

# Earned value management

[Business](#), [Management](#)



## Earned Value Management

Earned value management is the project management process or a technique. It is a value assigned to work which is accomplished during a particular time period. Earned Value Management (EVM) is a project planning and control approach which provides cost and schedule performance measurements. It compares actual accomplishment of scheduled work and associated cost against an integrated schedule and budget plan. And the value can be measured in any appropriate unit of dollars or hours. The earned value can be compared to the planned budget and actual cost to provide additional in the project status.

Despite its benefits, some organizations are simply not prepared to implement earned value management due to their lack of project management maturity and organizational readiness. Any organization which wants to improve their earned value needs to know their strength and weaknesses while preparing for any new venture. To successfully implement Earned Value Management organization should develop a key instruments which can measures organizational skills, capabilities, and the success factors. In this way, the organization can achieve success with the careful use of EVM. The basic objectives of EVM is as follows:

Relate time phased budgets to specific contract tasks and/or statements of work. Provide the basis to capture work progress assessments against the baseline plan. Relate technical, schedule, and cost performance.

Provide valid, timely, and auditable data/information for proactive management action. Supply managers with a practical level of summarization for effective decision making.

There are few drawbacks of earned value management and these limitations have been the key huddle for the success of an organization. I. There is no consideration for the quality of work done.

II. There are chances of future uncertainty.

III. The cost involved is heavy and high amount of time is involved.

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