How a $10B contract automated their EVM process

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- # Patrick Dill
  - Started on earned value contracts 19 years ago
  - IPM Conference speakers since 2011
  - EVM World speakers since 2010
- # Probo Data Group
  - Based in the Silicon Valley
  - Earned Value Automation Experts
    - evData Pro first deployed in 1997

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- Agenda
  - Case Study Background
  - Challenges of large contracts
  - evData Pro Solution
  - Internal Studies
  - Conclusion

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- **Contract Background**
  - SBIRS
    - Space Based Infrared System
    - Uses Infrared technologies to detect and locate missiles launches
      - Infrared is electromagnetic radiation wavelengths
    - Main mission is missile warning and location
    - 4 Satellite constellation now
    - 5th and 6th satellites coming….
    - Lockheed-Martin is prime

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- Contract Background
  - $10B Contract with 2 major subs
    - EMD: ~$8B, SFP: ~$2B
  - Tools include: Cobra, Artemis CostView, Excel, Winsight, MS-Project, RTP
  - 15 Financial Analysts
  - 80 CAMs
  - 8 Business Area Managers
  - Over 300 users of EVM data all over the world

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- # Client Challenges
  - Large data volume
    - Millions of rows of data…every month
  - Multi-level financial reporting structure
    - i.e. work packages, control accounts, OBS, WBS, CLIN, CAMs
    - Maintaining this was time consuming
  - Took too much time to identify cost/schedule problems

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- # Client Challenges
  - Over 300 Threshold Violations per month!
    - VAR Comments stored in email / excel spreadsheets / Word
    - VAR Threshold violations not easy to track
    - VAR Action Items poorly tracked
    - Audits were difficult

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![evData Pro logo]

Client Challenges

- ## EVM financial reporting
  - Manually generated
  - Prone to data/math errors
  - Weekly hourly reporting in Excel
  - Headcount reporting difficult
  - Remote users have difficulty accessing reports
    - Little or no web-based access

- ## Financial Analysts doing:
  - Excel Macro development
  - Access database development

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▪ Client Solution

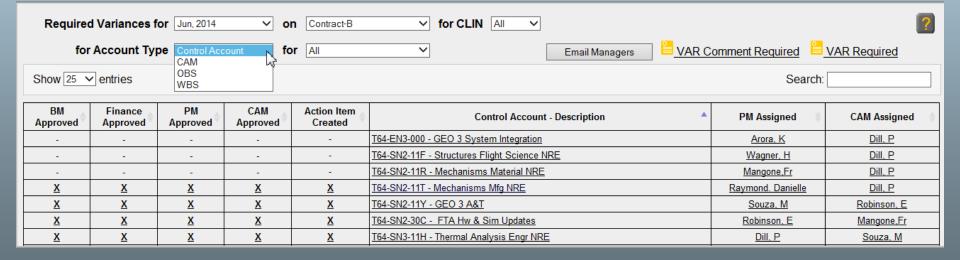- ❑ evData Pro
  - Add-on to Cobra, CostView, MPM, etc.
  - Imports from these tools
  - Exports reports to Excel, Word, PDF, HTML, etc.
- ❑ Easy to use tool that all levels of management can use
  - No training classes… on $10B Contract!!!
- ❑ Reporting
  - Over 100 Reports in evData Pro
  - Eliminate all manual and Excel based reports
  - Use Email to push reports to users

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- # Client Solution
  - ## Automated VAR Workflow
    - ### Electronic signature approval process
    - ### Email integrated with VAR process

Required Variances for	Jun, 2014	on	Contract-B	for CLIN	All				

for Account Type: Control Account | CAM | OBS | WBS | for: All

Email Managers 📋 VAR Comment Required 📋 VAR Required

Show 25 entries   Search:

BM Approved	Finance Approved	PM Approved	CAM Approved	Action Item Created	Control Account - Description	PM Assigned	CAM Assigned
-	-	-	-	-	T64-EN3-000 - GEO 3 System Integration	Arora, K	Dill, P
-	-	-	-	-	T64-SN2-11F - Structures Flight Science NRE	Wagner, H	Dill, P
-	-	-	-	-	T64-SN2-11R - Mechanisms Material NRE	Mangone,Fr	Dill, P
X	X	X	X	X	T64-SN2-11T - Mechanisms Mfg NRE	Raymond, Danielle	Dill, P
X	X	X	X	X	T64-SN2-11Y - GEO 3 A&T	Souza, M	Robinson, E
X	X	X	X	X	T64-SN2-30C - FTA Hw & Sim Updates	Robinson, E	Mangone,Fr
X	X	X	X	X	T64-SN3-11H - Thermal Analysis Engr NRE	Dill, P	Souza, M

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Variance Analysis Report for [Jun, 2014 ▾] on [Contract-B ▾] for CLIN [All ▾] Reported in Thousands [?]

for Account Type [Control Account ▾] for [T64-SN2-11R ▾] Mechanisms Material NRE

CAM: Dill, P
PM: Mangone,Fr

[Dollars] [Hours]   EAC Just Req'd   🔖 Action Item   🔖 Material Performance   🔖 Rate Analysis   🔖 Sched Tasks All   🔖 VAR   🔖 VAR Detail   🔖 VARx

	Current Period					Cumulative Period					At Completion		
	BCWS	BCWP	ACWP	SV	CV	BCWS	BCWP	ACWP	SV	CV	BAC	EAC	VAC
Labor:	0.00	0.00	0.80	0.00	-0.80	512.38	512.38	1,006.84	0.00	-494.46	512.38	1,008.42	-496.04
Labor Temp:	0.00	0.00	0.00	0.00	0.00	35.00	35.00	133.15	0.00	-98.15	35.00	133.15	-98.15
Materials:	0.00	0.00	0.68	0.00	-0.68	1,936.89	1,931.10	711.08	-5.79	1,220.02	1,936.89	914.66	1,022.23
Subs:	0.00	0.00	0.00	0.00	0.00	15.00	15.00	15.00	0.00	0.00	15.00	15.00	0.00
Svs Cntr:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cost:	0.00	0.00	1.48	0.00	-1.48	2,499.28	2,493.49	1,866.07	-5.79	627.42	2,499.28	2,071.23	428.04
SPI/CPI/TCPI:				1.00	0.68				1.00	1.34			0.03
Variance:				0.00%	-147.67%*				-0.23%	25.16%*			17.13%

Cumulative Cost Variance Comments   [Save]   [Append Prev Com]

☐ CAM Approval
☐ PM Approval
☐ Finance Approval
☐ BM Approval

Reason:
```
Account rate variance is $193.15K and the volume variance is $-687.60K for a total labor variance of $-494.45K.

Rule 1 Violation: Account exceeds 10.00% threshold and has a dollar value exceeding $200.00K because...
```

Impact to Program:
```
The impact to the program exceeding the $200.00K threshold will be ...
```

Action Required:
```
The action(s) required to remedy this account will be ...
```

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- Internal Studies:
  - Three studies on cost saved over 6 year period
    - THAAD: Terminal High Altitude Area Defense
      - ~$4B Contract
      - Pays for itself in 10 months
      - $1.2M cost savings
    - GPSIII: Global Positioning System
      - ~$3B Contract
      - Reports: $7k, VAR: $16k
      - $1.66M cost savings
    - SBIRS: Space Based Infrared Sensors
      - ~$10B Contract
      - VAR, Reporting
      - $2.4M cost savings

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- Conclusions
  - EVM automation saves time and money
    - Fewer staff overseeing more contracts
      - Now managing 7 contracts with more reporting requirements
  - Better understanding of EVM and contract performance

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- ❑ Want to see a demo?
  - ❑ Send us your contract data
  - ❑ We'll demo evData Pro using your data via online meeting
    - Contact information here:
    - Patrick Dill
    - pdill@probodata.com
    - 408-501-8891
  - ❑ See demo at http://ProboData.com
- ❑ Questions?

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