Earned Value

Work done against spend and against plan.

Civil Engineering

Earned value measures work actually completed against both the money spent and the planned position.

CV = EV − AC · SV = EV − PV · CPI = EV/AC

PV 100, EV 80, AC 90 — **Late and overspent**

SV −20, CV −10.

CPI = 0.9 — **Costing more than planned**

Below 1 is bad.

SPI = 1.1 — **Ahead of programme**

Above 1 is good.

THE COMMON MISTAKE

× **Reading spend as progress**

✓ **Measure the work completed**

Money spent says nothing about work done. Earned value is only meaningful when progress is measured against defined scope rather than guessed.

Educational reference. Earned value needs a baseline and honest measurement, both governed by the project's controls.