

## Earned value management project management without its clothes

by Warren Brown, Deltek

‘Earned value management is project management without its clothes,’ says Michael Trochez. ‘Other methods, even simple ones such as the use of Excel spreadsheets, can mask what is really happening.’

Trochez should know; as head of project planning and control at Saab Systems Naval Division in Sweden (NSDS) he is accustomed to managing, high-profile, international projects that need the cast-iron grip on reality that EVM allows. And he is used to looking after multiple projects at the same time, juggling resources, budgets and ensuring nothing stands in the way of delivering products and services on time.

To enable him to do this, he uses Deltek Cobra, one of the leading IT solutions for managing project costs, measuring earned value and analysing budgets, actuals and forecasts. The result is a transparent window across the company – and between the client and company where required – through which to view the true picture of progress and potential pitfalls.

### Global projects

Saab Systems is one of the world’s leading suppliers of customised command and control systems for defence and security solutions in air, land and naval environments. It supports the full cycle of these products including design, integration, through-life support and associated training systems. Its naval systems for different applications and different ship types range from multi-sensor directors and navigation and detection radar to complete combat management systems.

Based near Stockholm, it also has offices in Finland, South Africa and Australia and around 1,000 employees

work across these four locations. And it was when the Swedish office began working with its Australian colleagues on the command and control system for the Royal Australian Navy’s Anzac-class frigates that the question of EVM arose.

Although there are software solutions on the market that facilitate and, to some extent, automate EVM, bringing together disparate data from individual systems and fully integrating this information to give a project view, EVM isn’t a technology in itself, but a methodology.

EVM involves defining milestones and putting systems in place to check performance at these points. It is used for measuring and reporting project performance and status, calculating the time and cost aspects of the scope of work for effective project management. It provides a means of measuring progress against a baseline and a way of forecasting future performance based on the past.

Because of the control it gives it has become a standard way of keeping large projects under control and, in fact, is mandatory on many US and European defence projects over a certain value. It has also been in use in Australia since the 1980s and Saab’s Australian office has been implementing the method for over 15 years.

However, Trochez is keen to stress that his choice of a solution was an independent one. ‘I looked at several other solutions on the market including the EVM solution embedded in MS Project plus a number of proprietary systems, but none of them served the purpose. The big requirement was that we could integrate any new solution with our current systems,’ he says.

‘Deltek Cobra’s open architecture

meant that it was ideal for the task. The management team put it through a rigorous evaluation programme and came to the conclusion that this was the best product for the job.’

By now, it was something of a race against the clock as work on the project had already started. ‘We began in the January with our initial training and worked with the supplier on implementation – by the early spring it was up and running and we were producing earned value reports,’ he confirms.

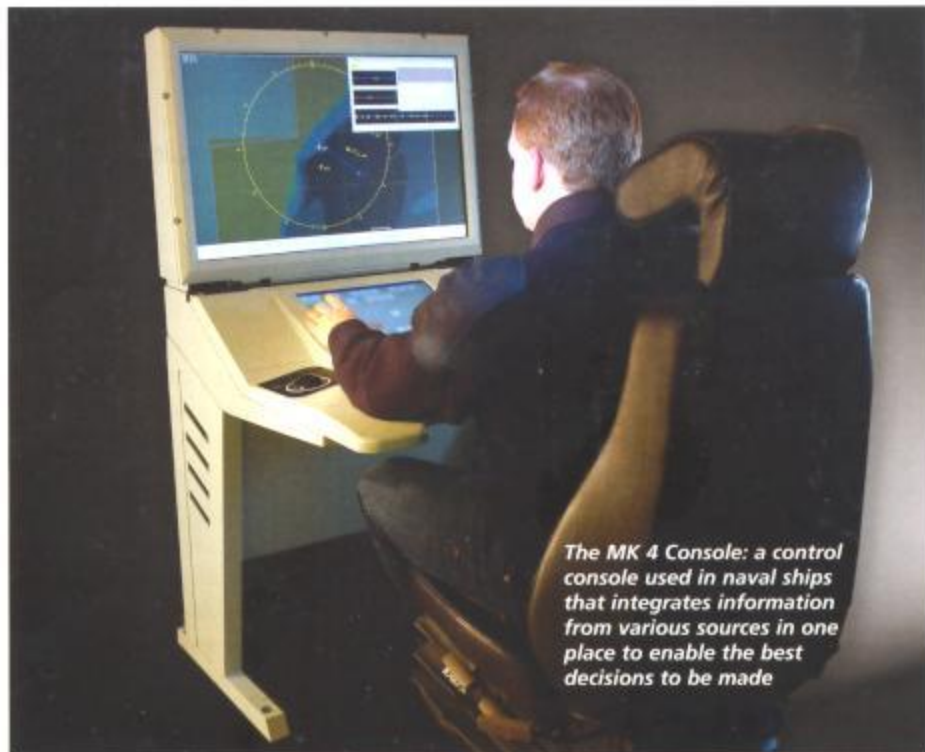
As the Swedish office was acting a supplier to its Australian counterparts on the ANZAC project, it only needed to use the data internally. However, Sweden is now using EVM and the software on other projects. ‘It was always our plan to implement this across our entire portfolio – on all projects that were, at that time, less than 50% completed,’ explains Trochez.

On these projects, the system enables clients to view all data, so maintaining transparency and trust.

‘Because Cobra has been integrated with all our other systems, it provides a single, centralised source of information, providing a straightforward way to analyse and compare data. This way, it’s easy to highlight and examine any deviation from the norm and act accordingly,’ says Trochez.

‘Because of this single source of data, it is easy to trace data back to single activities, enabling us to pinpoint problems.’

However, he adds that the software is used more for what will be happening in the future, rather than the past. ‘Its main benefit is the way it enables us to analyse trends facilitating the scheduling of resource allocation,



*The MK 4 Console: a control console used in naval ships that integrates information from various sources in one place to enable the best decisions to be made*

resource planning and financial forecasts.

'We can see how much budget is left for each project and what work needs to be done with it. And the particular advantage of the software is that we can detect variances both at work

breakdown structure (wbs) level and at organisational level.'

Trochez says that a further valuable key benefit is the way he can aggregate earned value across the entire project portfolio. 'It's a very useful feature. We can see how well each of our

divisions is performing across our entire project portfolio which also enables us to re-allocate resources where necessary.


'This means, virtually at a glance, we can gauge how each project is progressing and identify which needs attention.

'An average of around 30 staff are accessing the system on a regular basis. We've got around seven major projects running at the moment and each has a number of project managers and a steering group.

'Consequently it is being used both for work package management and by line managers.'

He admits that using EVM is a more rigorous form of project management. 'It lays bare any discrepancies and highlights potential pitfalls. But the sooner we know what is really happening the sooner we can act to stop anything major preventing us from progressing.

'It gives us a chance to change the outcome of any future situation – and for this reason it ensures our project management is far more watertight,' he concludes.



**"The fantastic Robert Langley has a loyal following. Clients admire his blend of knowledge and his enthusiasm and commitment"**

Chambers UK

Heading up our construction department, Rob has built a reputation second to none within the sector, helping Watson Burton to become a national leader in the field through a combination of his expertise, experience and pragmatism.

If you need to see an expert in construction law, meet Rob Langley face-to-face.

**watson burton LLP**  
LAW FIRM  
NEWCASTLE • LEEDS • LONDON  
[www.watsonburton.com](http://www.watsonburton.com)