

Lab: Earned Value Management (EVM)

Estimated duration: 30 minutes

Objectives

- Calculate variance
- Recommend action plan for the project based on project variance

Prerequisites

You must have Microsoft Office or Microsoft 365 apps installed on your computer or have access to the free web version of Microsoft 365.

Scenario

Ron is a project manager at ABC company and has been managing the Accounts package implementation for the Finance department. At the start of the project, Ron received a budget of \$100,000 to complete all deliverables. The project is now mid-way through to completion. The initial planned value of the project at this stage was \$70,000. However, with the need for additional resources, the actual cost at this stage is \$62,000.

Based on the details above, Ron calculates the Earned Value (EV) as follows:

$$55\% \times \$100,000 = \$55,000$$

Exercise

Calculate the variance and determine the actual project status based on the scenario. Then, document the corrective action.

Step 1: Keeping the CTRL key pressed, click [here](#) to download the **EVM template**.

Note: On Mac systems, keep the COMMAND button pressed instead of the CTRL button.

Step 2: Calculate the cost variance.

Note: To calculate the cost variance, subtract the Actual Cost (AC) from the Earned Value (EV). This provides a dollar amount. A negative value indicates you are behind on schedule. A positive value indicates you are ahead on schedule.

Step 3: Analyze and document the actual status of the project.

Step 4: Document the action plan for the project's progress.

Make sure to attempt the exercise, as it will help you gain a clear understanding of the concepts covered in the module.

Potential Solution

After completing the exercise, you can refer to the **EVM Lab Solution** document to compare the calculations listed in this document with your calculations. Keeping the CTRL key pressed, click [here](#) to view or download the **EVM Lab Solution** document.

Note 1: On Mac systems, keep the COMMAND button pressed instead of the CTRL button.

Note 2: The document will open in a new tab.