

Are You Earned Value Ready?

Keeping your project on track and in compliance with government guidelines

Earned Value Management (EVM) has gained new momentum as a result of a changing landscape. With renewed emphasis on government spending efficiency and increased transparency and accountability, the White House Office of Management and Budget (OMB) is now requiring that EVM be used to demonstrate government and contractor costs for all major IT projects, as well as to show how close projects are to meeting approved cost, schedule and performance goals. EVM is a structured method for integrating technical scope, schedule and cost performance that has long proven effective in managing performance of complex government projects. However, while EVM has been used in government programs for more than 30 years, it hasn't been used extensively for IT projects.

30%

Factor by which EVM, when fully implemented properly, can improve IT program success rates.

SOURCE: Gartner, 2007

Unless federal government contractors have been working with the Department of Defense (DOD), most have not been required to use EVM until recently. Because of OMB requirements, EVM related deliverables (CPR Reports, Integrated Baseline Reviews, Performance Measurement Baselines etc.) are finding their way into Statements of Work for the first time for many government contractors. As a result, many are asking “what is this and where do I begin?”

Many of the initial EVM challenges for government contractors are related to:

- Generating EVM Cost Performance Reports (CPR)
- Meeting transparency, accountability and auditing standards according to ANSI/EIA 748, UN/CEFACT's XML standard for project management data, FAR (Federal Acquisition Regulation) or OMB Circular A-11 Section 300
- Efficient means for dealing with change control
- Developing a Performance Measurement Baseline that integrates scope, schedule, deliverables and cost
- Preparing for, and facilitating the Integrated Baseline Review with government stakeholders
- Meeting compliance requirements immediately without an in-house staff with EVM implementation experience on a technical government project

With much of the focus initially on meeting all of the reporting requirements, it is easy to lose sight of the real reason why contractors are being required to comply with EVM regulations in the first place. The goal is not to create another excessive reporting tool. The goal for EVM is to provide a value to the government and contractor for measuring the health of a program/project at any point in time and managing integrated technical, cost and schedule performance. Proper use of EVM can provide early warning (forecasting) of impending

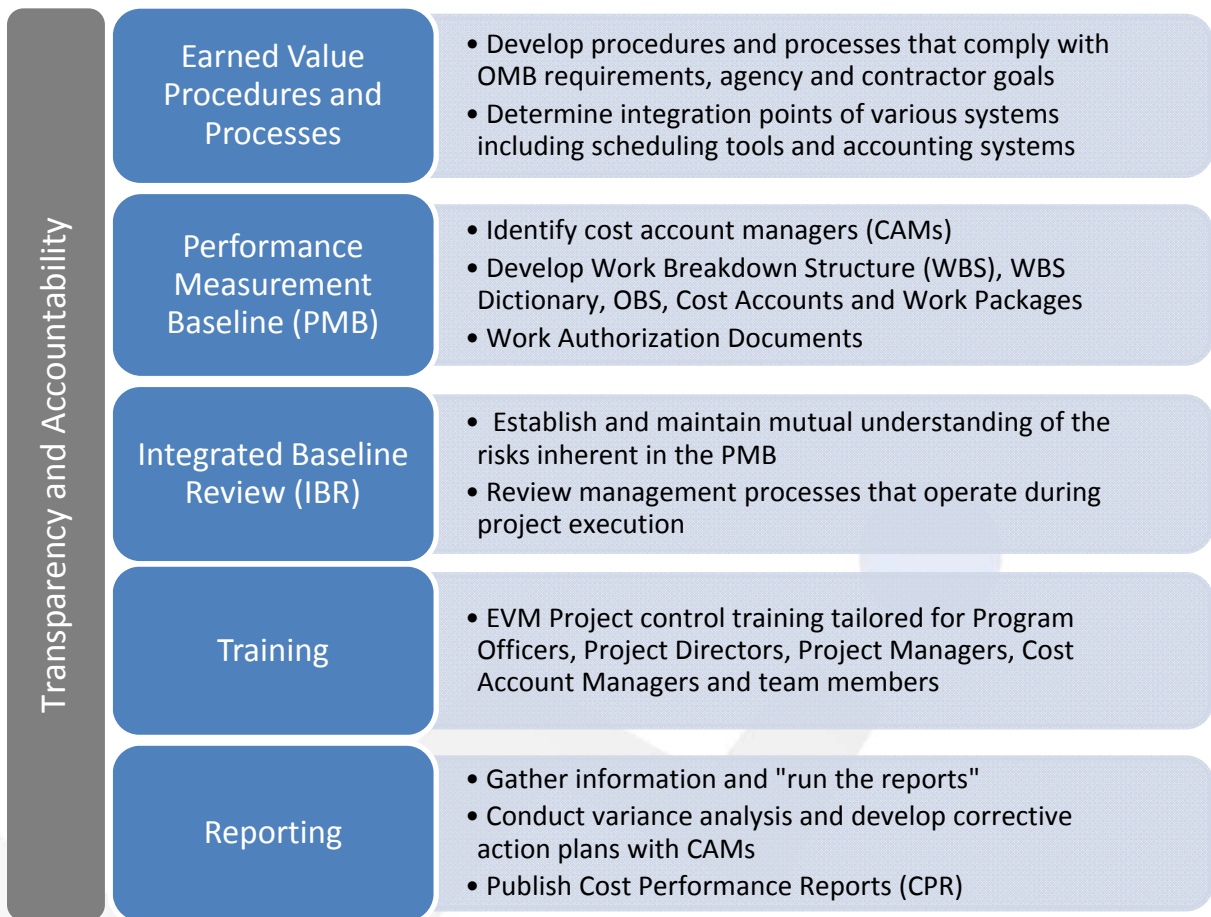
Implementing EVM is much more than just meeting all of the reporting requirements in the SOW. It should primarily be viewed as a management tool that can help federal agencies and contractors improve the likelihood of project success.

problems, leaving ample time for corrective action. Applying EVM principles can provide for better control of program/project performance, along with greater accountability and a reduction in risk.

EVM Implementation Framework for Federal Contractors

For years, HighPoint Global has worked side by side with public sector clients to help them achieve breakthroughs in performance, transparency and accountability. As a result, we have developed an *EVM Implementation Framework for Federal Contractors*. Our approach to EVM implementation is to focus not only on the reporting requirements, but also on how the government and contractor will use

EVM to effectively measure and manage project performance. While understanding there is a deep learning curve for agencies and contractors who have never implemented EVM, our services are designed to enable the contractor and government to gain the value of EVM as quickly as possible. The following is a high-level overview of the framework:



HighPoint has developed EVM systems and processes that have been successfully validated by independent parties for EVM compliance with federal government guidelines. For additional information please call 317.614.7146 or email info@highpointglobal.com.