

## Special Report - Earned Value for the Masses...a practical approach

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The earned value concept has been around for over a century, or perhaps for only four decades, depending on how one counts the beginning. Over a hundred years ago the industrial engineers employed earned value to determine the true cost performance of production work. They established their planned standards, then measured the earned standards, and related the earned standards against the actual hours used to measure their true cost performance.

Later, in the early 1960s, the United States Air Force with the industrial engineers again taking the lead converted this same concept to the measurement of a one-time only developmental project called the Minuteman Missile. It worked. They were able to measure the true cost relationship of the work they were performing.

To repeat the process they began on the Minuteman project, the Air Force formed a committee to define their management oversight requirements on the acquisitions of major new systems. They formulated what was then called the Cost Schedule Planning and Control Specification, or the CSPCS. The resulting CSPCS document was nothing more than 35 criteria which Air Force management felt they needed to require from private companies in order to oversee performance on the major new systems they were procuring.

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