

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



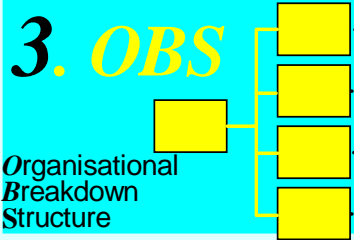
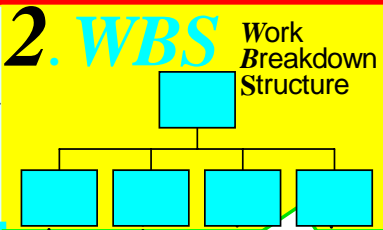
Earned Value in the GRIPEN Programme

- 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

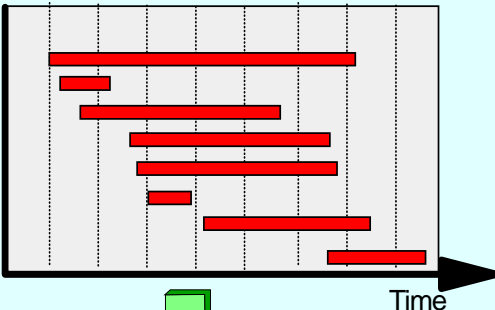


Project Management and EARNED VALUE

1. Goal
(SPECIFIKATION)

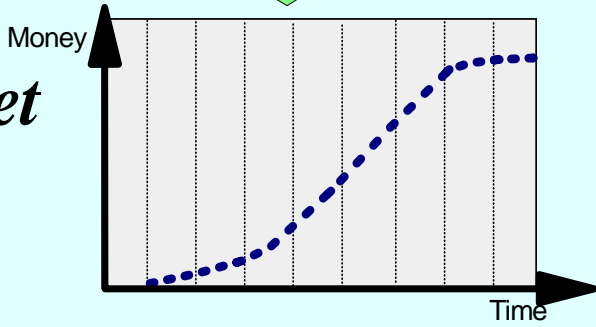


5. Schedule



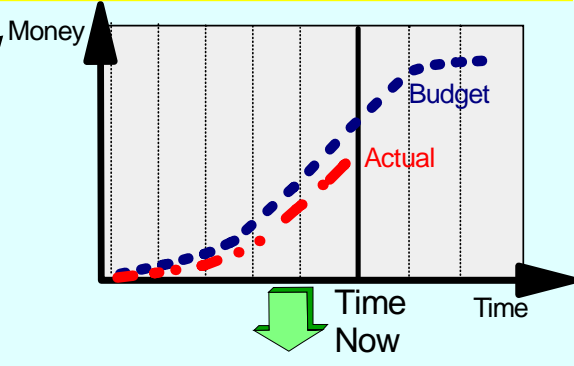
6. Budget

(Budgeted Cost Work Scheduled)



Project Management and EARNED VALUE

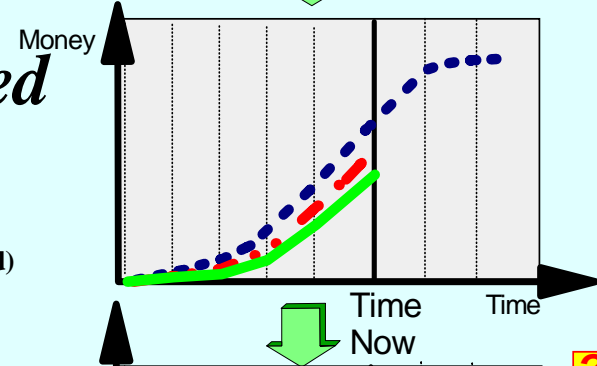
7. Actual Cost
(Actual Cost Work Performed)



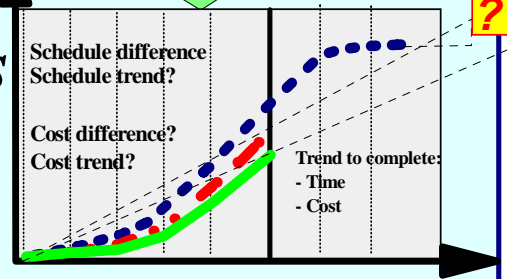
8. Work Performed

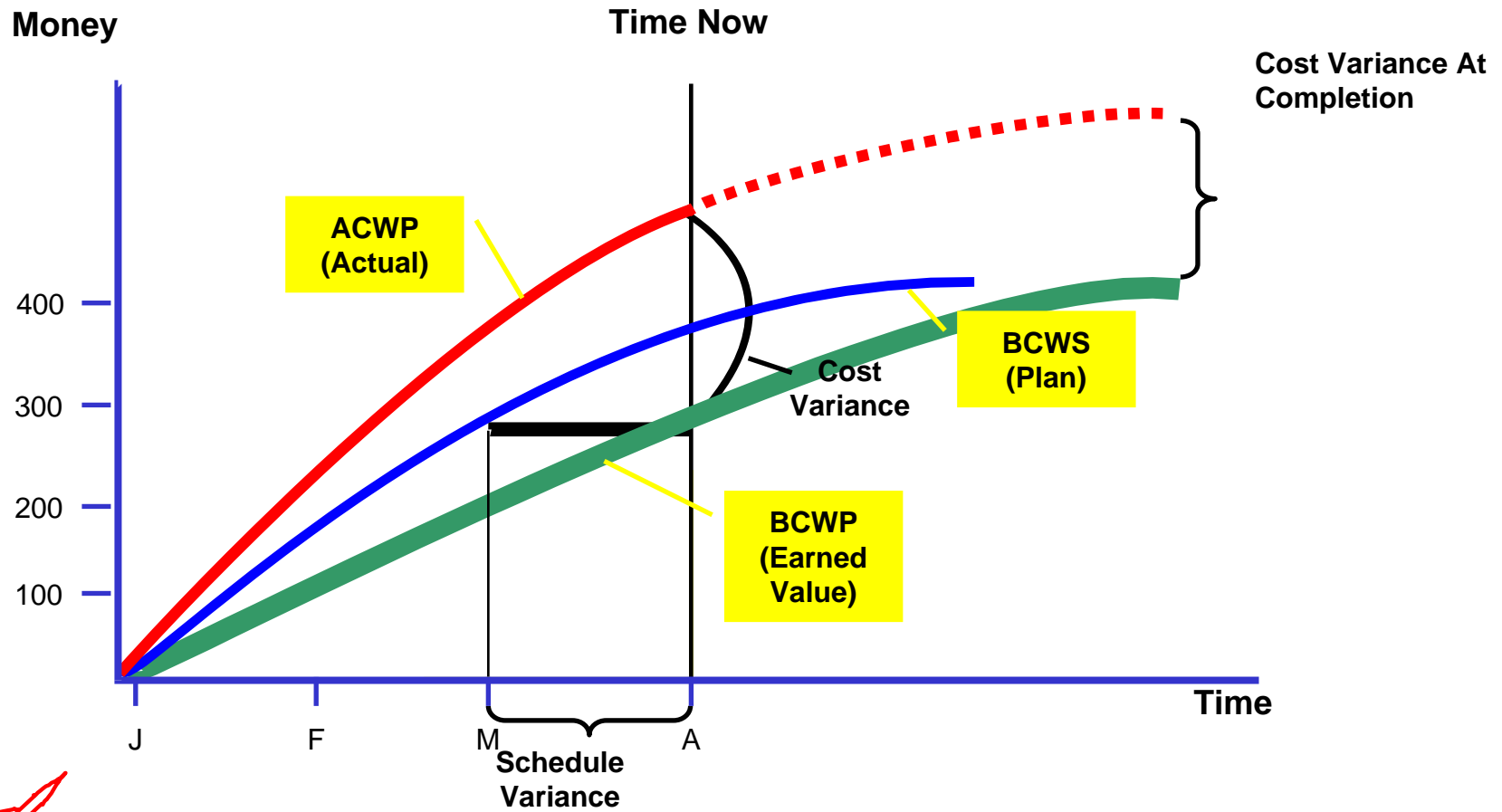
Which milestones and activities are performed?

9. Earned Value
(Budgeted Cost Work Performed)



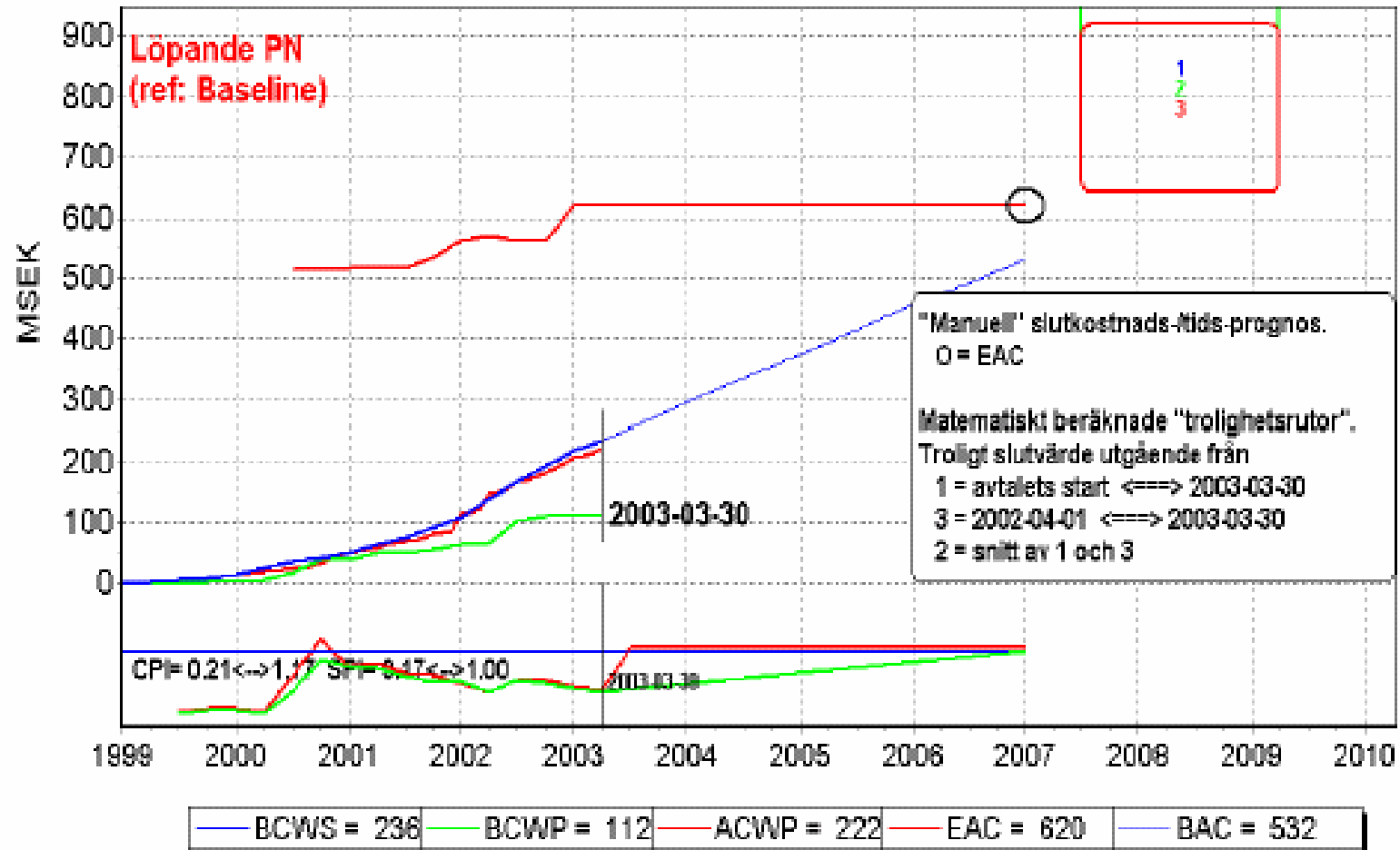
10. Analysis





Earned Value in the GRIPEN Programme

Example



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



Earned Value in the GRIPEN Programme

Positive report from Swedish NAO in 1996

“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.”

Riksrevisionsverket 1996:27, page 95



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



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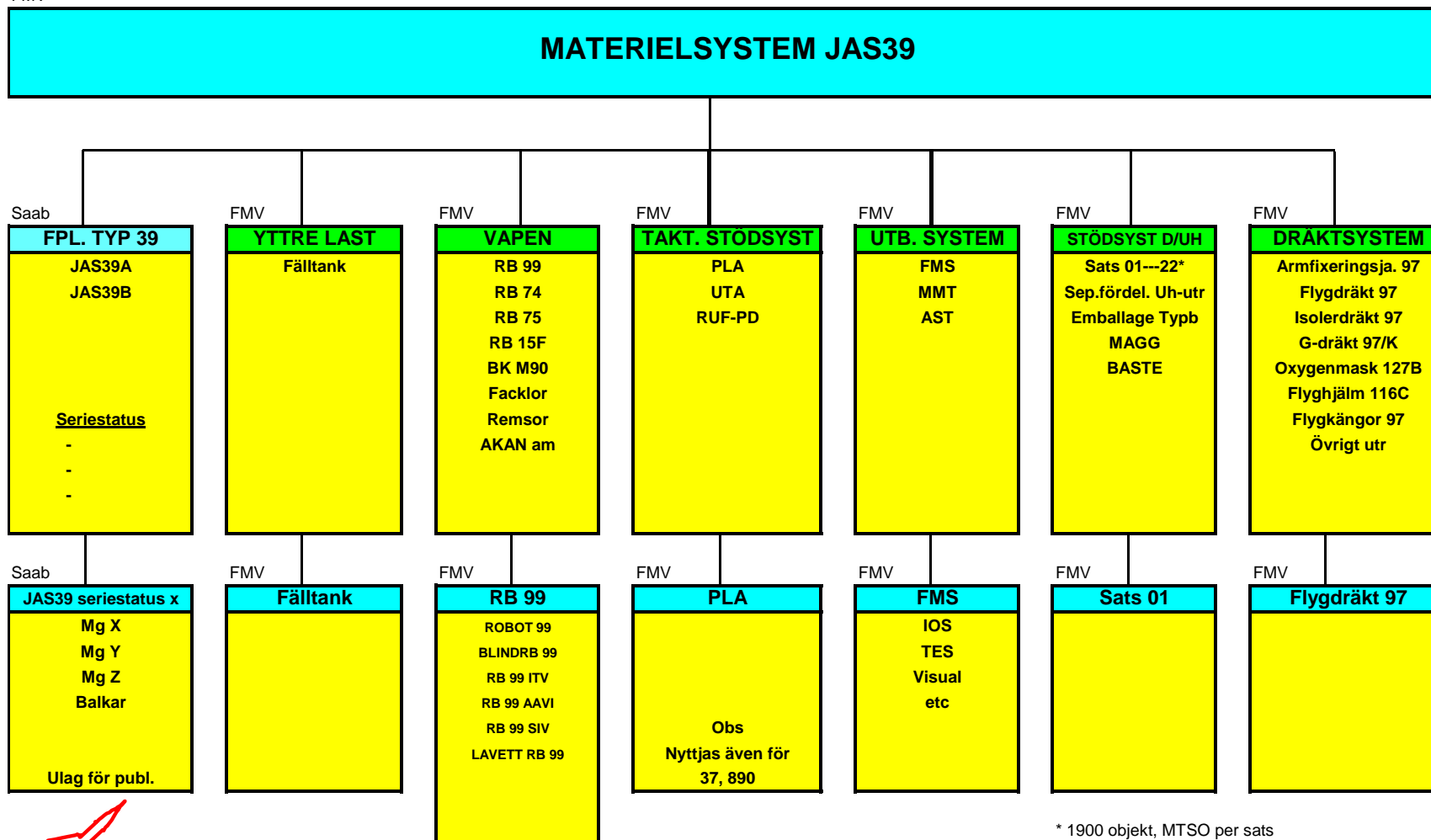
14 (leasing)



JAS39-projektet

Produktstruktur, konfigurationsarbete

FMV



* 1900 objekt, MTSO per sats