

***Keeping Projects under Control:
Understanding the Earned Value Management (EVM) Technique***

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Abstract

In today's rapidly changing environment, where organisations seem to be in constant state of flux, launching various 'change' or project initiatives every now and then, whether new product, new information/software system, new image, new aircraft, or new building facility, project management has become increasingly seen as a crucial management concept. The demand for project executives (or executives with agile project management talent) has increased significantly in recent times and it is expected to grow even further, as organisational survival is increasingly linked to capacity to produce tangible 'results'. A major challenge would be how to ensure that fresh graduates would be well equipped for effective membership of multidisciplinary project teams who are usually charged with successfully delivering on corporate growth initiatives (new product, technology, service, facility, programme, etc.) through robust tracking and forecasting of project performance and progress, using a range of emerging tools like EVM Earned Value Management. Regrettably, it would seem that traditional business training experience has so far been rather limited to "project appraisal" (known variously as "investment appraisal" or "project planning", etc.); many business schools have not yet fully integrated project management curriculum into their business management programmes. It is good that students are being exposed to project planning aspects, but perhaps the students could have been made more 'job-ready' if they had been taken through aspects of project implementation. A plan without its implementation is meaningless. The EVM (otherwise also known as EVA Earned Value Analysis or VA Variance Analysis) is a core solution technique associated with project implementation, hence, the EVM is a widely accepted approach to monitoring and controlling almost any project. It was against this background that this presentation was designed to give selected PGDM (MBA) students the opportunity to critically examine Earned Value Management (EVM) as a veritable management technique for achieving sustainable business outcomes. Additionally, through the use of participatory case-study learning approach coupled interactive team/group work sessions, the seminar offered the students the opportunity to hone their preparatory workplace skills such as communication/presentation skills, interpersonal/team work, stakeholder relationship management and critical thinking, abilities. The general limitations of the EVM technique, notably, its focus on Time and Cost to the exclusion of some 'critical' activities and 'Quality' aspects, were discussed and possible practical solutions highlighted. Given its huge value-creation potentialities across economic sectors of India and elsewhere, it was recommended that basic project management education, particularly the EVM approach should be embedded into all business school curricula for the career benefits of future managers and the new market for which these students are being groomed.