key principles are simply good project management techniques. The basic principles of managing projects with earned value are relatively easy to understand, if approached with common sense and the knowledge that earned value can and should be adapted to different environments and business cultures.

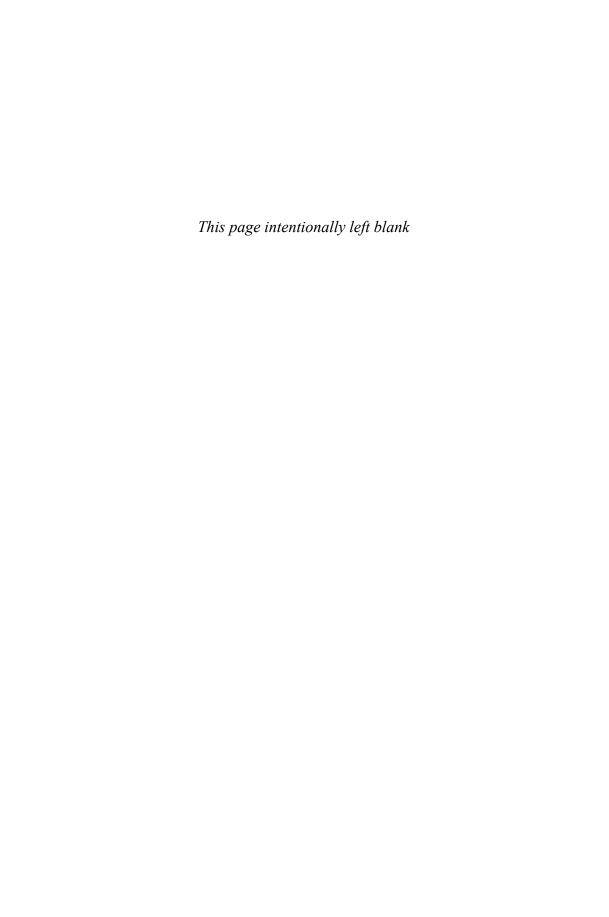
Earned value can sometimes be thought of incorrectly as the myriad of variance calculations and specialized terminology, but the mathematics is only one part of the equation. As Alan describes so well in this book, earned value enhances good project management through the development of integrated baseline planning and project control techniques. His discussion of alternative work breakdown structures will be of particular value to those commercial entities not bound by stricter government standards.

Alan also notes that perhaps one of the harder parts of using earned value is gaining acceptance from everyone from within the organization. But for those who have lived through the process, the insights gained from earned value management will forever change one's perspective on project management. Once a project manager has used earned value to manage a project, he will usually always want to manage with earned value.

While this book has been written primarily for project managers within the UK, it is my sincerest hope that this book will be a valuable resource and reference guide for project managers around the world, as earned value takes its rightful place within the project management community.

Eleanor Haupt

President, Project Management Institute's College of Performance Management January 2003



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Thanks are due to Eleanor Haupt, President of the Project Management Institute's College of Performance Measurement, for her invaluable advice and assistance with the preparation of this text. She took on the laborious job of reading the entire manuscript in detail and provided considerable insights into the evolution of earned value methods and current US practice that would have been almost impossible from this side of the Atlantic.

Alan Webb

