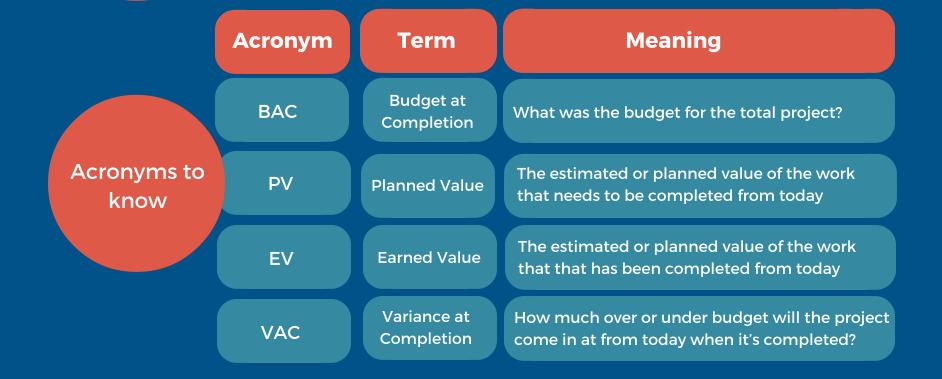# Earned Value Management Cheat Sheet

**What is Earned Value Management?**
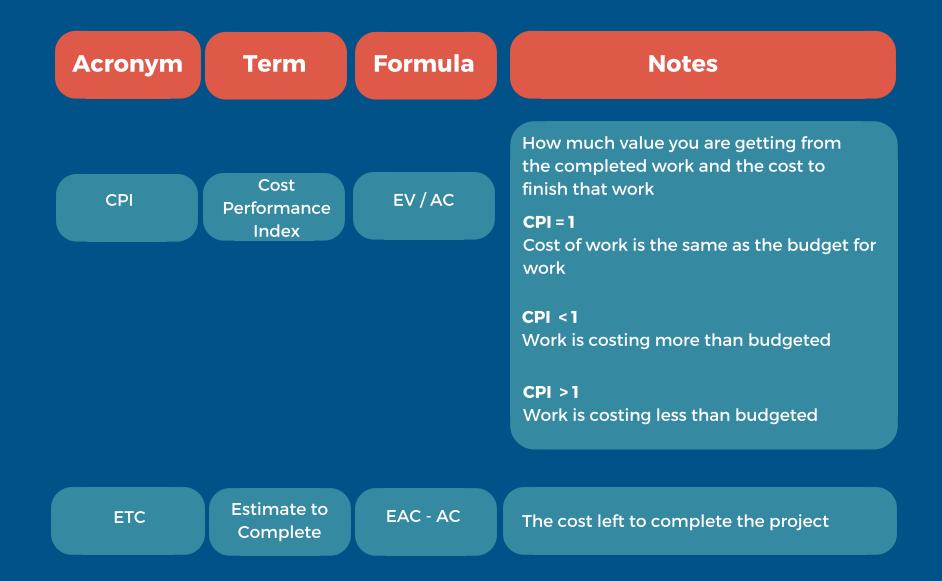
Earned Value Management is used to measure and manage the performance of a project

**Acronyms to know**

| Acronym | Term | Meaning |
|---------|------|---------|
| BAC | Budget at Completion | What was the budget for the total project? |
| PV | Planned Value | The estimated or planned value of the work that needs to be completed from today |
| EV | Earned Value | The estimated or planned value of the work that that has been completed from today |
| VAC | Variance at Completion | How much over or under budget will the project come in at from today when it's completed? |

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# Formulas to Know

| Acronym | Term | Formula | Meaning |
|---|---|---|---|
| SV | Schedule Variance | EV - PV | • Negative = Behind Schedule<br>• Positive = Ahead of Schedule |
| CV | Cost Variance | EV - AC | • Negative = Over Budget<br>• Positive = Under Budget |
| SPI | Schedule Performance Index | EV / PV | How the project is progressing against the planned project schedule<br><br>**SPI = 1**<br>The schedule is progressing as planned<br><br>**SPI < 1**<br>The project is behind schedule<br><br>**SPI > 1**<br>The project is ahead of schedule |

# Formulas to Know

| Acronym | Term | Formula | Notes |
|---------|------|---------|-------|
| CPI | Cost Performance Index | EV / AC | How much value you are getting from the completed work and the cost to finish that work<br><br>**CPI = 1**<br>Cost of work is the same as the budget for work<br><br>**CPI < 1**<br>Work is costing more than budgeted<br><br>**CPI > 1**<br>Work is costing less than budgeted |
| ETC | Estimate to Complete | EAC - AC | The cost left to complete the project |

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# Formulas to Know

| Acronym | Term | Formula | Notes |
|---------|------|---------|-------|
| VAC | Variance at Completion | BAC - EAC | How much over or under budget the project will be at completion |
| TCPI | To Complete Performance Index | (BAC - EV) / (BAC - AC) | The rate of work needed to complete the project within budget |

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# Estimate at Completion / EAC

There are a few formulas that can be used to calculate the estimated value at completion. This estimates how much the project will cost once it is completed. The idea is to allow the project manager to forecast future performance based on previous performance of the project.

The following are given in descending order of popularity. The first is also popular with anyone taking the project management exam.

# Estimate at Completion / EAC

| Formula | Notes |
|---------|-------|
| AC + Bottom-up ETC | The cost estimate was flawed. Used to calculate the new cost estimate for the remainder of the project's work |
| BAC/CPI | The project will continue to perform as it has in the past. Future performance will match previous performance |
| + (BAC – EV) | Due to an unseen circumstance that will not occur again, the project has moved from the original budget. The planned cost will continue on as normal from today |
| AC + (BAC – EV)/(CPI*SPI) | Use if the project is over budget, behind schedule or you need to finish the project within schedule. Both the cost and the schedule are considered. |

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# What is BrightWork?

BrightWork is a SharePoint project management application that includes a range of best-practice templates and advanced cross-project reporting

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