Basic Elements of EVM:

PV – Planned Value (Budgeted Cost of the Work Scheduled)

EV – Earned Value (Budgeted Cost of the Work Performed)

AC – Actual Cost (Actual Cost of the Work Performed)

BAC – Budget at Completion

EAC – Estimate at Completion

ETC – Estimate to Complete

VAC – Variance at Completion

Earned Value:

EV = BAC x % complete

Variances:

Cost Variance: **CV** = EV – AC

Schedule Variances: **SV**= EV – PV

+ ve value is good

- ve value is not good

%Variances:

% Cost Variance = CV/PV x 100

% Schedule Variances = SV/PV x 100

Indices:

Cost Performance Index: **CPI** = EV/AC

For every dollar spent we are receiving $x value

Schedule Performance Index: **SPI** = EV/PV

We are progressing at x% of the rate originally planned

> 1 is good

< 1 is not good

Estimates at Completion

Standard formula: **EAC** cost = BACc/CPI

EAC time = BACt/SPI (only applicable when there are no parallel tasks)

Future performance will reflect past performance	EAC cost =BACc/CPI
Past performance does not equal expected future performance	EAC = AC + Estimate to Complete (may be re-estimated)