

## Introduction to Earned Value

### Earned Value Basics

- What is an Earned Value Program and System?
- Why do we need an Earned Value Program and System?
- Basic Earned Value Terminology
  - Scope Value
  - Cost Value
  - Schedule Value



### Successful Application of Earned Value to a Project

- Forward Pass Planning: developing value in the performance baselines
- Identify Program Constraints: stakeholder requirements and expectations or contract requirements
  - Scope
  - Quality
  - Resource and Cost
  - Schedule
  - Responsibility
- Establish Baseline Success Paths: inject a dose of reality (risks, threats and opportunities)
  - Identify key assumptions that you are making as you plan
  - Identify what's in and what's out of scope
  - Implement Rolling Wave Planning: plan to the level of information that you have; don't fabricate bogus information
  - Decompose the work scope down to integrate manageable "work packages" with activities and tasks
    - Responsibility
    - Scope
    - Cost
    - Schedule
  - Characterize the technical certainty and uncertainty associated with scope definition
  - Risk Management Infusion: establish provisions for scope uncertainty
  - Characterize the type of work (cost type and resource requirements: for what you know)
  - Implement Rolling Wave Planning: estimate and characterize the estimate type
  - Risk Management Infusion: establish provision for resource and rate uncertainty
  - Assign durations to scope activities and align with resource requirements
  - Risk Management Infusion: establish provisions for schedule uncertainty
  - Integrate scope, schedule and cost performance baselines

### Develop Effective, High Impact Project Controls

- Establish summary, critical control points
- Assemble effective control account plans (CAPS: defining what's more important)
- Ensure effective work package to accounting system integration
- Identify Key Performance Milestones (scope, quality, schedule, cost) for appropriate tracking

## Develop Effective, High Impact Project Controls (Continued)

- Develop Critical Risk Response Plan
  - Opportunity Management
  - Threat response and reduction
- Develop “just right” reporting
- Establish the indicators and thresholds for change and corrective action
  - Scope
  - Quality
  - Cost
  - Schedule
  - Risk

## Execute and Control the Baseline

- Implement Risk Management Plan
  - Opportunity Management
  - Threat Management
- Continuous application of subsequent rolling wave plans into the baseline and conduct baseline change process to incorporate “new” or expanded project scope or information
- Review project performance against key baseline indicators
- Use the Earned Value Indicators to accurately “indicate” issues and opportunities against current baselines
- Control the baseline against Key Performance Parameters: maintain success paths
- Configure control: scope, cost and schedule to expanding product requirements

## Application Implementation to Specific Customer

- Applications issues
- Questions and answers

## Path Forward

*NOTE: Offered as a 1 or 2 day course*



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