EVMS in Australia

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http://www.acq.osd.mil/pm/paperpres/0598pma_conf.htm,
Introduction

- History of Australian Earned Value Management (EVM)
- Defence Acquisition Organisation (DAO) structure
- Current initiatives
- Australian industry involvement
- International participation
- Conclusions
History

- 1986 - JPAC Report 243 recommended adoption of C/SCSC for major projects
- 1989 - Formation of dedicated focal point
- 1990 - First company validated
- 1990 - 1993 - Guidance documents developed
- 1992 - Mutual acceptance of validations
- 1993 - Exchange officer program started
- 1995 - Signed EVM MOU with US and Canada
- 1995 - 1997 - Chaired IPMC
Defence Focus

- Early focus was on EVMS implementation
  - Not much expertise was available outside DAMS-EVM
  - DoD data usage and analysis varied
- In 1996, focus changed to improving quality and internal use of EV data
  - Train program office personnel
  - Establish better analytical capability
  - Emphasize timely reports
Current Initiatives

- Payment by Earned Value (EV)
- Contracting for EV services
- Earned Value Leadership Panel (EVLP)
- Review process simplification
- Update policy and implementation guidance
Payment by Earned Value

- Used on all new contracts with EVM requirement
- Payments based on combination of EV progress and key milestones
- In use on a number of major projects:
  - ANZAC Frigates, Mine Hunter Coastal, Hydro Ship, Lead-In-Fighter, ANZAC Helos
- Interim policy in place

Results in better acceptance and use of EV data
Contracting for EV Services

- Create EV Consultancy Panel
- Scope of work would include:
  - EVM S review support
  - Data analysis support
  - Training
  - Studies
- Objective is to enable DAMS-EVM staff to do more project support
- Long-term goal is third party validation
Earned Value Leadership Panel

- Includes Acquisition and Service executives and selected PMs
- Objective is to foster better acceptance and use of EV data in DoD
- Forum to exchange views and ideas
- Accomplishments so far:
  - EV postings to the Services
  - Higher management is gaining a better understanding of EVM
Review Process Simplification

- Use of IBR
  - More project involvement
  - Emphasis is on realistic baselines
  - Does not replace validation reviews
  - Reduction in post validation reviews

- Simplified review reports

- Involvement from outside DAMS-EVMS

- Company EVMS representative on team

- Joint surveillance
Update Policy and Guidance

- Aust. Cost Schedule Implementation Guide is being updated
- Cost Schedule Status Report Implementation Guide is being updated by APMA working group
- CSCSC and payment by EV contract clauses are next
  - DEFPUR 101 contains contract clauses
Other Initiatives

- Scheduling Data Item Description is being finalized
- Link risk management with EVM
- Continue to promote EVM in the project offices
- Establish centers of excellence in Tech Domains
- Develop an Industry EVM standard
- Use EV data for Defence funding forecasts
- Promote use of commercial software analysis tools
- Encourage submission of EV data via EDI
Australian Industry Involvement

- EVM used on numerous non-defense projects
- Australian Institute of Project Management still considering integration of EVM into body of knowledge
- DAMS-EVMS is working with Standards Australia to create a national standard
  ➢ May use ANSI standard as a starting point
International Participation

- Original member of International Performance Management Council
  - Chaired IPM C from 1995 - 1997
  - Current representative is Mr. Subhash Dang

- Active in exchanging views and personnel

- Supportive of international aspects of EVM
  - Procuring materiel from several foreign sources
Conclusions

- Australia has made a lot of progress in a relatively short time
- Learn from Australia’s experiences:
  - Payment by EV
  - EVMS on firm-fixed price contracts
  - International EVMS applications
- Continue productive exchange of people and ideas
Where to Find Info on Australian EVM

Australian EVM web site:
http://www.iic.spirit.net.au/ams

Australian PMA web site:
http://www.austpma.org.au