OSD
In-House
Earned Value Management
Workshop
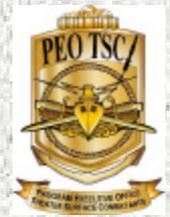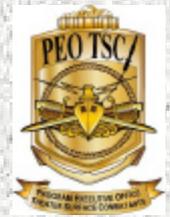
22 - 23 June 1999

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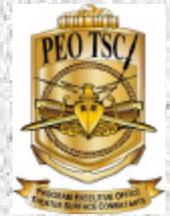
EVM In-House Workshop Findings

- **EVM implementation within DoD further along than perceived**

- **Direction reaffirmed**
  - **Need to Clarify In-House effort**
    - **DODI 5000.2R**
    - **Update EVMIG**

- **System validation not mandatory for EVM implementation**

- **Standard tool set recommended**

Lessons Learned Implementation Considerations

1. **Insufficient implementation guidance on EVM**

    - Culture change required.

    - How to fund implementation.

2. **Education and training**

    - Funds vs. budget

3. **Timing of funding**

4. **Need contract / work authorization document.**

5. **Modifying legacy system may not be the way to go.**

6. **"Customer Management"/Baseline Management**

    - PEO/PMO must change how business is transacted
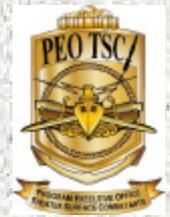
7. **Management Incentives**

Lessons Learned System Validation

- **Must comply with 32 criteria**
- **Must have DoD acceptance**
  - **DCMC: Validating Agent**
    - **Limited resources focused on contractors**
  - **Buying Command: No authority**

Lessons Learned
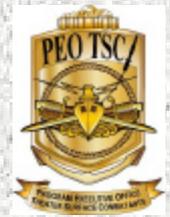# *System Certification*

- **Must comply with 32 criteria**
- **DoD Acceptance not required**
  - **Buying Command can be Certifying Agent**
    - **Certification valid only within component**
  - **DCMC: Consultant**
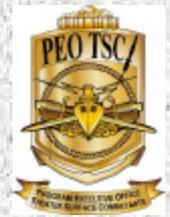
Lessons Learned
System Surveillance

- **Self Surveillance**
  - **In-House staff: Primary responsibility**
  - **PEO / Program Office Staff: As required**
  - **DCMC Assistance: Upon request**
- **Types of surveillance:**
  - **Program**
  - **System**
    - **SPC metrics - "system health analysis"**

Lessons Learned Training

- **Target audiences**
  - **No "one size fits all"**
  - **Integrate training**
    - **Scope, schedule, budget/funds**
- **Web-based and on-site instruction**
- **Train the trainers**
- **Procedural training**
- **On the Job**
- **Continuing education**

Lessons Learned
Government Accounting

- **Intent of EVM Accounting Criteria based on compatibility with DoD Directive 5000.1b**

- **Accounting system acceptance subject to certification vs. validation requirements**

> **DoD Directive 5000.1b**
> **g. Management Control**
> **…"In implementing internal management control systems, managers should focus on results not process."**

Lessons Learned
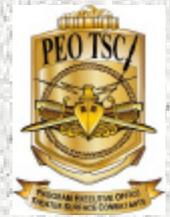# *Government Accounting*

- **Budget vs. Costs**
  - **Must separate revenue (funding document) from expense (project costing)**
  - **Color of money doesn't affect scope**
  - **May be helpful to keep revenues at summary level in accounting interface**

- **Materials**
  - **WIP: Cannot usually pull ACWP from financial system -- parts purchase doesn't equal parts usage**
  - **Must use estimations of issuance or track on shop floor**

Lesson Learned Management Information System

- **Accounting system must have three purposes**
  - **Data Storage / Accounting Interface**
    - **Incremental vs. cumulative**
    - **By element of cost**
    - **Data accessible at least monthly**
  - **Job Cost Accounting**
  - **Financial Management**
    - **Project Actuals**
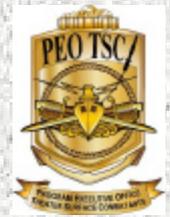   - **Funds / Revenue**

Lesson Learned Management Information System

- ## **Recommended Process Owners**

Function	Belongs to	Influenced by
Data Storage / Accounting Interface	Comptroller	
Job Cost Accounting	Comptroller	Project Manager
Financial Management		
Project Expenses	Project Manager	
Funds/Revenue	Project Manager	Comptroller

Workshop Recommendations

1. **Form PMAC Working Group to resolve Depot and Logistics issues.**

2. **Need OSD "In-House" Web Site/Deskbook Reference**

   - Best Practices

   - Lessons Learned

   > **- POC: Type of Effort, Location, Office, Phone No, E-mail**

   - Training References

   - Tool Sets