



Engineering Management Institute
EMI
GIVE • GUIDE • GROW

Earned Value Management


Speaker:
Lynn Browning, PE, PMP

HENDERSON ENGINEERS | **HENDERSON** BUILDING SOLUTIONS

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PURPOSE AND OBJECTIVES

» PURPOSE

To understand Earned Value Management (EVM) metrics and be able to identify and overcome implementation challenges of EVM.

» OBJECTIVES

- Define EVM and discuss core concepts
- Explore benefits of EVM
- Review EVM formulas
- Show Spent Model Challenges and Cost Model Benefits
- Leverage data governance and tool development
- Identify Change Management challenges




EVM Project Management



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LYNN BROWNING, PE, PMP



- » Director of Project Management, Henderson Engineers
- » Joined Henderson in 2008
- » Has served in a variety of roles, on many different projects, including healthcare, retail, and education projects
- » Works to navigate the needs of different internal and external stakeholders and align everyone's goals to support a common mission




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WHAT IS EARNED VALUE MANAGEMENT?

Definition:

Earned Value Management (EVM) is a project management methodology that integrates **scope, schedule,** and **cost** to measure project performance and progress.

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WHAT IS EARNED VALUE MANAGEMENT?

Value:

- Provides a quantitative view of project performance.
- Offers real-time insights into project health and progress.
- Identifies deviations from the plan early, allowing for timely corrective actions.
- Forecasts the expected total cost and provides indicators (CPI, SPI) that show trends.
- Provides transparency and responsibility across project teams.

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WHAT IS EARNED VALUE MANAGEMENT?

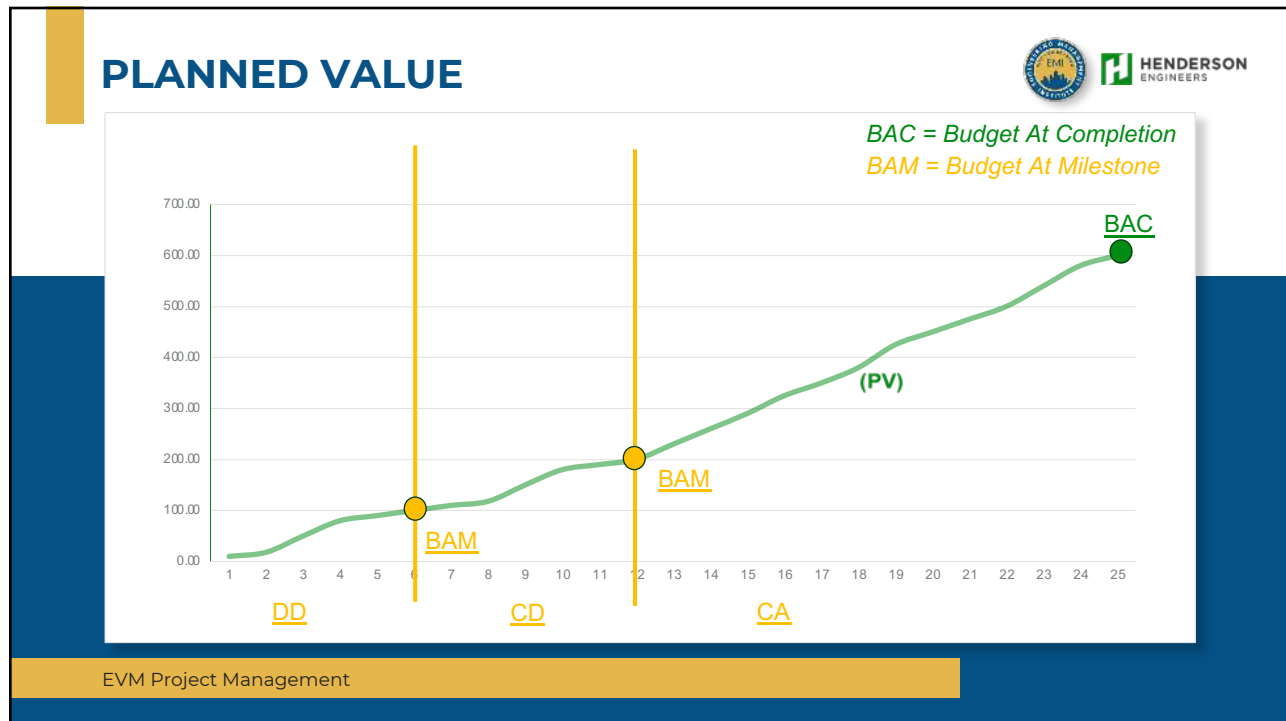
PLANNED VALUE (PV):
What work value did we plan to have achieved by now?
The value of work scheduled to be completed by a specific date.

EARNED VALUE (EV)
What work value have we achieved so far?
The value of actual work completed by a specific date.

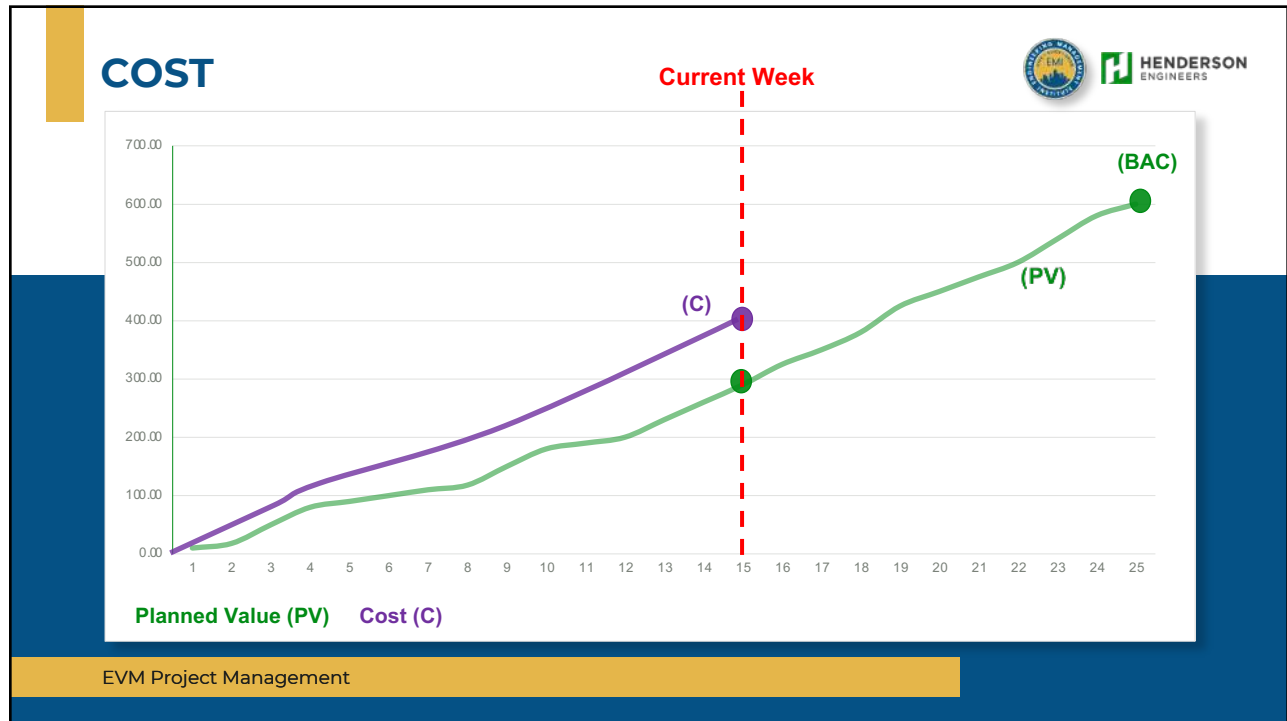
COST (C):
What is cost so far?
The total cost incurred for the actual work performed by a specific date.

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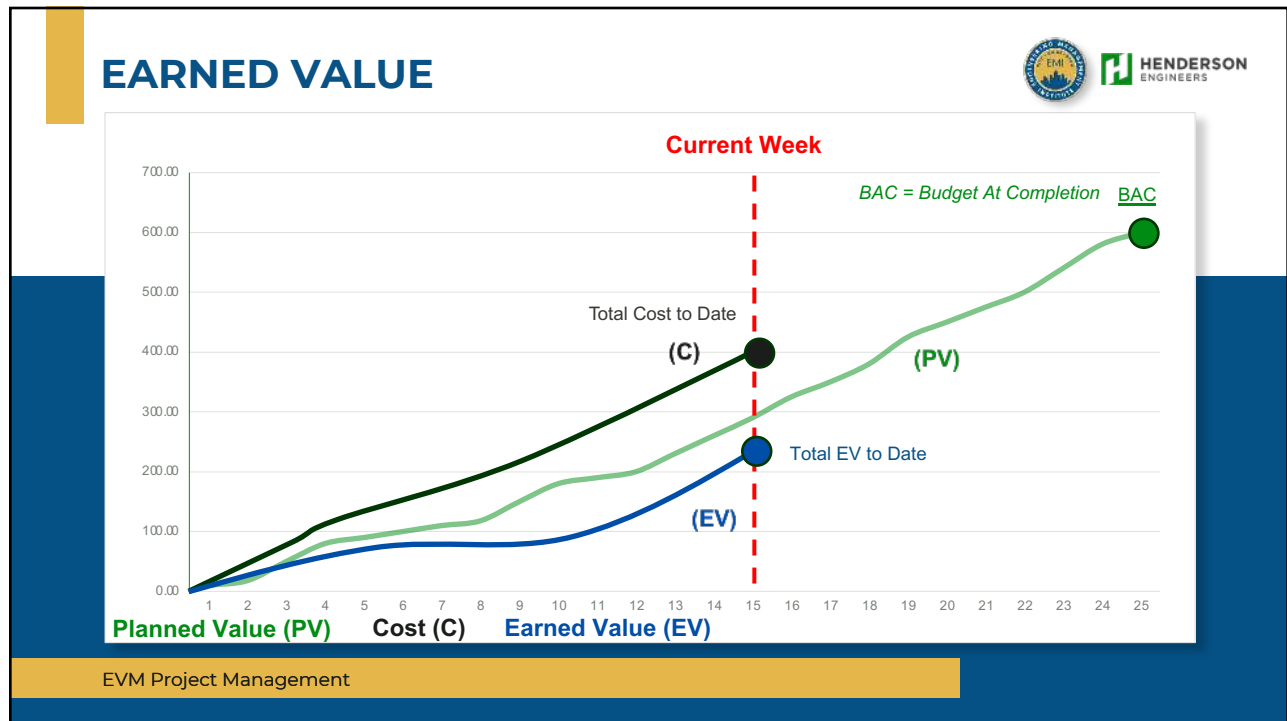
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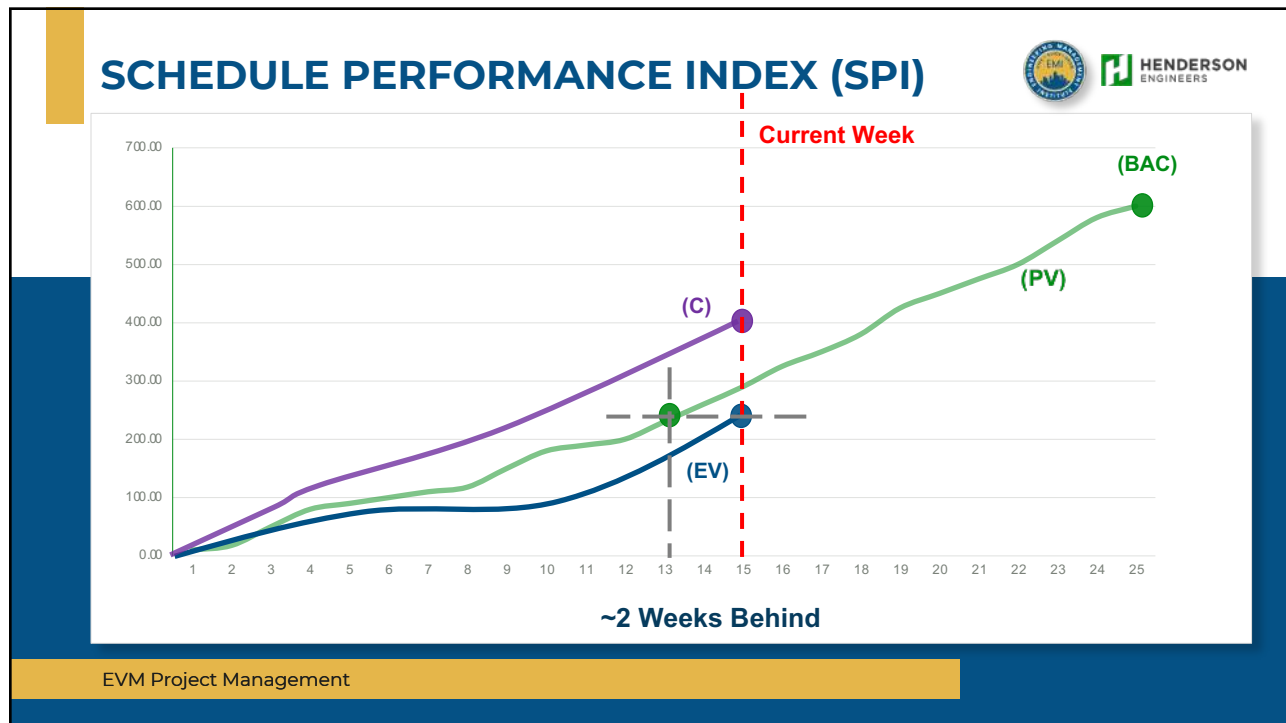
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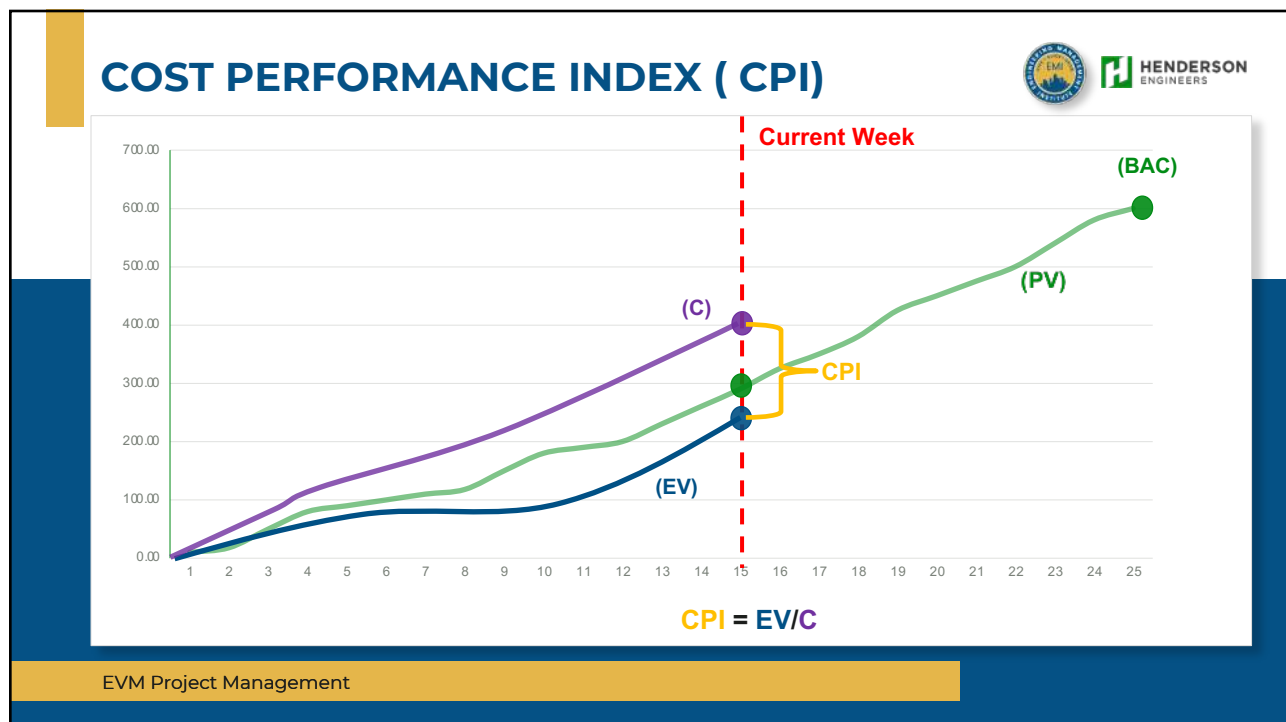
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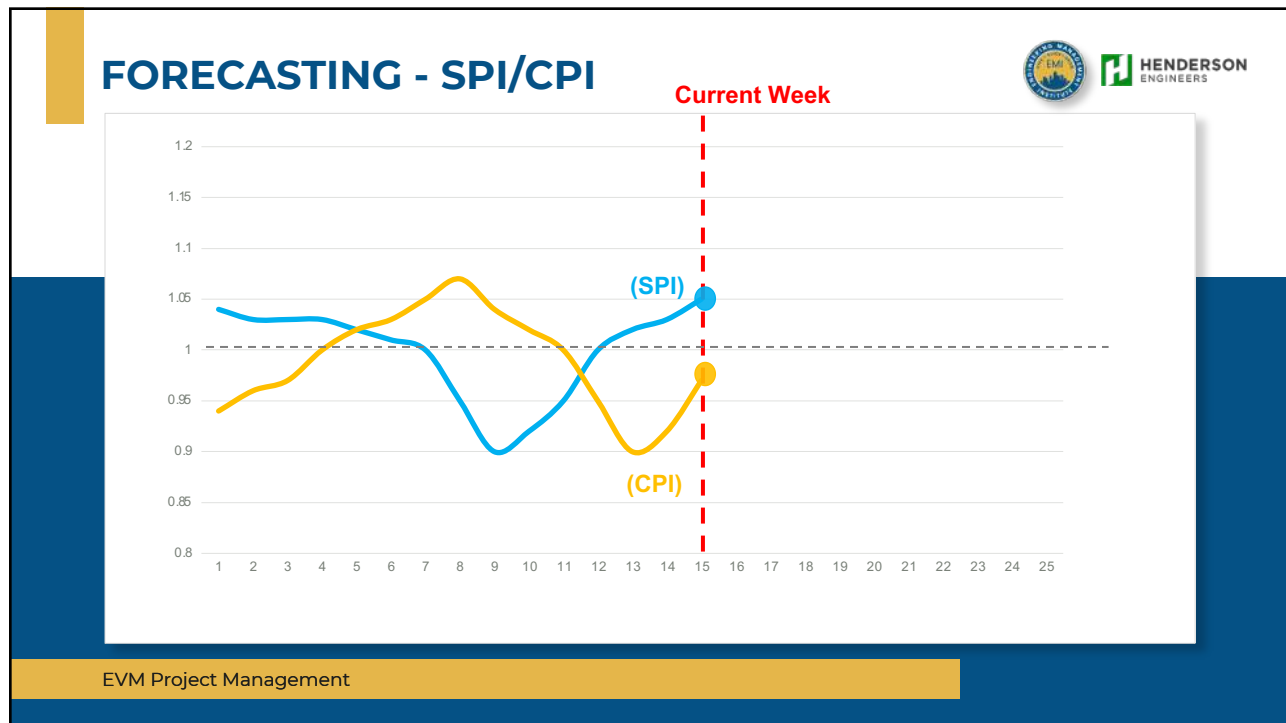
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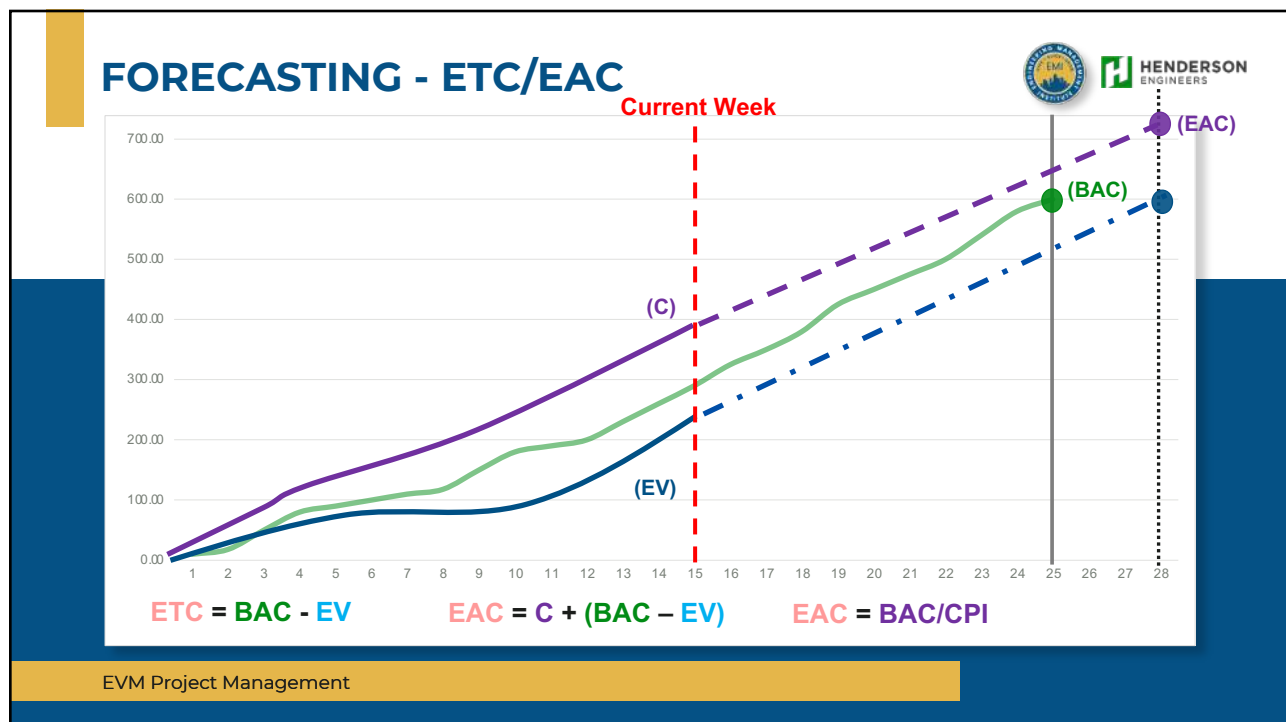
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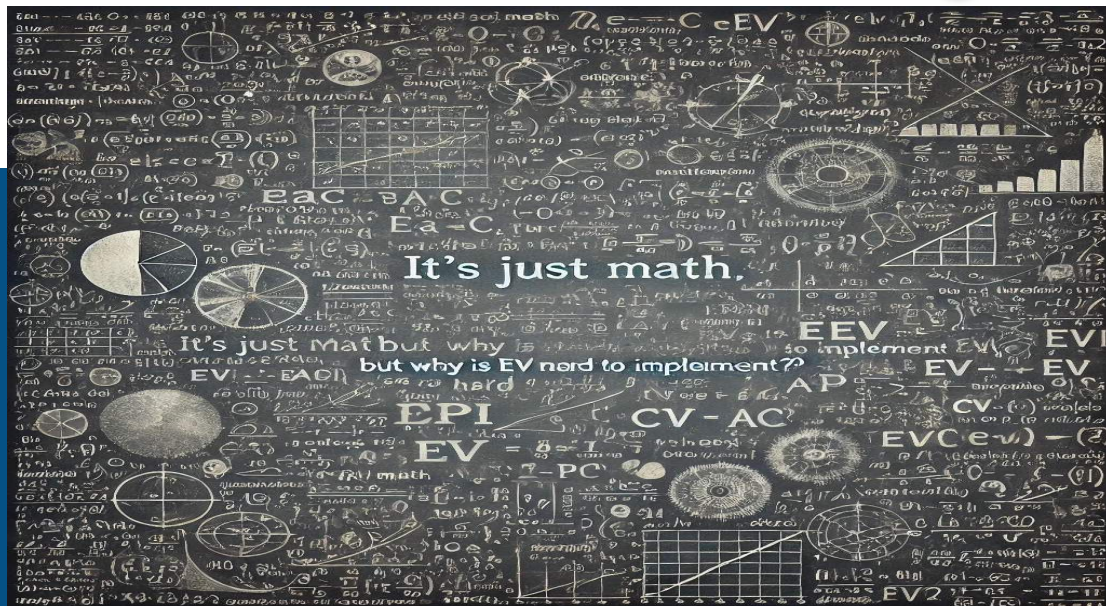


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- How we are doing
- Where have we been
- What might happen
- Scalable for our projects and across programs



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OUR JOURNEY AND CHALLENGES



Formalizing
Project Data
Structure



Moving to a
Cost Model




Facilitating
Change
Management


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PROJECT DATA STRUCTURE: BILLING CENTRIC STRUCTURE - CHALLENGES




Billing-Centric
Structure



Standardization
Issues



Inadequate
Budget
Management





Upcoming
workload for
disciplines

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PROJECT DATA STRUCTURE: PM CENTRIC STRUCTURE - BENEFITS



- 1 Supportive Billing Process
- 2 Simplify Schedules and Roles
- 3 Clear Budgets and Contingencies
- 4 Enhanced Staffing Insights
- 5 Improved Data Quality and Consistency

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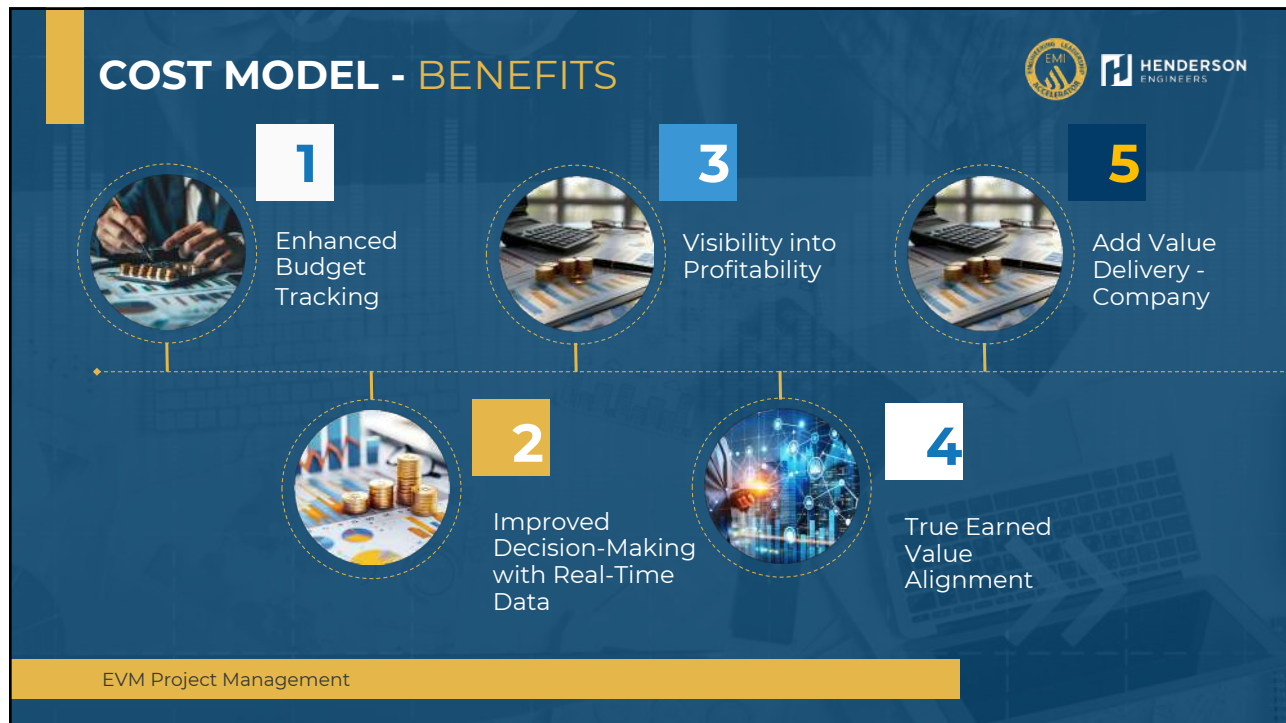
SPENT MODEL - CHALLENGES

- 1 Profitability Blended with Costs
- 2 Non-Discipline Specific Rates
- 3 Time-Based Budgets
- 4 Earned Value Linked to Billing

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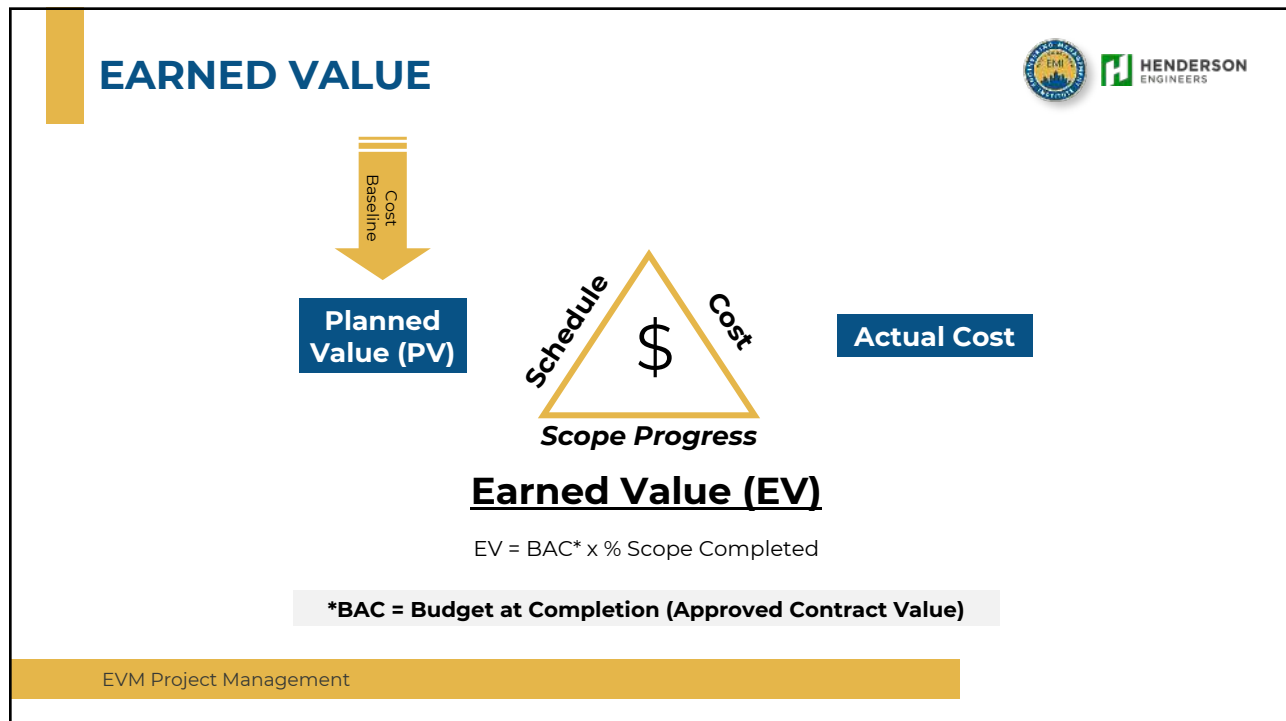
Questions?

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Discussion:

- What would an effective earned value management look like for you?
- What challenges stand in the way of you achieving this?
- What tools or strategies can help you overcome those challenges and realize your goal?




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