Value Analysis Reporting

By

Chris Goff

For

Embry Riddle Aeronautical University

World-Wide

PGMT 502

Effective Communication for Managing Projects

Projects can be very complex or very simple. They can be short-term projects of a month or even less. Sometimes they can be very long projects that can take even years to complete. Keeping projects running smoothly and on time can be a challenge. One of the Project Manager’s tools in his bag is the Earned Value system of analyzing the project’s progress.

 This tool of keeping track of a project’s progress is useful more on short-term projects, but is used on long-term tracking as well. Gantt Charts and other means are very popular. But for short-term projects, Earned Value/Schedule System may be easier to read and works extremely well.

 For this system to work best, the project tasks have to be updated regularly. When this is done, everything about the project is known, by those who read this chart, about the project. Anyone can see the project’s Actual Cost (AC), Earned Value (EV), and Planned Value (PV). It seems easier to read and explain to people regardless of experience with this type of chart.

 Earned Value Analysis has a Five- point list: It breaks-down projects into tasks for structure, it schedules costs matching that of the WBS, it has a regulated project financial reporting period, it estimates a percentage of completion of the WBS tasks, and the last point is if it tells you it’s going bad then it is bad.

 When a team leader logs in the percentage of completion for a task, then the chart tells the story of where the progress really is in the project. Over estimating or trying to fix the numbers hurts the process in the end. Also, the program will show red flags, sometimes literally, if things do not look right, then they aren’t, this is another advantage to this tool. People will often try to explain away problems, but the EVA is pointing it out. It has the appearance of being one of the only project management tools that can objectively show the status schedule and cost performance in real time. (Pier Design, 2016)

 In an EVA, it will have a breakdown of all the tasks on a project, each project will have a percentage given at that time. When someone inputs percentage of work task completed, the program will then summarize the actual costs, earned value, and planned value or dollar value of work performed. It will also tell when things are over-run in costs, usually in red.

 So then, at a glance everyone can see there is a problem. Using this program, early detection of problems is an advantage for project managers.

To ensure that all stakeholders understand the meaning of the numbers, I would have a kick-off meeting in the beginning of the project with all of the stakeholders and use a PowerPoint presentation including one or even two of the Earned Value Charts. For the most part, they are easy to read and also easy to explain to those who are inexperienced in the use of these charts. I have found them easier and more exact in showing where a Project is actually, rather than relying on Team Leaders using excuses or deflecting problems to other things happening. You just can’t hide the numbers, they tell the story truthfully.

If I am seeing the stakeholders for the first time after that meeting, then I will ask them if they understood the chart (I would have a copy with me) and be glad to go over it with them personally. Many people may be intimidated in a meeting with others around, so I would be hoping to answer their questions then about that chart or any others if necessary. My thinking is that this would bring down any barriers about the project and would show the stakeholders that we know what we are doing and that the stakeholders can trust us with the project, especially our customers.

Reference:

Pier Design. (2016). Earned Value Analysis: The only tool required for project management. Retrieved from [www.psmj.com/publications/plantrax-project...tool/.../pierarticleEVA.pdf](http://www.psmj.com/publications/plantrax-project...tool/.../pierarticleEVA.pdf)

Dow, W., PMP,Taylor, B. (2015). *Project Management Communication Tools.* Dow Publishing, Renton,WA