

Headquarters U.S. Air Force

Integrity - Service - Excellence

PMI-CPM's 21st Annual International Conference



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Myths of EVM

- ***EVMS is just a government reporting requirement***
 - **It has evolved to be owned by the industry**
- ***Reports are the key product from EVM***
 - **Successful programs are a key product**
 - **Last year Cost/Schedule variance from EV helped direct reductions**
- ***EVM is a financial management tool***
 - **It is a Program Management Tool that everyone should use**
 - **Helps Acquisition Management Evaluate the Health of the Program**
- ***Looks backwards, not to the future***
 - **Helps predict the future**
 - **Helps us in making funding and programmatic decisions**



Myths of EVM

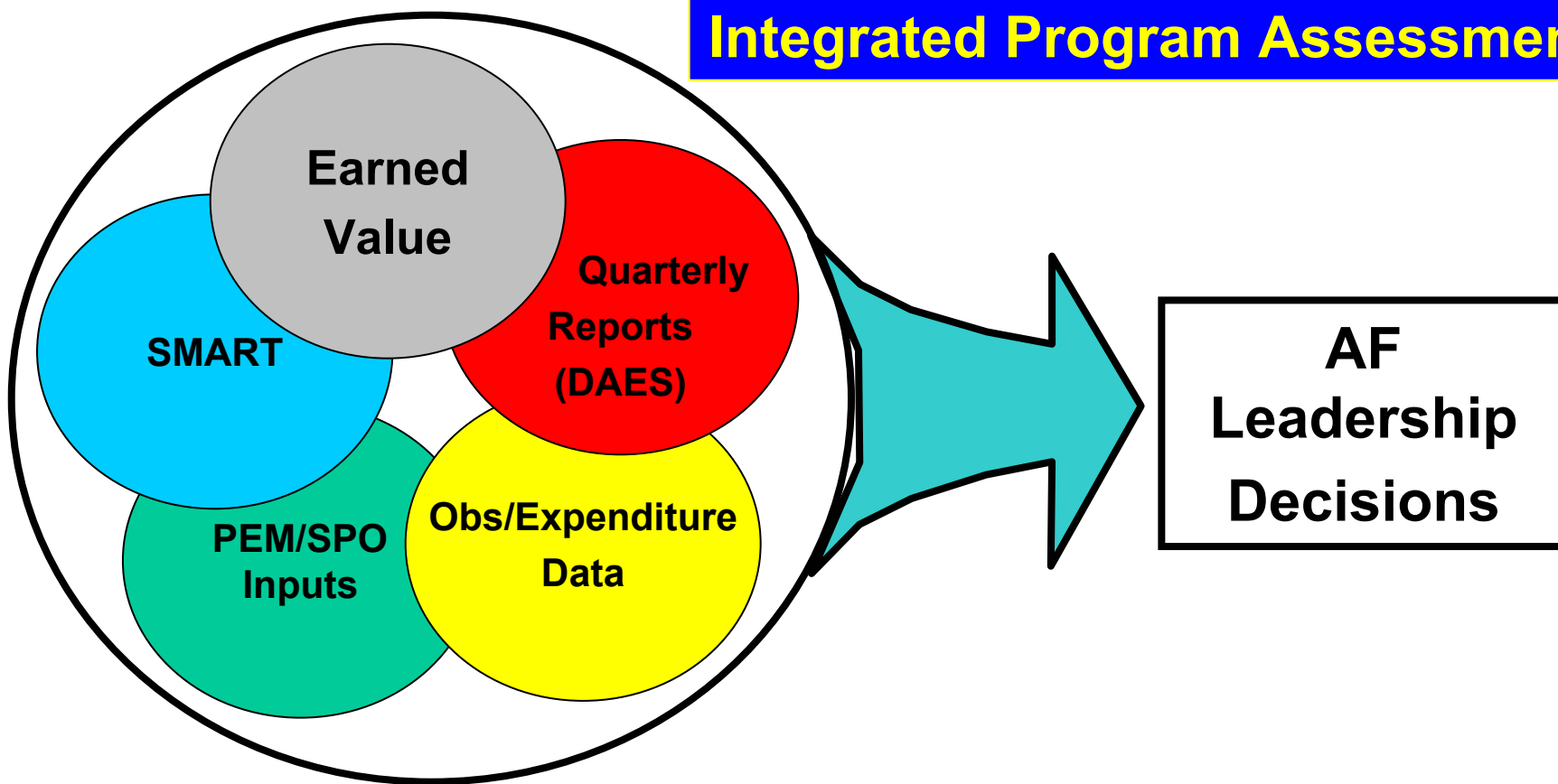
- *Variances are bad*
 - Variances help up focus program management
 - Show where obstacles are
- *Revising Baselines is bad*
 - Yes and No –
 - We look at performance before and after baselines and total program performance
- *No one looks at my data*
 - Daily decisions in Washington being made on your data
 - We are constantly AMAZED – cost/schedule problem with no technical problem



Myth— Leadership doesn't look at our data.

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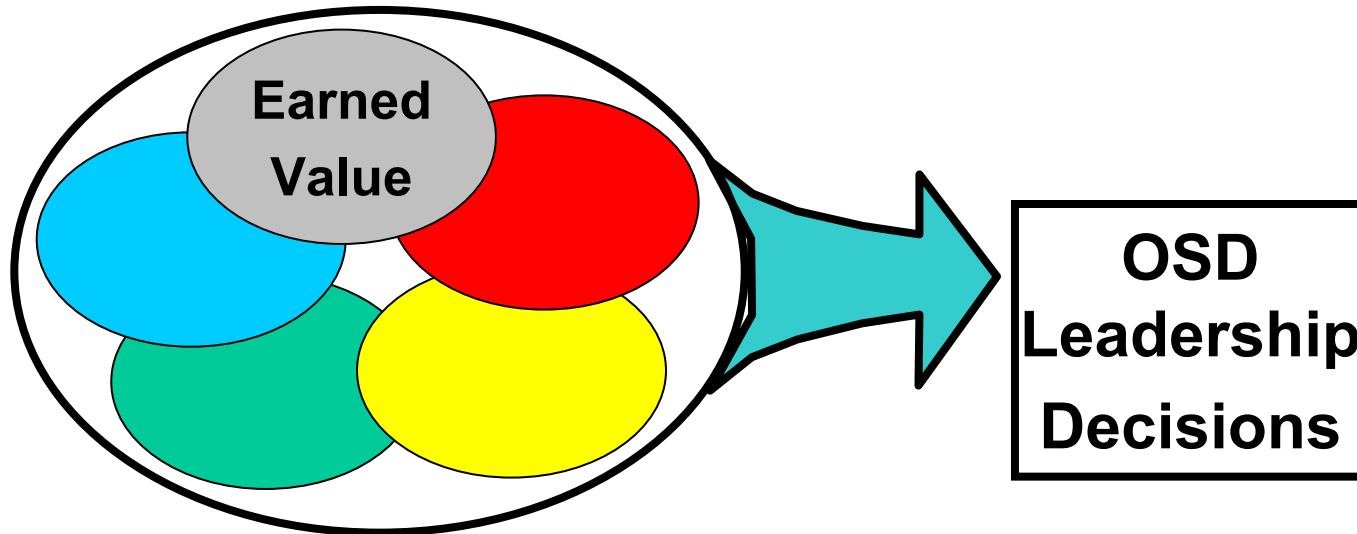
**Earned Value Management Data
is part of an
Integrated Program Assessment**





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EVM is used at the Top



- **Office of the Secretary of Defense (OSD) Keeps EVM databases on Major Programs**
- **OSD Decisions can be influenced by EVM**
 - **EVM may influence distribution of funds**
 - **It is important to report accurate information**
 - **Bad information can result in bad decisions**
 - **Manage with your EVM, or you may manage to be terminated**



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Fitzgerald's First Law of Program Management

There are only two phases to a big military program:

Too early to tell and too late to stop

E.H.

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Despite our efforts –

- Many PM's still *do not understand* EVM
- Many ignore reality; crank formulas; just produce reports
- Need to use common sense
- Need to know the Basics
- Don't know how to use EVM for Managing

EVM is a key Tool for Program Managers



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Looking Forward

Past

Present

Future

Are we on cost?
Are we on schedule?
What are the significant variances?
What risks have been reduced or added?
Why do we have variances?
What is the trend to date?
Who is responsible?
Where are our Technical problems?

What is the “to go” plan?
How is it resourced?
When will we finish?
What will it cost at the end?
How do we adjust for risk?
How can we control the trend?
Is the tough stuff already behind us?

PM's need to analyze the past performance to *help us control the future*



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The Future

- **EVM community needs to pursue improved methods of integrated analysis**
 - **Try to go beyond traditional Earned Value Management**

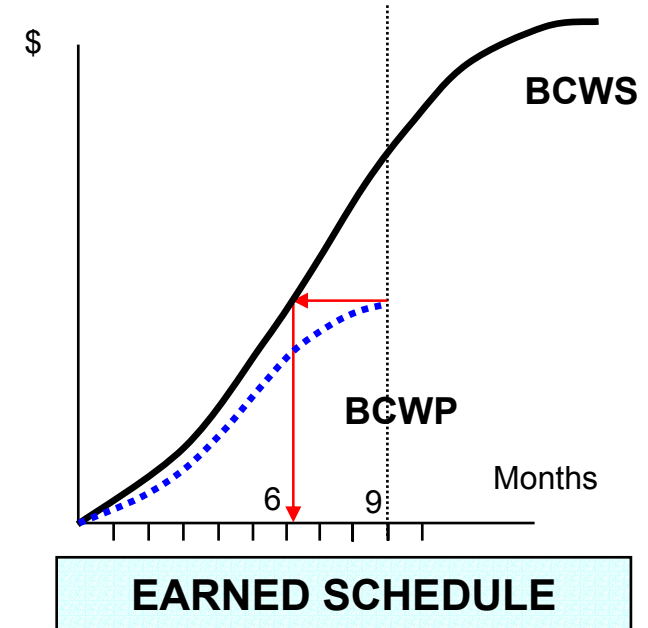
- **Continue to improve the quality and consistency of your data**

- **The AF is looking into the use of Earned Schedule as an additional management and analysis tool**
 - **Supplement Earned Value Management**
 - **No new data collection is required**
 - **Based on time-phased earned value data (BCWS, BCWP)**



Earned Schedule

- Similar to EV, we feel Earned Schedule may have the potential to show trends against a baseline
- Additionally, we should look at its ability to:
 - Predict a range of durations
 - Evaluate realism of schedule estimates
 - Show a range of completion dates
 - Compare Earned Schedule trends to the Master Schedule
 - Helps to see impacts to other Government programs





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School House

- **Earned Value and new concepts such a Earned Schedule won't mature unless we mature our training programs**
- **Recognize the need to improve and integrate EVM training**
 - **Entry Level**
 - **Program Manager and Practitioner Level**
 - **Executive Level**
- **Train how to Manage with EVM**
- **The AF will work with OSD and AF School Houses**
- **Continue Information Sharing**
 - **Conferences**
 - **Training Seminars**





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QUESTIONS

Have a Great Conference!



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