

A **Gower** Book

# USING EARNED VALUE

ALAN WEBB



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# *Using Earned Value*

A Project Manager's Guide

ALAN WEBB

First published 2003 by Gower Publishing

Published 2016 by Routledge

2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

711 Third Avenue, New York, NY 10017, USA

*Routledge is an imprint of the Taylor & Francis Group, an informa business*

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British Library Cataloguing in Publication Data

Webb, Alan

Using Earned Value: A Project Manager's Guide

1. Project management. I. Title

658.4'04

US Library of Cataloguing in Publication Data

Webb, Alan

Using Earned Value : A Project Manager's Guide / Alan

Webb.

p. cm.

1. Cost control. 2. Program budgeting. 3. Project management.

I. Title.

HD 47.33.W43 2003

658.15'52-dc21

2002035441

ISBN 13: 978-0-566-08533-8 (hbk)

ISBN 13: 978-1-138-25572-2 (pbk)

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# *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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# *Acknowledgement*

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**

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