News, Thoughts & Perspectives on EVMS

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- The EVM Center is moving to Northern Va.
  - **Consolidation of organizational support**
  - **Efficiencies gained from consolidation of all EVM staff personnel**
  - **Richard Zell still <u>Supplier Operations Director</u>**
  - **Steve Krivokopich Still <u>Center Director</u>**
  - **Hiring 2 new positions**
- What does this mean to you?
  - **New phone numbers**
  - **Some of the same faces and some new ones**

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CPM Spring Conference 2003

EVM and all that JAZZ!

May 7-9, 2003
Marriott New Orleans
555 Canal Street
New Orleans, Louisiana

- Looking for speakers for Conference Practice Symposia **– See Rich Zell**
- Other support to NDIA and Foreign Allies?

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EVMS is a matter of Perception;

- **Top management wants things "faster, better, cheaper…"**

- **The Acquisition professional looks at meeting contract requirements…**

- **The Cost/Pricing professional looks at $…**

- **The Engineer looks at meeting design or manufacturability goals…**

- **The Production professional looks at schedule…**

- **The PM wants the program to succeed without "surprises", and allow "good" decisions…**

- **The EVMS Professional wants to show all of the above plus others that EVMS can work if "properly" implemented!**

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EVM System Validation

- **DoD's formal recognition of supplier's capability to meet the Industry Standard for an EVM System**

- **How do suppliers get validated within DoD?**
  - **The Center does a Risk-based analysis, and if warranted:**
    - **Review those risky area's with Customers/Suppliers**
    - **Accept system**
    - **Enter into Advance Agreement**
  - **Most suppliers were validated under Tri-Service agreement (still valid)**
  - **What about 3rd party validation?**
    - **Agencies other than DoD?**
    - **What about Sub-Contractors?**
  - **What about on going surveillance?**

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However, a validation does not assure successful program/project performance, or that the system will be:

- Maintained

- Applied on all programs consistently

- And Most Importantly … embraced by senior management as tool for program/project management!!!

EVM System Problems

- There are common EVM issues arising:

  - **Estimate at Completion**

    - **Not timely and/ or Not thorough**
    - **Low confidence levels in Supplier EAC**

  - **Baseline control and maintenance problems**

  - **Inappropriate EV Techniques**

  - **Use and control of MR**

  - **Material performance measurement**

Problem Resolution

– **Where Do We Begin?**

- Do we believe the data? If so, …
  Focus on the programmatics (usually a technical issue) driving the cost/schedule variance(s).

- But when the data isn't credible …
  Application of the EVM System on the program is the problem!

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- **Initial System Capability Assessment**
  - **DCMA has review templates (We train before most reviews, lack of auditing skills)**
  - **Guideline interpretations?**
  - **Who does reviews for companies and governmental concerns outside normal DCMA service relationship?**
  - **Service/Agency/Contractor review support (Need more participation- understand automated systems and risk)**
  - **MOU's between DCMA and Agencies to define roles and expectations have been helpful.**

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- **System Surveillance expertise**
  - **Joint Surveillance (DCMA/Services/Supplier)**
  - **Who assures system health in absence of DCMA? How?**
- **Programmatic expertise**
  - **Analysis of Data expertise**
  - **Schedule analysis expertise**
- **What is the future expectation for the:**
  - **Initial System Capabilities reviews**
  - **Service/Program Manager/OSD/Agencies**
  - **Companies**
  - **DCMA**

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- **Knowledgeable people on systems**
  - **Contractor**
  - **Civilian Agencies**
  - **Services and PM's**
  - **DCMA**
- **General lack of predictive analysis skills in government- may lead to increased oversight and or surprises!**

– **Integrated Baseline Review (IBR)**

  • **We have information to help your planning process and review**

  • **We can identify Management Systems Health and Risk**

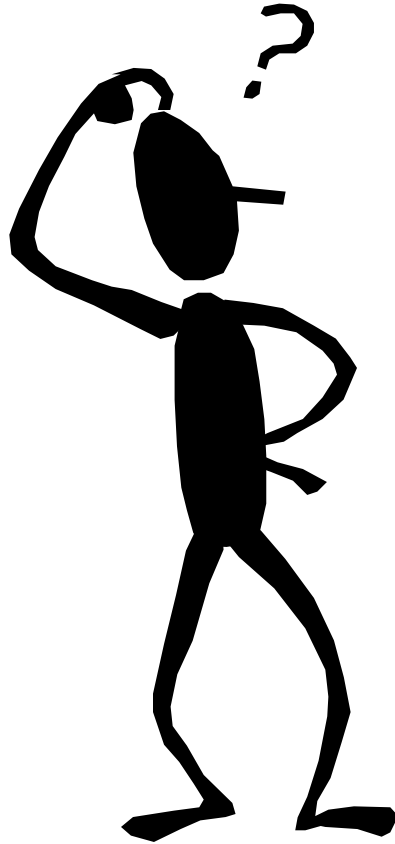*We Enable the Warfighter to Win*

Final Thoughts

- **Use the Supplier's EVM System to your advantage**
  - **EV Data visible to all (PEO/MDA/SAE/OSD)**
  - **Leverage DCMA when data integrity is questioned**

- **Estimate at Completion (EAC)**
  - **Understand differences – Your's, the Supplier's & DCMA's**
  - **Challenge Assumptions**

- **A *Validated EVM System* <u>does not</u> assure program success!**

Discussion/ Questions?

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