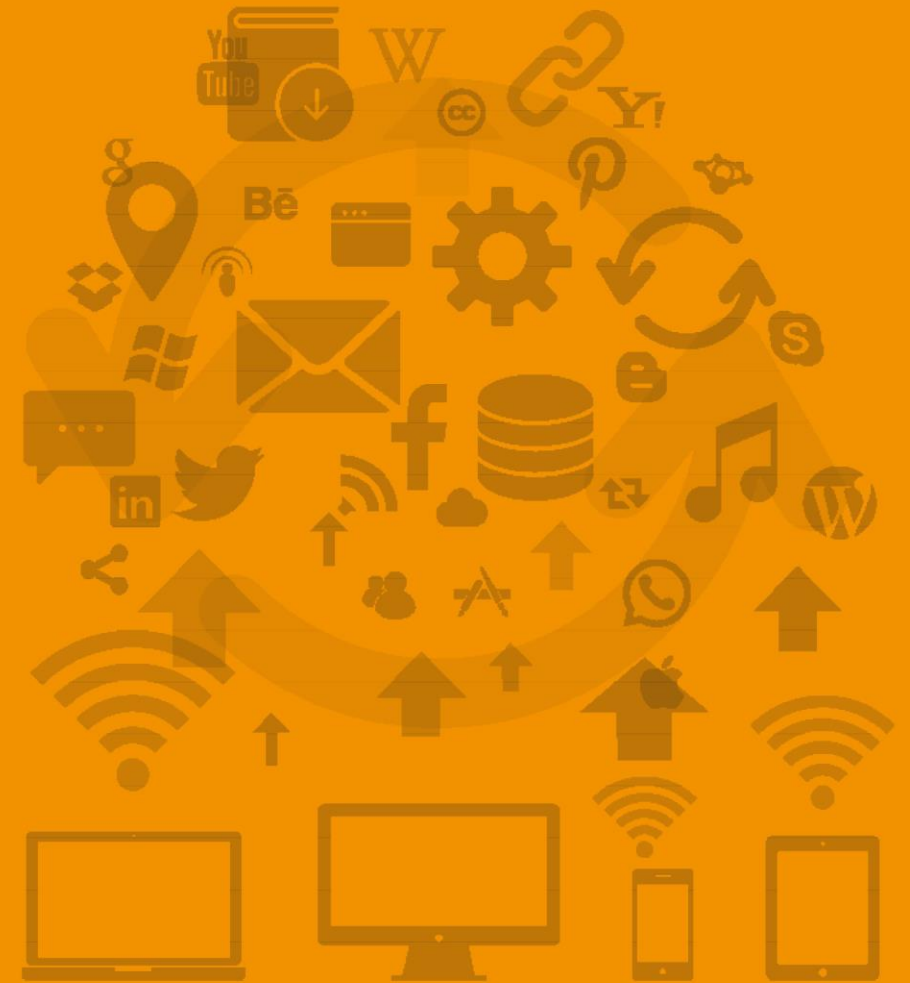


Driving Delivery of Defence Procurement and Support. The Role of EVM in a Data-driven Delivery Organisation

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Richard Simpkins



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Defence Equipment & Support (DE&S) Context



- Bespoke trading entity of UK Ministry of Defence
- Mission is *'to equip and support the UK's armed forces for operations now and into the future'*.
- Circa. 11, 500 employees and c. £12Bn spend FY22/23

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DE&S Transformation Timeline



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DE&S Transformation Pillars



People Model

Was: Limited targeted investment in people to develop a motivated, skilled and efficient workforce

Now: A new approach to people management to improve skill levels, motivation and performance



Balanced Matrix

Was: Difficult to move resource to projects and areas of greatest priority to DE&S

Now: Deploying our people functionally and flexibly to task according to their skill set and availability



Process & Control Framework

Was: Inconsistent processes and tools which results in inefficiency

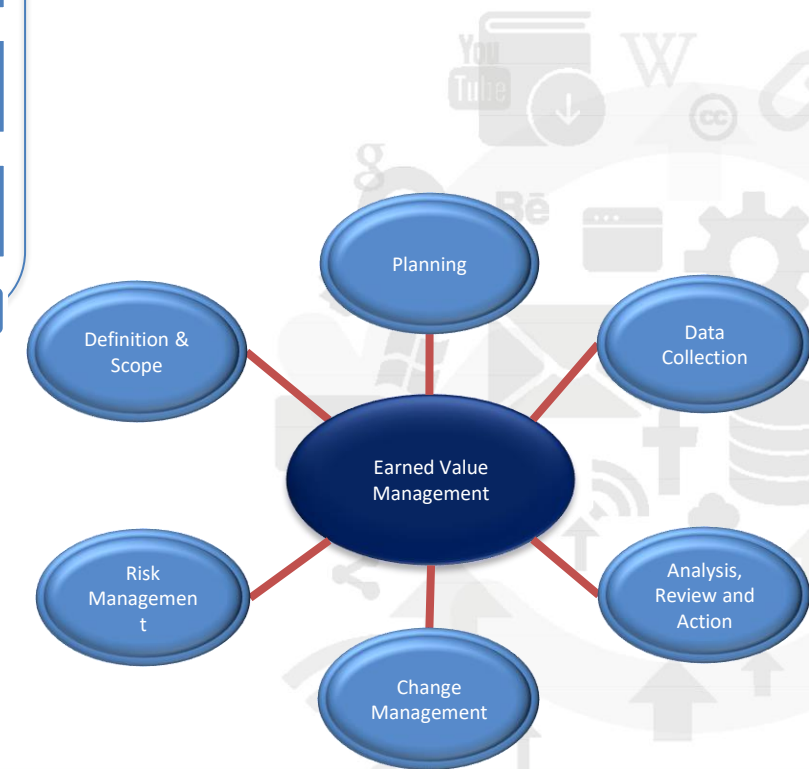
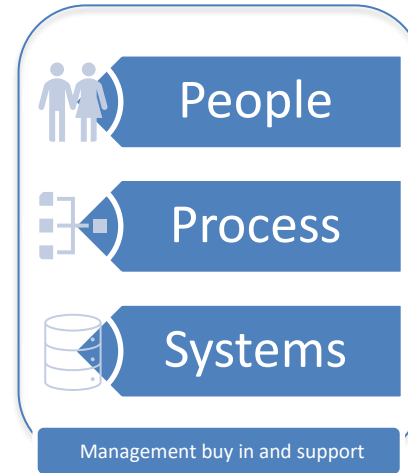
Now: Standardised ways of working so that people focus on the value they add and cut down on wasted effort

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How EVM is implemented

EVM sits at the heart of our project delivery system. It drives a systematic approach to the production, management and control of our project delivery

- EVM is our default performance measure tool for DE&S Projects, though it may be tailored for certain types of work
- Our **People** are provided with suitable training to allow them to be SQEP in the use of EV
- EVM is integrated into our default ways of working through **Processes** and Work Instructions via our Business Management System
- EVM drives best practice Project Management and Control practices around management of Scope Schedule Cost and Risk management
- Our P3M **System** drives and supports the use of EVM
- Use of EVM is driven and advocated at all levels of the DE&S Organisation



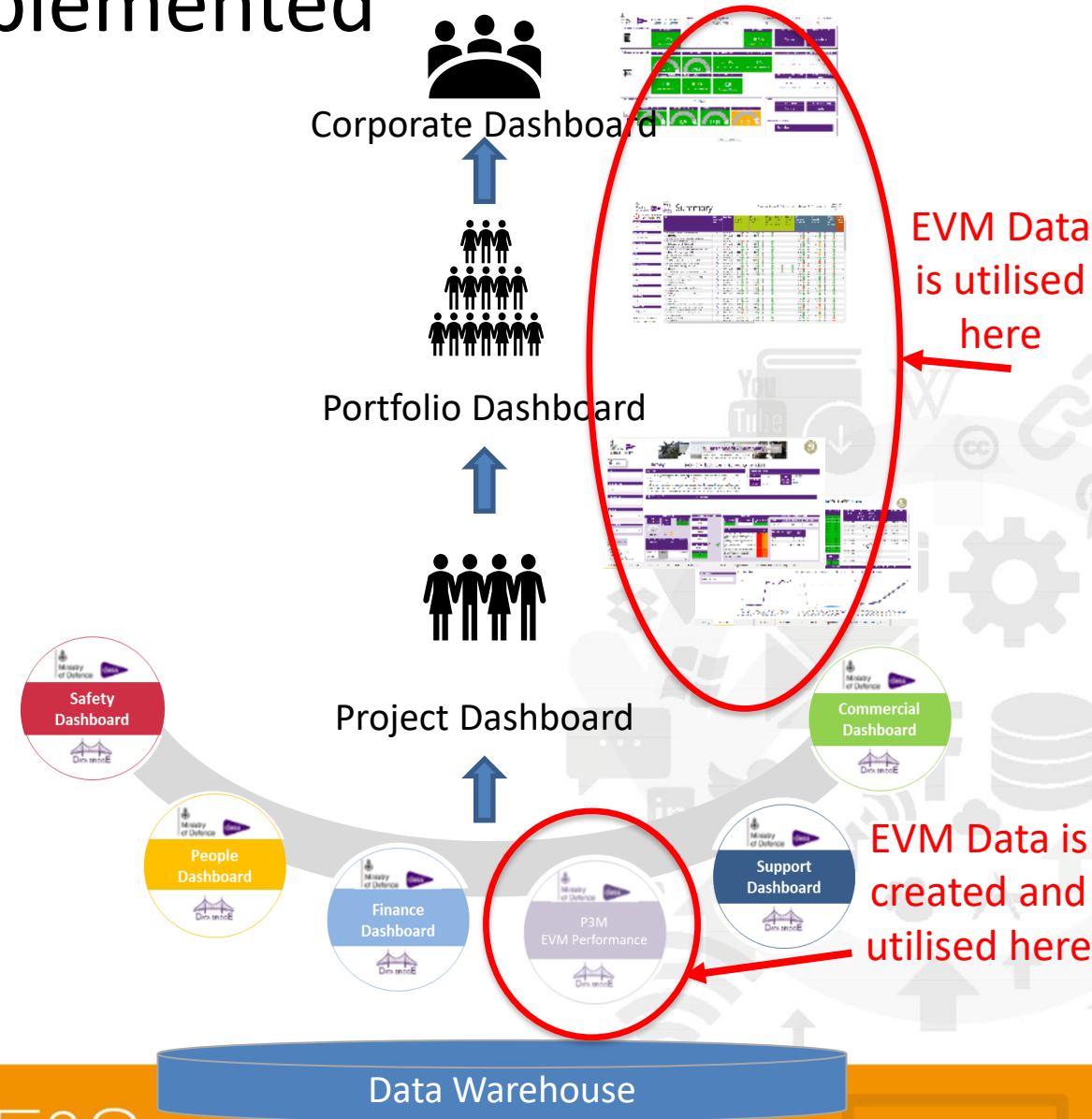
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How EVM is Implemented

EVM is used at all levels of the organisation and sits at the heart of our integrated suite of Management Information (MI)

- It drives performance based discussions at all levels of the organisation
- It allows variance based reporting allowing senior management to quickly focus in on areas needing attention

EVM is not the only measure of Performance, but is a key part of an integrated suite



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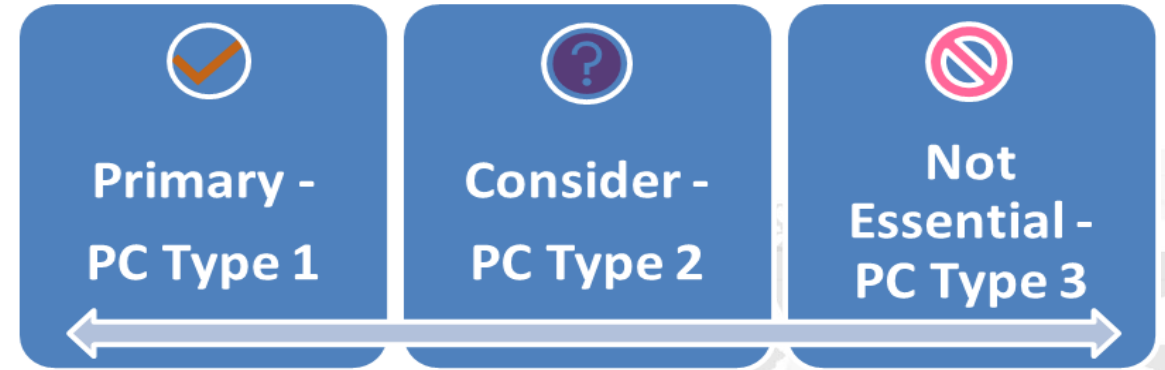
EVM in Support Projects

As part of our journey with EVM we identified that EVM was not providing the right focus for certain types of support projects where the work is, reactive work needed to support unscheduled maintenance and technical queries, or the high volume, largely transactional ‘purchasing’ of low-value commodity items

EVM across all DE&S projects was tailored to:

- Recognise where EVM added best value (Procurements and major updates etc.)
- Recognise that for some support activities the use of KPIs or other measures was the main measure
- Provide a framework based on Scope, Risk and Complexity and Duration to identify when EV would be appropriate
- Simplified and segregated different scope types to provide clarity when EV was being utilised and provide focus

The EVM tailoring process still required projects to carryout best practice project management to control scope schedule costs and risks



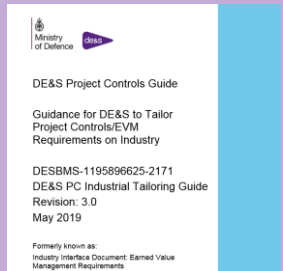
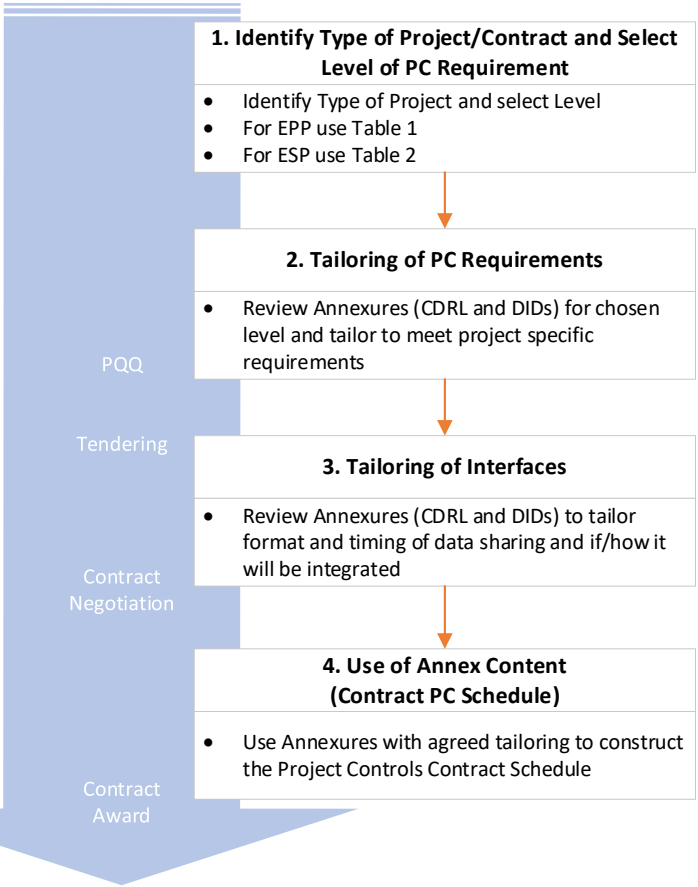
Activity Types	ESP - Upgrades and Updates			
	D. Development & Embodiment of Significant Upgrades and/or updates		E. Implementation of Significant Depth/Non-Fleet Time Maintenance Events/Programmes	
	< 12 Months	>12 Months	< 12 Months	>12 Months
High - R&C High (Archetype 14)	PC Type 2	PC Type 1	PC Type 2	PC Type 1
Higher R&C (Archetypes 10 - 13)	PC Type 2	PC Type 1	PC Type 2	PC Type 1
Medium R&C (Archetypes 5-9)	PC Type 2	PC Type 1	PC Type 2	PC Type 1
Lower R&C Level 2 (Archetypes 2-4)	PC Type 2	PC Type 2	PC Type 2	PC Type 2
Low R&C (Archetype 1)	PC Type 2	PC Type 2	PC Type 2	PC Type 2

Activity Types	EPP					
	A. Equipment Design & Acquisition		B. Concepts and Assessment Studies		C. Service/PFI / FMS / COTS / MOTS	
	< 12 Months	>12 Months	< 12 Months	>12 Months	< 12 Months	>12 Months
High - R&C High (Archetype 14)	PC Type 2	PC Type 1	PC Type 2	PC Type 1	PC Type 2	PC Type 2
Higher R&C (Archetypes 10 - 13)	PC Type 2	PC Type 1	PC Type 2	PC Type 1	PC Type 2	PC Type 2
Medium R&C (Archetypes 5-9)	PC Type 2	PC Type 1	PC Type 2	PC Type 1	PC Type 2	PC Type 2
Lower R&C Level 2 (Archetypes 2-4)	PC Type 2	PC Type 1	PC Type 2	PC Type 2	PC Type 2	PC Type 2
Low R&C (Archetype 1)	PC Type 2	PC Type 2	PC Type 2	PC Type 2	PC Type 2	PC Type 2

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Contracting for EVM

- Requirement for EVM is written into our all of our contracts
- The guidance looks drives a system approach rather than just reporting output
- The EVM performance system and data to be supplied by the contractor is tailored based on:
 - type of work
 - risk and complexity
- We have 5 levels of implementation from full EIA compliant EV down to basic cost and progress reporting
- Use of the Industrial Tailoring Guide is mandated via the DE&S BMS



	Commodities	PFI / FMS / COTS / MOTS	Competitive Firm / Fixed	Single Source Firm / Fixed	TCIF / Cost Reimbursement
Cat A > £400M	Level 4	Level 3	Level 2	Level 2	Level 1
Cat B £100M - £400M	Level 4	Level 3	Level 3	Level 3	Level 2
Cat C £20M - £100M	Level 4				
Cat D < £20M	Level 5				

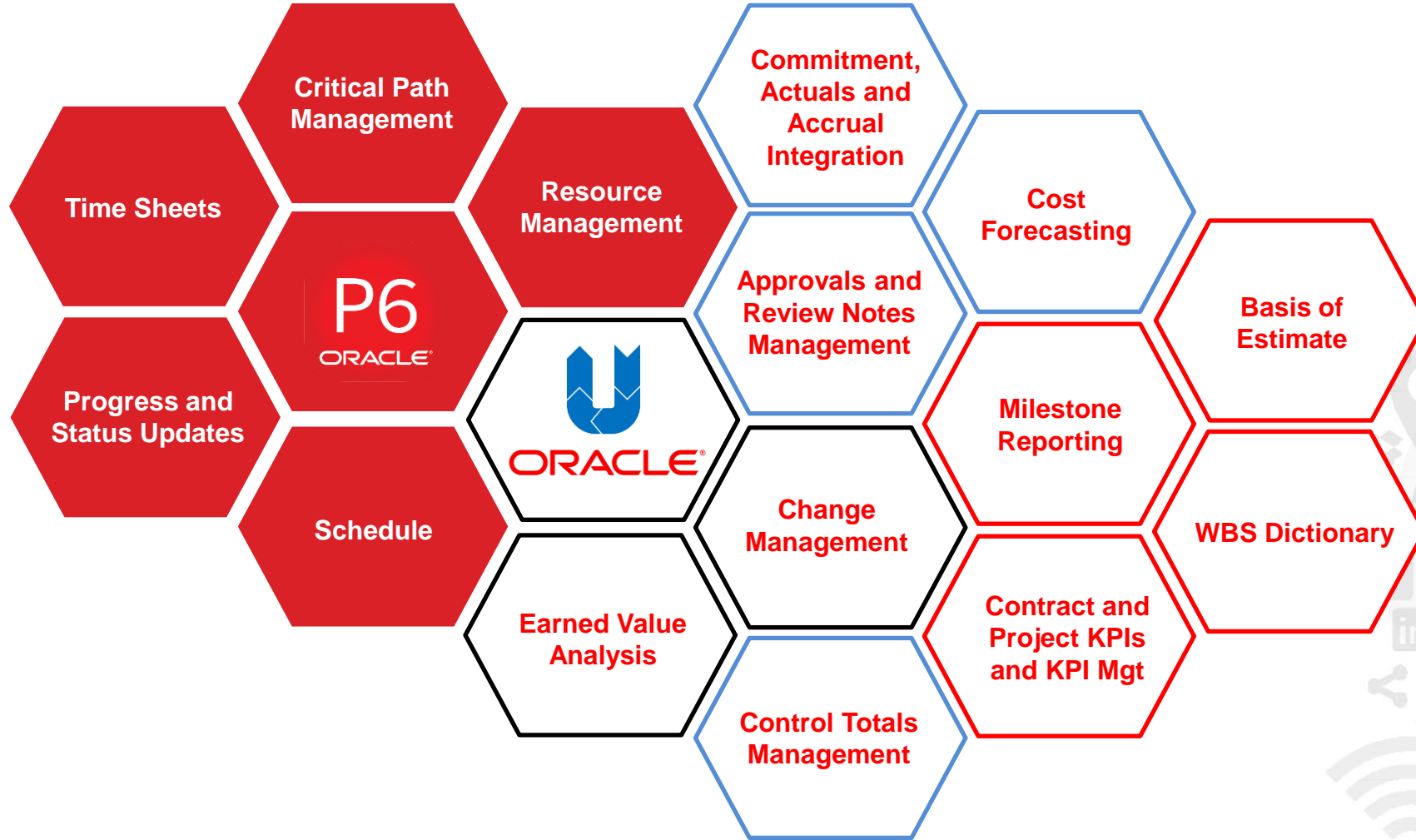
	Competitive Fixed & Firm (C&D)	Upkeep (Incentivised, Spares Inc. and Exc.)	Modification and Updates	3-By & Capability (On and Off Balance)	Spare and Commodities
Cat C & D	Level 4/5	Level 3/4	Level 4	Level 4	Level 5
Single Source Fixed and Firm (Cat C & D)	Level 4/5	Level 3/4	Level 4	Level 4	Level 5
Single Source TCIF/SBF (Cat C & D)	Level 4/5	Level 3/4	Level 4	Level 4	Level 5
PFI/FMS/COTS/MOTS	Level 3/4	Level 3/3	Level 3/4	Level 3/4	Level 4/5
Single Source Fixed and Firm	Level 3/4	Level 3/3	Level 3/4	Level 3/4	Level 4/5

RED	Higher Exposure
AMBER	Medium Exposure
GREEN	Lower Exposure

Requirement	Level 1	Level 2	Level 3	Level 4	Level 5
Organizational					
Contract Management Plan (CMP) and	X	X	X	X	X
Value Breakdown Structure (VBS)	X	X	X	X	X
WBS Dictionary	X	X	X	X	X
Planning, Scheduling and Budgeting					
Control System Schedule	X	X	X	X	X
Resource Allocation					
Computer Performance Reports (CPR)					
Format - Original	X	X	X		
Format - Change	X	D	X		
Format - End	X	D			
Format - Variance Analysis	X	X	X		
Format - Schedule Reports	X	X			
Format - Electronic BMS Data	X	D			
Format - EPC and EAC	X	X			
Sub-Contractor CSSE	X	X	D	X	D
Special Approval Plan					
EPC and EAC Frequency					
Comprehensive - Quarterly	X	X	D		
Comprehensive - Annually	X	X	D		
Cost Assessment - Monthly on CPAs	X	X	X	X	X
Cost (20%) Monthly	X	X	X	X	X
Methods and Data Maintenance - Change Control	X	X	X	X	X
Risk (R)					
Risk and Capability Management Plan	X	X	X	X	X
Cost Risk Analysis	X	X	D		
Schedule Risk Analysis	X	X	D		
Risk Register (Risk Asses) Risk Manager (A/B) or similar	X	X	X	X	X
Risk Register (Risk Asses) Risk Manager (A/B) or similar	X	X	X	X	X
Risk Register (Risk Asses) Risk Manager (A/B) or similar	X	X	X	X	X
Integration Review Review	X	D	D		
Communication Review	X	D			
Compliance Review	X	D	D		
Validation (V) - Review Date	X	D	D		
Sub-Contractor Risk Register					
EVM Responsibility to flow down to Sub-Contractor	X	D			
Prime Contractor to Assess Program/PM performance on Major Sub-Contractor	X	D			
Support Metrics / KPIs (As required)					
CPA Example 1					
CPA Example 2					

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Solution Development

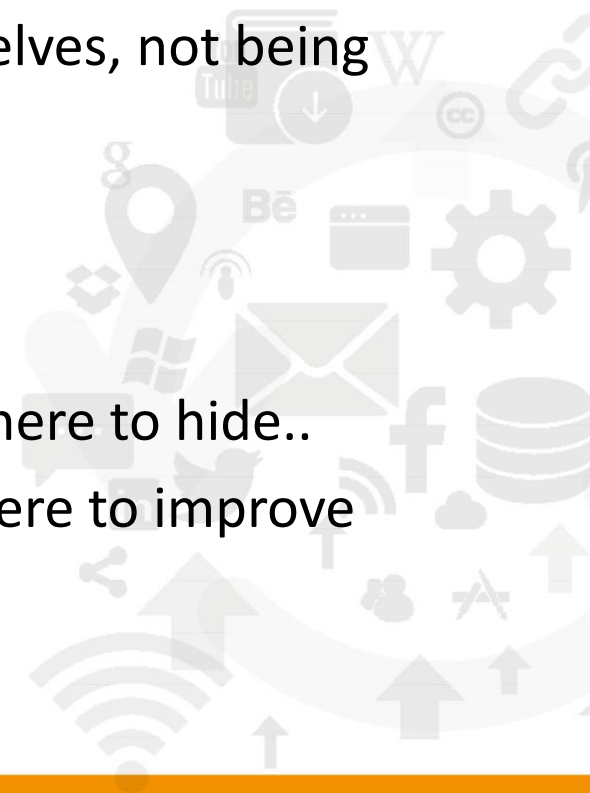


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Deployment Pillars



- DE&S led adoption approach
 - DE&S doing this to themselves, not being done to them
- Spot-light on data
 - Tools ensure there is nowhere to hide..
 - ...and highlight exactly where to improve



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Summary & Conclusions



- EVM part of integrated performance measurements solution
- Must tailor to optimise benefit
- Data-driven culture involves whole organisation to be part of journey

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