Navy Implementation of Earned Value Management (EVM)

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Navy Implementation of EVM
Selection of Program Managers for Interview

- NAVAIR – 3
- NAVSEA – 5*
  - Ship construction – 4*
  - Shipboard Systems – 2*
- Cross-section of contractors
  - Boeing
  - Lockheed
  - Raytheon
  - General Dynamics
  - Northrop Grumman

* One program is managing ship construction as well as shipboard systems

Navy Implementation of EVM
Training

- Primary source of EVM training
  - DAU courses (seven of eight PMs)
  - Hands-on experience in current position (five of eight PMs)
  - Hands-on experience in previous position (four of eight PMs)

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Perceived quality and value

	Program Manager's perception*	
	Navy	Contractor
Quality contractor's implementation of EVM		
- Very successful	2	5
- Somewhat successful	3	1
- Unsuccessful	4	0
Value of EVM to the program		
- Critical to success	3	5
- Very useful	2	1
- Useful in theory	1	
- Better tools available	2	
Does your counterpart use EVM effectvely?		
- Yes	5	4
- No	4	2

* Recall that eight Navy PMs were surveyed, but nine contracts were addressed. Six contractor PMs were surveyed.

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Program management or metrics?

- Nearly all Navy and contractor PMs view EVM as primarily a program management tool
  - But, do they mean the same thing?
- EVM and program management
  - Two views
    - Program oversight
      - Metrics
      - Status
    - Robust planning and organizing process
      - Integrated management systems

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EVM Support to program offices – SUPSHIP & DCMA

	Program Manager's perception	
	Navy	Contractor
SUPSHIP		
- Strong	3	3
- Weak	2	0
DCMA		
- Strong	4	2
- Weak	2	2

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EVM Support to program offices - SYSCOM

- SYSCOM EVM support
  - NAVAIR (AIR 4.2.6)
  - NAVSEA (SEA 017)
  - SPAWAR (not addressed)
- Only one of eight PMs thought SYSCOM support was strong

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Impediments

- Most significant impediments to effective implementation mentioned by the Navy program offices
  - Integrating EVM insights with technical management of the program.
  - Insufficient training
- Other impediments
  - Personnel turnover
  - Lack of routine EV use by higher headquarters
  - Lack of subcontract integration
  - Lack of buy-in by the contractor's management
    - Especially shipbuilders.
  - Unreconciled EACs
  - Unstable program baselines
  - Other Transaction authority

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Conclusions

- EVM, differing perspectives
  - Oversight vs. management
- EVM support to program offices
  - Support to the “team” vs. independence
  - SYSCOM, DCMA, SUPSHIP
- Impediments to effective EVM
  - Training
  - Program instability
  - Unreconciled EACs

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Recommendations

- Develop a Navy policy statement/white paper on EVM implementation
- Develop a model Memorandum of Agreement for EVM support (DCMA and SUPSHIP)
- Make an effort to improve EVM implementation by shipbuilders

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Recommendations (cont'd)

- Training
  - Develop an "EVM in an IPT environment" course
    - On-site
- Develop on-demand courses
  - IBR course
  - How to get EVM requirements on contract.
    - Developed with industry to include how they use EVM and how customer can adversely impact industry
- Assign EVM responsibility to the Navy "Program Management Council" recommended in CNA's May 2003 "Navy Program Manager Training" study