



OSD
In-House
Earned Value Management
Workshop
22 - 23 June 1999



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EVM In-House Workshop Findings



- **EVM implementation within DoD further along than perceived**
- **Direction reaffirmed**
 - **Need to Clarify In-House effort**
 - **DODI 5000.2R**
 - **Update EVMIG**
- **System validation not mandatory for EVM implementation**
- **Standard tool set recommended**



Lessons Learned Implementation Considerations

- 1. Insufficient implementation guidance on EVM**
 - Culture change required.**
 - How to fund implementation.**
- 2. Education and training**
 - Funds vs. budget**
- 3. Timing of funding**
- 4. Need contract / work authorization document.**
- 5. Modifying legacy system may not be the way to go.**
- 6. “Customer Management”/Baseline Management**
 - PEO/PMO must change how business is transacted**
- 7. Management Incentives**



Lessons Learned System Validation

- **Must comply with 32 criteria**
- **Must have DoD acceptance**
 - **DCMC: Validating Agent**
 - **Limited resources focused on contractors**
 - **Buying Command: No authority**

Lessons Learned System Certification



- **Must comply with 32 criteria**
- **DoD Acceptance not required**
 - **Buying Command can be Certifying Agent**
 - **Certification valid only within component**
 - **DCMC: Consultant**



Lessons Learned System Surveillance

- **Self Surveillance**
 - **In-House staff: Primary responsibility**
 - **PEO / Program Office Staff: As required**
 - **DCMC Assistance: Upon request**
- **Types of surveillance:**
 - **Program**
 - **System**
 - **SPC metrics - “system health analysis”**



Lessons Learned Training

- **Target audiences**
 - No “one size fits all”
 - Integrate training
 - Scope, schedule, budget/funds
- **Web-based and on-site instruction**
- **Train the trainers**
- **Procedural training**
- **On the Job**
- **Continuing education**



Lessons Learned Government Accounting

- **Intent of EVM Accounting Criteria based on compatibility with DoD Directive 5000.1b**
- **Accounting system acceptance subject to certification vs. validation requirements**

DoD Directive 5000.1b

g. Management Control

...”In implementing internal management control systems, managers should focus on results not process.”

Lessons Learned Government Accounting



- **Budget vs. Costs**
 - Must separate revenue (funding document) from expense (project costing)
 - Color of money doesn't affect scope
 - May be helpful to keep revenues at summary level in accounting interface
- **Materials**
 - **WIP:** Cannot usually pull ACWP from financial system -- parts purchase doesn't equal parts usage
 - Must use estimations of issuance or track on shop floor



Lesson Learned Management Information System

- **Accounting system must have three purposes**
 - **Data Storage / Accounting Interface**
 - **Incremental vs. cumulative**
 - **By element of cost**
 - **Data accessible at least monthly**
 - **Job Cost Accounting**
 - **Financial Management**
 - **Project Actuals**
 - **Funds / Revenue**



Lesson Learned Management Information System

- Recommended Process Owners**

<u>Function</u>	<u>Belongs to</u>	<u>Influenced by</u>
Data Storage / Accounting Interface	Comptroller	
Job Cost Accounting	Comptroller	Project Manager
Financial Management		
Project Expenses	Project Manager	
Funds/Revenue	Project Manager	Comptroller



Workshop Recommendations

- 1. Form PMAC Working Group to resolve Depot and Logistics issues.**
- 2. Need OSD “In-House” Web Site/Deskbook Reference**
 - Best Practices**
 - Lessons Learned**
 - POC: Type of Effort, Location, Office, Phone No, E-mail**
 - Training References**
 - Tool Sets**