



EVM
earned value management

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About the Tutorial

Earned Value Management (EVM) is a technique that is used to track the progress and status of a project and forecast its likely future performance.

This is a brief tutorial that acquaints the reader with the basics of EVM and explains how to utilize it for better project management.

Audience

If you are a project manager or planning to become one, then it is important for you to learn EVM.

Prerequisites

This is a basic tutorial and there are no prerequisites as such, however it would help you understand the concepts faster if you have a basic knowledge of project tracking and overall project management.

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Earned Value Management

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1. EVM — OVERVIEW

Earned Value Management (EVM) is a project management technique that objectively tracks physical accomplishment of work.

More elaborately:

- EVM is used to track the progress and status of a project and forecasts the likely future performance of the project.
- EVM integrates the scope, schedule, and cost of a project.
- EVM answers a lot of questions to the stakeholders in a project related to its performance.
- EVM can be used to show the past and the current performance of a project and predict the future performance of the project by the use of statistical techniques.
- Good planning coupled with effective use of EVM will reduce a lot of issues arising out of schedule and cost overruns.

EVM has emerged as a financial analysis specialty in United States Government programs in the 1960s, but it has since become a significant branch of project management.

In the late 1980s and early 1990s, EVM emerged as a project management methodology to be understood and used by managers and executives, not just EVM specialists. Today, EVM has become an essential part of every project tracking.

2. EVM — BASIC ELEMENTS

EVM consists of the following three basic elements:

- Planned Value
- Actual Cost
- Earned Value

All the three elements are captured on a regular basis as of a reporting date.

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