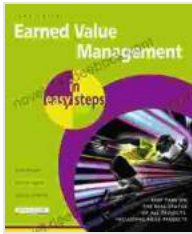


Earned Value Management In Easy Steps



Earned Value Management in easy steps: Keep tabs on the real status of all projects, including agile projects

by Latéfa Faiz

★★★★☆ 4.5 out of 5

Language : English
File size : 12465 KB
Text-to-Speech : Enabled
Screen Reader : Supported
Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 208 pages
Lending : Enabled



Earned Value Management (EVM) is a powerful technique used in project management to measure project performance, identify potential problems, and make informed decisions. It is a systematic approach that integrates cost, schedule, and scope data to provide a comprehensive view of project progress and predict future outcomes.

EVM is particularly useful for large and complex projects, where it can be difficult to track progress and identify areas for improvement. It provides a common language and framework for communication between project stakeholders, allowing them to assess project performance and make better decisions.

Benefits of Earned Value Management

- Enhanced project visibility and control
- Improved decision-making through objective performance data
- Early identification of potential problems and risks
- Improved resource utilization and cost control
- Enhanced communication between project stakeholders
- Increased project success rates

Steps in Earned Value Management

EVM involves a series of steps that are performed throughout the project lifecycle:

1. Project Planning

The first step in EVM is to develop a detailed project plan that defines the project scope, schedule, and budget. This plan will serve as the baseline against which project progress will be measured.

2. Data Collection

Once the project plan is established, data needs to be collected on a regular basis to track project progress. This data includes actual costs incurred, actual hours worked, and the percentage of work completed for each activity.

3. Earned Value Calculation

The core of EVM is the calculation of earned value, which represents the amount of work that has been completed according to the project plan.

Earned value is calculated by multiplying the planned value of the work completed by the percentage of work completed.

4. Performance Measurement

Once earned value has been calculated, it can be used to measure project performance. Key performance metrics include:

- Cost Variance (CV): The difference between the earned value and the actual cost incurred
- Schedule Variance (SV): The difference between the earned value and the planned value for the work completed
- Cost Performance Index (CPI): The ratio of earned value to actual cost
- Schedule Performance Index (SPI): The ratio of earned value to planned value

5. Earned Value Analysis

The final step in EVM is to analyze the performance metrics and identify potential problems and risks. This analysis can be used to develop corrective actions and improve project performance.

Example of Earned Value Management

Let's consider an example of EVM in action. Assume a project has a planned budget of \$100,000 and a planned schedule of 10 weeks. After 5 weeks, the project team has incurred actual costs of \$45,000 and has completed 50% of the work.

Earned value = Planned value (50% of \$100,000) x Percentage of work completed (50%) = \$25,000

Cost variance = Earned value (\$25,000) - Actual cost (\$45,000) = -\$20,000

Schedule variance = Earned value (\$25,000) - Planned value (50% of \$100,000) = -\$25,000

Cost performance index = Earned value (\$25,000) / Actual cost (\$45,000) = 0.56

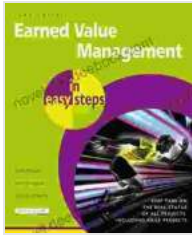
Schedule performance index = Earned value (\$25,000) / Planned value (50% of \$100,000) = 0.5

The negative cost and schedule variances indicate that the project is facing cost overruns and schedule delays. The cost performance index and schedule performance index of less than 1.0 confirm that the project is currently underperforming.

Earned Value Management is a powerful tool that can greatly enhance project performance and success. By following the steps outlined in this article, project managers can effectively implement EVM and reap its benefits. EVM provides valuable insights into project progress, identifies potential problems, and supports informed decision-making. Its systematic approach and common framework facilitate communication among project stakeholders, leading to improved project outcomes.

Earned Value Management in easy steps: Keep tabs on the real status of all projects, including agile projects

by Latéfa Faiz



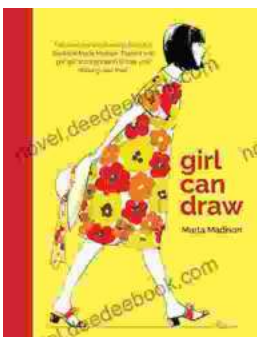
★★★★☆ 4.5 out of 5

Language : English
File size : 12465 KB
Text-to-Speech : Enabled
Screen Reader : Supported
Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 208 pages
Lending : Enabled



Performing Asian American Women On Screen And Scene

The representation of Asian American women on screen and stage has undergone a significant evolution in recent decades, reflecting the growing visibility and influence of the...



Girl Can Draw: A Spirited and Inspiring Play by Joe Penhall

Prologue In the realm of contemporary drama, Joe Penhall's "Girl Can Draw" stands as a beacon of inspiration and thought-provoking storytelling. This...