



EVMS IN THE US A DOWN-UNDER VIEW

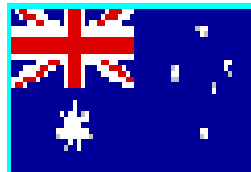
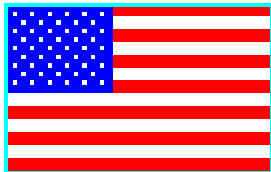
Presentation for the Washington DC Chapter
of the Performance Management Association

20 November 1997







Jim Muir - Australian Exchange Officer

BACKGROUND

- Exchange program is part of IPMC and Trilateral MOU on Cooperative Implementation of project Cost & Schedule Performance Management Principles in Defense Contracting
- Program now in its fifth year
- 3 US officers have worked in Australia, with a fourth about to go
- 2 Australia officers have worked in US, with a third being selected

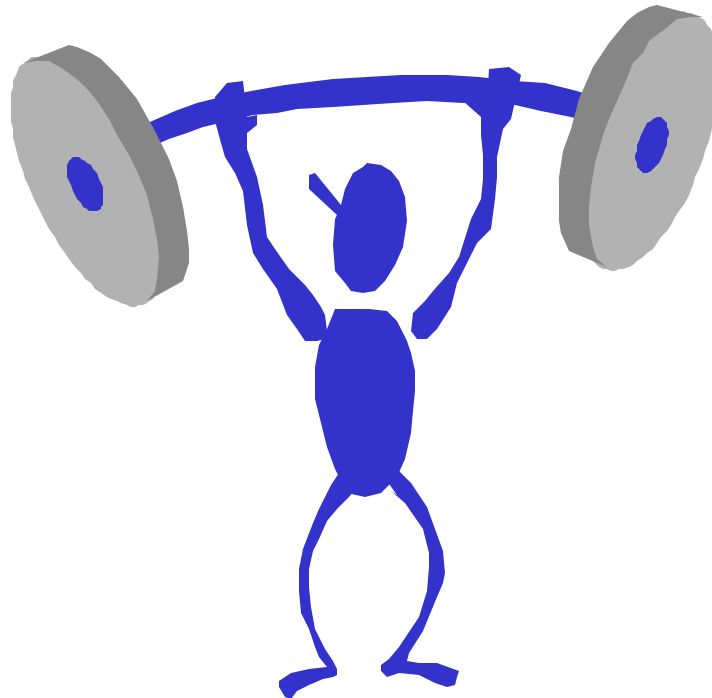


PARTICIPANTS

- Mr.... Jan Peterson 
- Mr.... Carl Rehling 
- Mr..... Van Kinney 
- Mrs Debbie Murray 
- Mr... John Payne 
- Mr... Jim Muir 

US- CHANGING THE PARADIGM

- Strong, sustained efforts to change the way we do Earned Value



US- CHANGING THE PARADIGM

- Leadership commitment from OSD, IPMI Steering Group & DCMC



US- CHANGING THE PARADIGM

- Strong co-operation between Industry front runners and DoD



US- CHANGING THE PARADIGM

- Consistent message being spread through multiple media - Conferences, Defense Week, PMI, DCMC Mini-Conferences, Web site, NDIA etc.



US- CHANGING THE PARADIGM

- The message is spreading in both government and industry, and people are keen to understand Earned Value



US- CHANGING THE PARADIGM

- OMB push to use Earned Value in civilian agencies reinforces the new paradigm and challenges DoD to go further



US- CHANGING THE PARADIGM

- PMI involvement in Earned Value significant in making EVM part of PM



Policy Changes

- Finance tool to Project Management tool
- Ownership from Government to Contractor
 - Industry Standard
 - One way of doing business
- From Government knows how to industry knows how
- From 35 Criteria & JIG to 32 Criteria
- From Compliance (passing review) to Management Use (IBR/surveillance/results)

Policy Changes (2)

- From separate discipline to mainline PM, links with risk & systems engineering
- From Oversight to Insight
 - observe rather than inspect
 - less intrusive, more efficient
- From discouraging change to encouraging change
- From suspicion to trust
- From Services to DCMC
 - PMJEG to Executive Agent & PMAC
 - Compliance review responsibility

Policy Changes - Documentation

- Policy letters
- DOD Instruction 5000.2R
- EVM Implementation Guide
- Revised DFARS Clauses

(see Fast start Kit or OSD EV Home page

www.dcmc.dcrb.dla.mil/MEMOS/Policy/97ltrs/dc97-38.pdf or www.acq.osd.mil/pm)

32 Criteria - what has changed?

Nothing of substance

Detailed comparison available on OSD Web

The EVM Implementation Guide

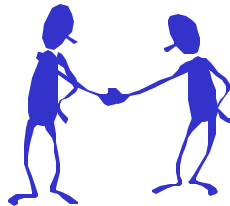
- No longer included in DFARS
- A Guide not a Bible
- Checklist gone (requirement creep)
- Aligned to 32 Criteria - maximized commonality with Industry Standard
- Process oriented rather than Criteria oriented

EVMIG (2)

- Reflects revised Service/DCMC responsibilities and PMAC
- Makes provision for Self-Evaluation or future 3 rd Party
- Provides Guidance on IBRs
- Guidance on interpreting criteria requirements
- Includes a process based Evaluation Guide

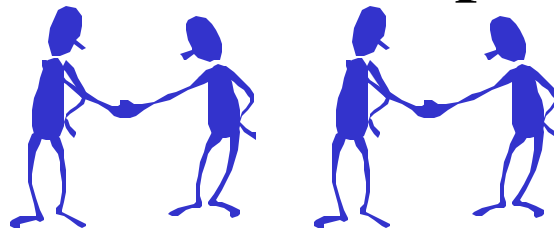
EFFECTIVE, CURRENT SYSTEMS?

- DCMC Surveillance thrust emphasizes management use and local teaming
- No review of processes which function effectively (lack of evident problems)
- This may reduce opportunity for improvement and impact customer confidence



EFFECTIVE, CURRENT SYSTEMS? (2)

- Suggest some periodic (1 to 2 yearly?) external look
- Involve
 - corporate or other divisional contractor personnel
 - DCMC EV Center, HQ or other plant personnel
 - customer personnel
- Focus on total system effectiveness and opportunities for improvement



EVALUATING WORK IN PROCESS

Significant milestones completed since mid 96

- Industry Standard issued, DoD5000.2-R revised, EVMIG issued, PMAC formed, DCMC field staff trained & equipped, DCMC EV Center established, APMF activities, Global Standards Working Group, Acq'n Reform's EV Satellite broadcast

Implementation must proliferate

- From Top Dogs to the rest, from policy makers to doers, from suspicion to trust, from DoD to other agencies, from old hands to new generation, from US to the world

A time of change and significant achievements

MY PERSONAL EXPERIENCE

- I have been given a tremendous reception and have been allowed vast opportunities
- I have had the good fortune to work at both OSD Policy levels and DCMC operational levels
- I have worked with a number of US companies
- At all levels, I have been accepted fully and treated very well
- I am very grateful
- I have also had the chance to see lots of your beautiful country, and will remember it very fondly in the years to come.