

Telephone: Home: 61 2 83949295
Mobile: 61 414 428 537
E-mail: kym.henderson@froggy.com.au

Post Office Box 687
RANDWICK NSW 2031
AUSTRALIA

21st June 2007

Marketing Planner, Brand Development
PMI Global Operations Center
Four Campus Boulevard
Newtown Square, PA 19073-3299

Dear Sir,

The purpose of this letter is to support the nomination of Mr. Walt Lipke for a PMI Eric Jenett Project Management Excellence Award submitted by lead nominator, Mr. Garry Booker of Tulsa Oklahoma USA.

I have known Mr. Lipke since 2003 following the publication of his seminal paper "Schedule is Different" which described the principles of the "Earned Schedule" (ES) method. The basis of our association has been professional, predominantly conducted by frequent e-mails due to the geographic separation between our respective homes in Sydney, Australia and Norman, Oklahoma, USA. We periodically meet at various project management conferences held around the world, on average between 3 or 4 times per year.

My initial contribution to ES was to independently test the method using data from completed Information Technology (IT) projects portfolio, managed using simplified Earned Value Management (EVM) techniques. The results of those then independent tests were published in a paper "ES: A Breakthrough Extension to Earned Value Theory? A Retrospective Analysis of Real Project Data," published in the PMI CPM Journal, the Measurable News in the northern hemisphere summer of 2003. That paper concluded that using my anecdotal data sample:

confirmed with remarkable precision the accuracy of the ES concept and ES metrics SV(t) and SPI(t) when compared to their historic EVM counterparts.

and further suggested that,

By extending EVM to include valid duration based measures of schedule performance, ES may be considered a breakthrough extension to EVM theory.

Since the publication of that paper other researchers and practitioners around the world, including researchers based at the University of Ghent in Belgium have consistently corroborated the behaviour of ES and its derivative metrics from a wide variety of project sources across multiple industry segments. Academic papers covering the ES method originating from the University of Ghent have been published in the International Journal of Project Management (IJPM) and European Journal of Operations Research (JORs).

Our collaboration has extended into a close partnership, resulting in additional research being undertaken and publication of more ES papers. My second paper "Further Developments in ES" extended the ES theory to parity with the EVM cost indicators. This paper was drafted in collaboration with Mr. Lipke with much of the credit for these developments due to his contribution, with extraordinary generosity he declined my offer to be included in the paper of as a joint author.

In 2006 two co-authored papers were published with Mr. Lipke as lead author:

- "Earned Schedule: An Emerging Enhancement to Earned Value Management," published in CrossTalk, The Journal of (United States) Defense Software Engineering
- "Earned Schedule – a Quantum Advance," published in the British Association of Project Management (APM) yearbook

I include an introduction to ES as part of an "Applying Earned Value Concepts course" I teach through the PMI SeminarsWorld ® program. This course includes an electronic distribution of Microsoft Excel based EVM tools and templates which, again due to Mr. Lipke's freely provided assistance, incorporates the ES calculations and charts as depicted in my published papers.

As the former Education Director of PMI Sydney Chapter, I established the initial online repository of ES information at the PMI Sydney Chapter website. In another demonstration of Mr Lipke's leadership, he commissioned the www.earnedschedule.com website in February 2006. This site is expected to become the primary source of ES information over time.

The interest in and uptake of the ES method globally since the publication of Mr. Lipke's seminal paper has been truly extraordinary, assisted in large part by his creditable decision to continue the public domain tradition of EVM with ES. ES papers, presentations and calculators are freely available for download at www.earnedschedule.com.

The website metrics reported by Mr. Lipke (<http://www.earnedschedule.com/News.shtml>) show the extraordinary levels of interest in ES with 13,056 requests ("hits") recorded in March 2007 alone.

It is difficult to succinctly describe the scale, speed and breadth of the achievements which have occurred since the first publication of the ES method in 2003 all of which demonstrates extremely close fit to the criteria for the award of a PMI Eric Jenett Project Management Excellence Award.

Mr Lipke's creation of the ES method significantly extends EVM theory and practice, which is having significant positive impact on project management transcending organisational and national boundaries.

Mr Lipke's profound understanding of the dynamics of project management and PMI's published standards and practices is clearly evidenced by the principles of ES being included in the PMI College of Performance Management EVM Practice Standard (published in 2004) as an "emerging practice insert".

The benefits currently available from the application of ES range from:

- Directly comparison of the schedule outcomes derived from the network schedule status and schedule predictors derived using EVM data as the ES metrics are also time based.
- EVM practitioners can now independently predict project duration separate from the network schedule using the analogous ES predictive formulae to the EVM cost predictor, the IEAC

Further demonstration of the significance of and his leadership role in the realms of theoretical development and practical application advancing the project management profession is that Mr. Lipke has developed even more advanced concepts using ES as the basis which includes quantitative measures of:

- "Schedule adherence" which can be measured using a "p" factor (a value greater or equal to zero and less than or equal to one) and
- "Effective Earned Value" where the "p" factor is used to discount the Earned Value and ES metrics by work performed "out of sequence" and therefore at risk of rework.

This work recognises and seeks to address an important limitation of Earned Value. In current practice Earned Value can be earned even though project activities may have been performed out of the correct process sequence. While this work is still in the early stages, it is already clear that for the sophisticated project and program manager, "schedule adherence" and "effective earned value" offer possibilities to:

- Obtain more accurate cost and schedule outcome predictions earlier in the project lifecycle than current practice allows
- Measure (and therefore manage) the level of "process discipline" being implemented on a project Process discipline can be a particularly significant issue and risk factor for IT projects
- Quantitatively assess the risk of rework associated with undertaking work "out of sequence" as part of a deliberate management decision; and
- Quantitatively assess the likely band of rework being undertaken on a project without undertaking the notoriously difficult and time consuming task of capturing "actual rework" at the detailed level.

In a further demonstration of Mr. Lipke's leadership and generosity, he has developed a "p" factor calculator which has also been made freely available on the www.earnedschedule.com website.

The latest developments which are not yet public domain further tangibly demonstrates the extraordinary levels of interest and positive global impact of ES. Mr. Lipke has been invited to present at the annual Australian Defence and Industry Conference to be held in Adelaide, South Australia in August 2007 organised by the Australian Defence Materiel Organisation (DMO).

The topic of Mr. Lipke's presentation will be ES and occurs in the context of the following quotation by the Chief Executive Officer of DMO, Dr Steve Gumley:

"We need to maintain our attention on schedule delivery. Data tells us that since July 2003, real cost increase in projects accounted for less than 3% of the total cost growth. Therefore, our problem is not cost, it is SCHEDULE."¹

The importance of schedule management and by extension the significance of Mr. Lipke's work in advancing both the theory and practice of project management through the development of the ES method is highlighted by the quotation.

Mr. Lipke's groundbreaking work, leadership role and creditable decision to place ES into the public domain for early adoption renders him most deserving of a PMI Eric Jenett Project Management Excellence Award.

Sincerely



Michael Kym Henderson
RFD, MSc, BBus
PMI Member No: 180190

¹ Prescription 1st year anniversary, DMO Bulletin, July 06, Issue 61, p3