**Variance Analysis Report – Telco Cloud Migration**

**Project Name:** Telco Cloud Migration Program  
**Report Period:** [e.g., 1st July – 31st July 2025]  
**Prepared By:** [Your Name / PMO]  
**Date of Report:** [Insert Date]

**1. Executive Summary**

This report evaluates the project’s performance using Earned Value Management (EVM) techniques. The analysis includes Cost Performance Index (CPI), Schedule Performance Index (SPI), and their associated variances.

**2. Earned Value Metrics**

| **Metric** | **Value (KES/USD)** | **Description** |
| --- | --- | --- |
| **Planned Value (PV)** | 12,000,000 | Budgeted cost of work scheduled (baseline) |
| **Earned Value (EV)** | 10,500,000 | Budgeted cost of work actually completed |
| **Actual Cost (AC)** | 11,800,000 | Actual cost of work performed |

**3. Variance Calculations**

| **Indicator** | **Formula** | **Value** | **Status / Comment** |
| --- | --- | --- | --- |
| **Cost Variance (CV)** | EV − AC | -1,300,000 | Cost overrun |
| **Schedule Variance (SV)** | EV − PV | -1,500,000 | Behind schedule |
| **Cost Performance Index (CPI)** | EV ÷ AC | 0.89 | Under budget efficiency |
| **Schedule Performance Index (SPI)** | EV ÷ PV | 0.875 | Slow progress against planned schedule |

**4. Interpretation & Analysis**

* A **CPI of 0.89** indicates that for every 1 KES spent, the project is only earning 0.89 KES of value — **indicating inefficiencies** in resource spending.
* A **SPI of 0.875** means the project is progressing at 87.5% of the planned rate — **delays exist**, especially in infrastructure provisioning and testing.
* Most deviations occurred in the **OSS/BSS API migration phase** and **container orchestration delays**.

**5. Root Causes of Variance**

* Delayed vendor deliverables (e.g., NFV setup by 2 weeks).
* Unplanned rework in CRM integration with M-PESA APIs.
* Unexpected downtime in GCP test environment.

**6. Corrective Actions**

* Re-baseline schedule for next phase with vendor alignment.
* Conduct a budget reforecast for the upcoming cloud automation layer.
* Reinforce DevSecOps automation to minimize rework.

**7. Recommendations**

* Monitor CPI/SPI weekly for high-risk work packages.
* Trigger PRINCE2 Change Authority review for impacted milestones.
* Consider scope decompression or rescheduling for non-critical deliverables.

**8. Sign-off**

| **Name** | **Role** | **Signature** | **Date** |
| --- | --- | --- | --- |
| [Your Name] | Project Manager |  |  |
| [Sponsor Name] | Project Sponsor |  |  |
| [PMO Analyst] | PMO |  |  |