Implementing the Earned Value MANAGEMENT Paradigm

13th Annual PMA International Conference

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See report.
Outline

• Introduction
• What has changed in the new paradigm?
• Implementation actions & accomplishments
• The road ahead
Introduction

• Moving from policy change to implementing new practices
• DCMC commitment to EVM and partnering
• Implementation is a challenge!
DoD Challenges

- Adopt the new paradigm
- Reorientation from oversight to insight
- Reorientation from compliance to management value
Industry Challenges

- Opportunity for reinventing EVMS
- Responsible ownership is the key
- System improvements
  - redress any imposed madness
  - brush away cobwebs, update & streamline
  - move from Reporting to Management
Earned Value Management Systems (EVMS) has replaced DoD Cost/Schedule Control Systems Criteria (C/SCSC)

Please welcome EVMS
DoD Earned Value Management
Results/Performance vs. Compliance Focus

**What’s In**

Contractor Ownership

Advance Agreements
- Use System
- Joint surveillance

Effective System Changes
- Streamlining Encouraged
- SPI Opportunity

Results & Performance
- Risk/Program Mgmt. Tool

**What’s Out**

Regular Government Reviews
- ESARs & SARs
- Paper systems
- Checklists
DoD Earned Value Management
Project Management Ownership vs. Financial

What’s In

Project Management Ownership
• Using earned value to inform project management process
• More real time & forward looking
• Project Control groups support PM & CAMs

What’s Out

Financial Management Ownership
• Emphasis on reporting
• Project Management spectators
Earned Value Management
Acquisition Considerations

From Oversight to Insight

**WHERE WE’VE BEEN:**

- AWARE
- MANAGE

**WHERE WE’RE GOING:**

- AWARE
- TRACK RESULTS

- Earned Value Report Generator
- Management Tool

MANAGE
DoD Earned Value Management
Management Systems Requirements

What’s In
Government Wide &
Commercial Acceptance

What’s Out
DoD Unique Requirements
What’s In
Common International Project Mgmt. Practices

What’s Out
US unique Requirements
DoD Earned Value Management
Electronic Reporting

What’s In
Electronic Data
Access/Submissions

Contractor

What’s Out
Untimely/Non-automated Paper
Data Submissions

Customer

User
POLICY & PROCEDURES

– New DoD 5000.2-R Policy on EVMS: Completed ... Dec 96

– Revised Joint Implementation Guide: Completed ... Dec 96

– New DFARS Clauses on EVMS: Interim Rule Published ... Mar 97
EQUIPPING FOR THE MISSION

- DCMC Earned Value Management Center to be established
- Earned Value Management Mini-Conferences
- Development of Earned Value Management Metrics
- Analysis Tools and Training
Industry Initiatives

EVMS Guidelines and ANSI/ISO

Contractors streamlining & upgrading their EVMS

• LM E&M, Orlando FL
• LM Information Systems Orlando FL
• Raytheon Electronic Systems, Bedford MA
• LM Tactical Aircraft Systems Ft Worth TX
• Raytheon-Texas Instruments Dallas TX

You are all invited to play - lets hear from a whole lot more of you through the Management Councils.
The Road Ahead!!

Industry Ownership
- Use systems as management tools
- Further progress towards “Real Industry Standard”

Effective Process-Based Surveillance
- Industry defines processes IAW how they plan to manage programs
- Industry/DCMC jointly determine how to measure processes
- Corrective actions & process improvements
The Road Ahead!! (2)

Earned Value effectively integrated with:
- Risk Management Practices
- Software Development/Management Processes
- Systems Engineering Processes

Net Result: DCMC is RIGHT organization to ensure success of Earned Value Management