

## Earned Value Management (EVM)

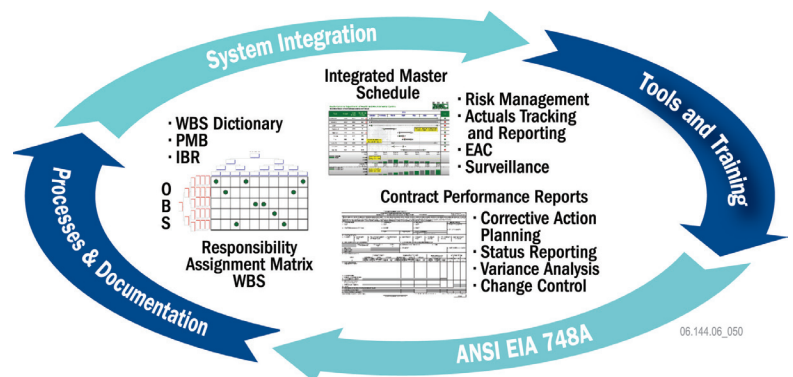
### An Integrated Approach to Objectively Evaluate Project Health, Forecast Future Trends, Communicate Risk, and Develop Recovery Strategies

Federal agencies need systematic and effective ways to ensure their programs execute contractual requirements on schedule and within budget. This objective translates universally to all projects regardless of contract type, size, or complexity. Poor planning, scope creep, ineffective risk management, and lack of visibility into project status and overall health contribute greatly to project failure statistics. With ongoing and increasing pressure to justify spending and avoid costly project overruns, the government acquisition community has revised policy to expand the use of Earned Value Management (EVM) as a project management technique.

#### The Booz Allen Advantage

Booz Allen Hamilton, a strategy and technology consulting firm, has developed an Earned Value Management System (EVMS) that provides a systematic approach to integrating and measuring cost, schedule, and technical accomplishments on a project or task. We bring to each assignment:

- Deep Expertise.** We are familiar with earned value theory and tools, and we are practitioners of the program management technique. Booz Allen's staff comprises many premier industry earned value experts, including certified Earned Value Professionals credentialed by the Association for the Advancement of Cost Engineering, and Project Management Professionals credentialed by the Project Management Institute.
- Best Practices.** Our Certified EVMS is fully compliant with DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAP) and Major Automated Information System (MAIS) Acquisition Programs. The Defense Contract Management Agency has recognized Booz Allen's EVMS as a fully compliant integrated management system. Booz Allen's EVMS is fully compliant with ANSI/EIA Standard 748 (latest revision) and meets the requirements of OMB Circular A-11 for a performance-based management system for IT capital investments.
- Integrated Solutions.** We fully integrate cost, schedule, and technical baselines to ensure accurate, realistic, and timely project reporting, analysis, and forecasting. Our procedures are documented in our Management Control Systems Description (MCSD), which provides guidance for the compliant and consistent application of the ANSI/EIA-748 criteria.



- Strategic Perspective.** We recognize that one size does not fit all. Our approach includes tailoring based on the size, risk, and complexity of the program or project.

#### About Booz Allen

Booz Allen Hamilton has been at the forefront of management consulting for businesses and governments for more than 90 years. Providing consulting services in strategy, operations, organization and change, and information technology, Booz Allen is the one firm that helps clients solve their toughest problems, working by their side to help them achieve their missions. Booz Allen is committed to delivering results that endure.

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### The Booz Allen Approach

Our approach to EVM is based on generating and sharing useful information to aid in the decision-making process. Our corporate EVM training courses, both online and classroom-based, ensure effective understanding and application of our procedures. An effective earned value implementation requires training not only for technical staff but also for joint contractors/customers to ensure effective status meetings and clear communication of risks and issues. Our approach ensures all control account managers, support staff, and technical leads are trained first and foremost in project management best practices.

*The Work Breakdown Structure (WBS) is the key to an effective Project Management environment and provides the foundation for an EVMS*

- Our deliverable-oriented WBSs provide insight into our scope of work, a framework for reporting, and our forecasting
- Our Work Authorization Documents facilitate administrative control and provide traceability between the scope of work and requirements
- We generate time-phased budgets (planned value), collect actuals (actual cost), and track performance (earned value) utilizing integrated tool suites
- We generate earned-value metrics, including the Cost Performance Index (CPI) and Schedule Performance Indicator (SPI), and we analyze cost/schedule variances to identify issues and potential risks

*An ultimate outcome of an EVMS is the ability to forecast final dates and costs and provide substantive "at completion" analysis*

- Our approach addresses historical status but also utilizes the data to validate forecasts by generating independent Estimate at Complete (EAC)
- We utilize advanced forward-looking earned value metrics, including the To Complete Performance Index, to validate EACs
- We utilize thresholds to determine variance reporting requirements and generate quantitative variance analysis reports

*The Integrated Master Schedule (IMS) is the impetus to effective planning and scheduling*

- We accurately maintain the IMS and perform critical path analysis
- We integrate internal and external dependencies into the IMS for accurate forecasting, and we maximize the use of discrete, measurable milestones
- We resource load and level the IMS and establish a baseline plan, ready for incorporation into a Performance Measurement Baseline (PMB)

*Our integrated EVMS tool suite is made up of industry-leading COTS software products*

- Our tool suite contains a robust set of cost and schedule tools and portals, and supports electronic information data transfer to provide stakeholders with instantaneous, secure access to program status and projected performance
- Our tools provide maximum reporting and analysis flexibility and have drill-down capability
- Our subject matter experts are familiar with industry-recognized tools, including MS Project, MS Excel, Primavera, Cobra, MPM, wlnsight, and Steelray
- We generate and analyze all five formats of the Contract Performance Report, including WBS; Organization Breakdown Structure; and Baseline, Staffing, and Variance Analysis

### Representative Clients

- Department of Energy
- US Coast Guard
- Federal Bureau of Investigation
- National Reconnaissance Office
- Environmental Protection Agency