JAS39 GRIPEN (2)
Earned Value

Someone is always watching you, big money attracts attention

Earned Value is an effective tool to stay "in control" for the Government as well as industry
Earned Value in the GRIPEN Programme

• The GRIPEN Programme uses Earned Value on large contracts and/or advanced development contracts
• It requires the industry to do a thorough planning (which can be better examined by the customer)
• It gives you as a customer an early indication of deviations in schedules, economy and technical achievements
• It gives both the industry and the customer a hint of how to fix the problem or how to benefit from possibilities
1. Goal
(SPECIFICATION)

2. WBS
(work breakdown structure)

3. OBS
(organizational breakdown structure)

4. Responsibility

5. Schedule

6. Budget
(Budgeted Cost Work Scheduled)

7. Actual Cost
(Actual Cost Work Performed)

8. Work Performed

9. Earned Value
(Budgeted Cost Work Performed)

10. Analysis

Schedule difference
Schedule trend?
Cost difference?
Cost trend?
Trend to complete:
- Time
- Cost

Which milestones and activities are performed?
Earned Value in the GRIPEN Programme

Example

Löpande PN (ref: Baseline)

"Manuell" slutkostnads-tids-prognos.
O = EAC

Matematiskt beräknade "trolighetsruttor".
Troligt slutvärde utgående från
1 = avtalets start <= 2003-03-30
3 = 2002-04-01 <= 2003-03-30
2 = snitt av 1 och 3

Kostnader t.o.m. 2003-03-30, EV (BCWP resp BCWS) per 2003-03-30
SPI = 0.47  CPI = 0.50  TCPI = 1.05
Earned Value in the GRIPEN Programme

• The introduction from project start has been very valuable
• Sometimes You have to convince industry to use EVM for their own project management
  – You want to be “in control” not “controlled”
• Policy is good, -but not enough
  – Action by doing
  – Keep it as simple as possible
  – Both FMV and industry must have knowledge of EVM, -at the right levels
• Frequent “follow-up” is a key factor
• The Gripen programme uses earned value as a basis for our yearly reports to the Armed Forces and Government
Earned Value in general
Future challenges

• Usual remarks might include:
  – “We have a very special operation with special needs: -EVM is recognized as a valuable tool, but unfortunately it can’t be adopted or used for this acquisition”

• Procurement of existing things can be hard
• Procurement of unexisting things is harder
• Procurement of unexisting things that are very difficult to describe is even harder
  – To make things worse this should be done in a competitive acquisition environment in the framework of multinational projects

• If You don’t know what to buy, -don’t bother!
  – If You can’t accept tools for performance management, You might not know what You are doing
“The Earned Value analysis gave FMV a good command of the development of the project already at an early project stage.

Industry has pointed out that FMV had a better integrated view of schedule, cost and technical performance in many aspects than industry had themselves.”
From Government decision to delivery of the GRIPEN system to the Armed Forces

- Economical Framwork
- Managing the programme within FMV
- Relationship with the Armed Forces
- Relationship with the Industry

Government → DoD → AF HQ → FMV → Industry → Armed Forces Operative Units

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Conclusions

• FMV business relationships with both the Armed Forces and the industry makes us focus on the most essential areas
• The Economical Framework and the government interest at high levels gives us the right conditions for success
• Together this gives us clear rules to manage the GRIPEN Programme:

Deliver the right product, at the right time, to the lowest cost!
JAS39 export

204  28  14 (leasing)