



National Aeronautics and
Space Administration



FINANCIAL MANAGEMENT DIVISION | POLICY & GRANTS DIVISION | QUALITY ASSURANCE DIVISION | BUDGET DIVISION | STRATEGIC INVESTMENTS DIVISION | AGENCY FINANCIAL SYSTEMS OFFICE | MISSION SUPPORT OFFICE

When EVM Doesn't Work

OCFO

OFFICE OF THE CHIEF FINANCIAL OFFICER

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EVM ALONE MOVES THE WHEELS OF HISTORY!!!!



Photo Credit: Dwight's Big Speech! – *The Office US* Season 2, Episode 17, March 2, 2006, NBC

What is EVM???

- **Humphreys & Associates definition states “It is an umbrella term for 32 guidelines that define a set of requirements that a contractor’s management system must meet. The objectives of an EVMS are to:**
 - *Relate time phased budgets to specific contract tasks and/or statements of work.*
 - *Provide the basis to capture work progress assessments against the baseline plan.*
 - *Relate technical, schedule, and cost performance.*
 - *Provide valid, timely, and auditable data/information for proactive project management analysis and action.*
 - *Supply managers with a practical level of summarization for effective decision making.”*

Why Are We Doing This?

- We often hear “EVM Doesn’t Work”
 - “It’s not forward looking,” “it costs too much”
 - Leads us to the question of When doesn’t EVM work?
 - Knowing these reasons, we can look at the impact they can have and provide possible solutions.

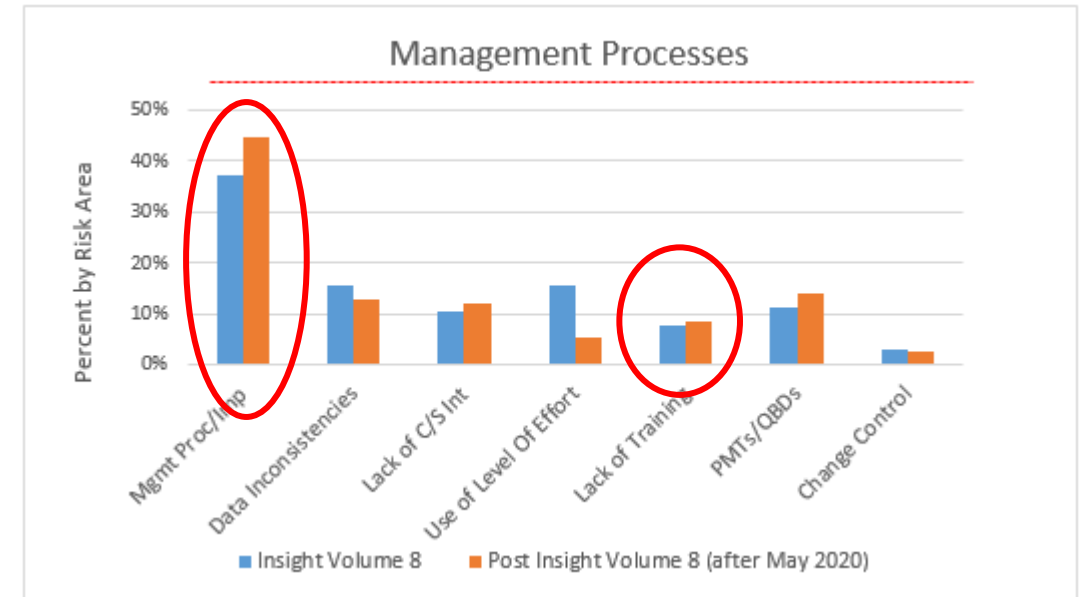
When Doesn't EVM Work? When It's Not Used

- Management at all levels must be fully committed to using Earned Value Management and not because it is “required”
- Data not used to make decisions because it's not trusted or understood
- Reporting just for the sake of reporting.
- Variances are not used to educate.

When Doesn't EVM Work?

When It's Not Supported

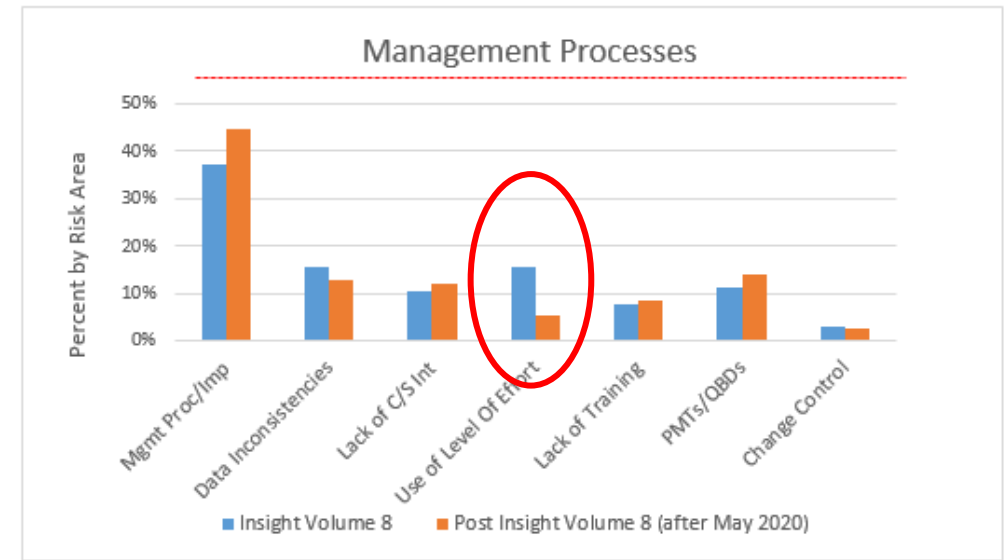
- Assigning inexperienced team members to set up EVM
- Lack of training and understanding
- Understaffed Program Controls Offices
- Implemented incorrectly



When Doesn't EVM Work?

When Variances Are Hidden

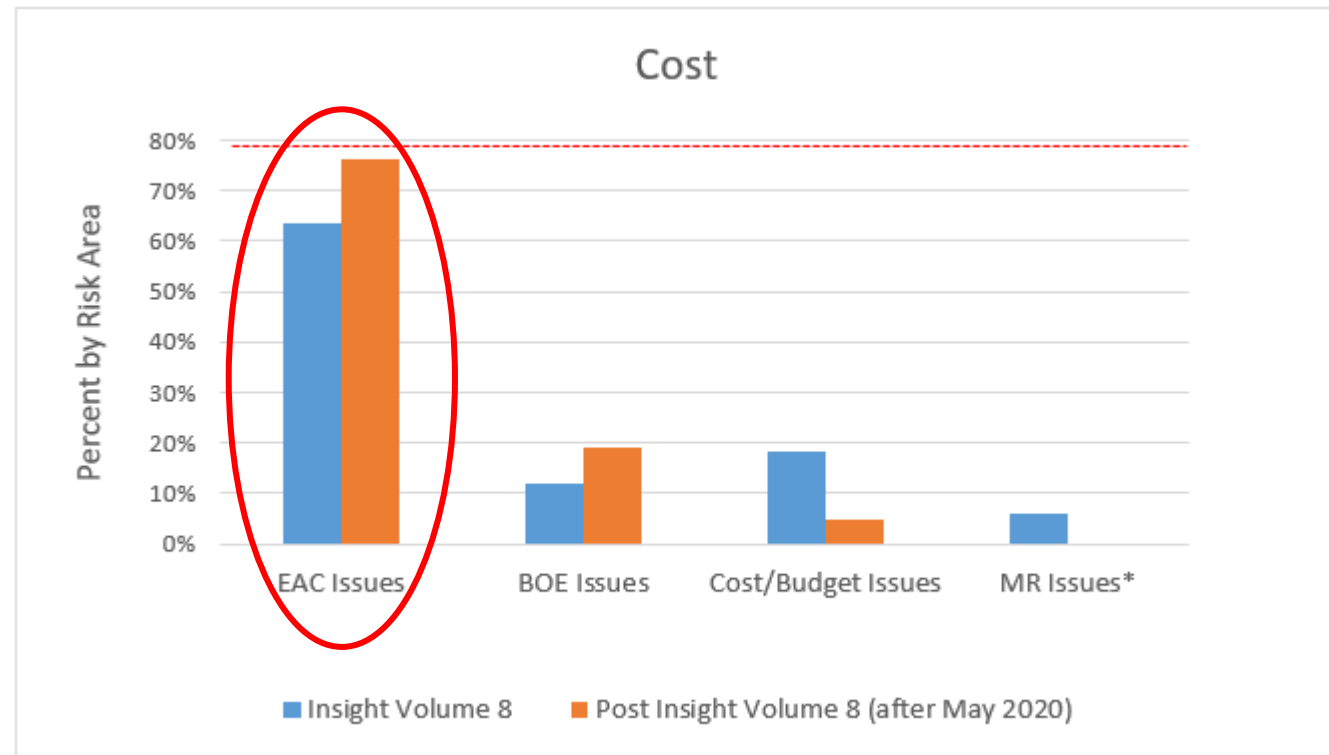
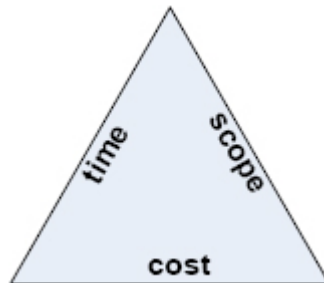
- Excessive Use of LOE Hides Schedule Variances
- Excessive Co-mingling of LOE in Control Accounts.
- Misunderstanding of difference between UFE and MR.



When Doesn't EVM Work?

When It's A One-Legged Stool

- CAMS can get too focused on the “technical”
- Forecasting doesn't consider realism based on previous performance
- When it's only a schedule



When Doesn't EVM Work? When It's Not In Sync

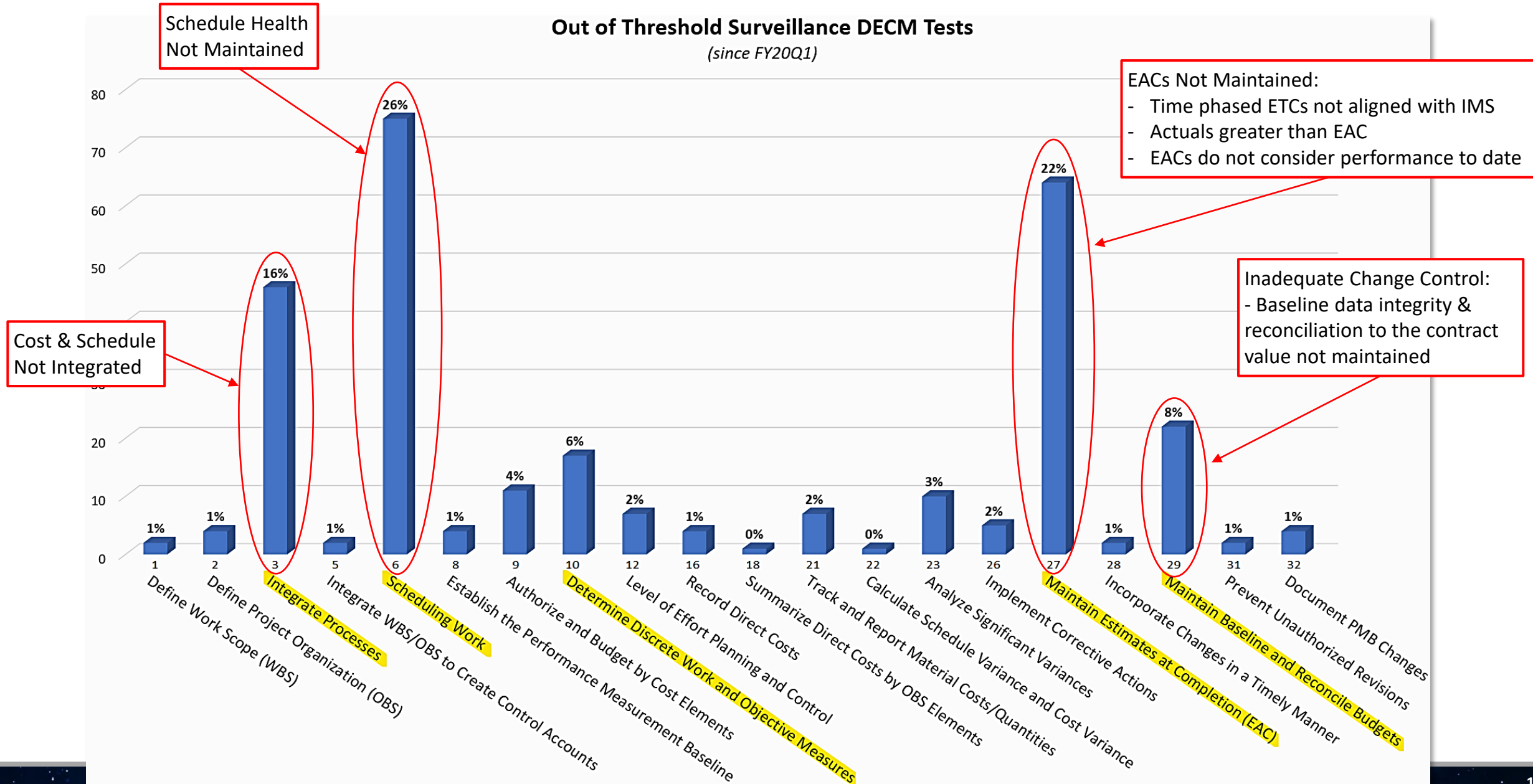
- Cost and Schedule don't align
- Process order matters
- WBS isn't traceable



Photo Credit: NYSC Carlo Dalla Chiesa www.billboard.com 11/14/2017

When Doesn't EVM Work? *Surveillance Stories*

Out of Threshold Surveillance DECM Tests
(since FY20Q1)



OCFO-SIB We're Here to Help!

- Proper implementation and maintenance matters!
- Training is available!
- EVM WG Community
- EVM is not a bad word!





Q&A

