

What Is 'Earned Value'?

I am frequently asked “What is Earned Value?” OK, maybe not frequently, but it’s certainly a question that I do get asked. Simply put: Earned Value is a measure of the work accomplished.

We’re all familiar with the feeling of having spent a lot of hours on a job but not really accomplishing much. So how do you measure what you’ve accomplished? The way EB’s Earned Value system measures accomplishment is by assigning a budget for each job that needs to be done on a contract and then “Earning” that budget as the job is completed. Since many of our jobs can’t be completed in a day or even two, we report progress on each job as we go along. In the best scenario, the progress is based on an objective measure of the work. Here’s a simple example:

- If you have to install a valve with 10 bolts, each time you install one bolt you would get 10% progress
- If the overall budget for the job is 10 hours, you would earn 1 hour for each bolt installed
- When the job is completed, your overall Earned Value is 10 hours

Notice, in this example there is no mention of how many hours it actually took to install each bolt. If it took 1 hour for each bolt, then EB’s Earned Value system would compare what was spent to how much was earned and report the efficiency in this example as a 1.00 Cost Performance Index (or CPI). If it took 2 hours to install each bolt, it would be a 0.50 CPI; if it took a ½ hour for each bolt, it would be a 2.00 CPI.

Typically the budget for each job is based on the overall contract value broken down into each job that needs to be done. When EB estimates a contract proposal, the estimate is based on:

- How many times we’ve done the job (i.e. is it the first of a class or the 30th)
- Changes to the configuration from the previous ship

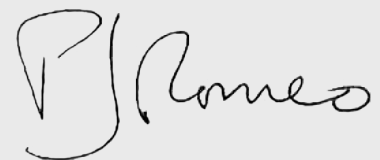
- The hours spent on the job the last time it was done (our MRP system keeps track of how many hours were spent the last time and each time before that)

Since the budget is based on the previous times the job was done, it reflects the fact that the last time probably wasn’t perfect, but it also expects that we’ll get a little better each time we do the same job.

Here are a few examples of how to make sure we perform the best we can:

- Work safely
- Have the right tools for the job and the right material before you start
- Make sure the job site is ready for work to start
- Follow procedures while doing the job so that it has the best chance of passing inspection the first time

Notice that none of these examples talk about working quickly. Staying safe and following procedures actually is the quickest way to Earn Value on the job!



Pete Romeo

Director of Finance

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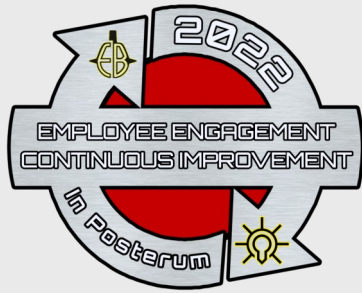
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Continuous Improvement

Overproduction



**“WHERE IS ALL THIS
COMING FROM?”**

If **Overproduction** concerns sound like a luxury that deserves a back seat at Quonset, your most likely not alone. On the surface, producing beyond what's needed showcases a department's capabilities, and at a time of increasing demands, it seems more is better. How then, could **Overproduction** be included as one of the **eight types of waste**? Diving into the issue, we find that **Overproduction** has many hidden costs that create complications down the production line.

In a previous WIB article on the **eight types of wastes**, we discussed the issues created by excess inventory. We reviewed how excess inventory utilizes valuable space and resources, and how it is critical to look at downstream departments as our customer. Excess inventory is often times created by **Overproduction**, which directly contradicts the needs of both our internal and external customers.

Overproduction also creates issues repairing defects. If an issue with a batch of parts is noticed, each additional part that was created past what is needed will require that rework. **Overproduction** ultimately makes us less maneuverable as a company, creates excess inventory, masks manufacturing problems, can create rework, and ultimately causes issues for our customers.

So, what can be done? The first step is to evaluate why **Overproduction** is occurring. Some of the primary catalysts of **Overproduction** include:

- Unstable Scheduling - Fluctuation in releasing new work
- Unreliable Processes & Production Risks - Fear of breakdown or material shortages
- Unbalanced Workloads - Fitting more material than what can be welded
- Large Batches to Gain Efficiency - Staying on same machine setup to complete all possible work
- Inaccurate Forecasting of Material Needs - Producing material based on a quota instead of schedule

As the company looks to accommodate an ever increasing demand from the Navy, it is critical that production out our facility becomes as efficient as possible. While at face value, **Overproduction** doesn't seem like a problem, the issues that it creates to our immediate internal customers are compounding.

Have a process improvement idea, or simply just want a board to bounce ideas off? Discuss your idea with your Supervisor. If additional resources are required for implementation, your Supervisor can contact Process Engineering.

STRONGER

Together

Ethics is the foundation of everything we do. If you are aware of business conduct issues, discuss it with your manager or ethics officer.

- Accounting or Auditing Irregularities
- Fraud
- Gifts, Kickbacks, or Bribes
- Theft of Goods or Services
- Time Charging or Expense Reporting
- Conflicts of Interest
- Disclosure of Confidential Information
- Export/Import Issues
- Procurement and Contract Compliance
- Product Quality
- Unlawful Retaliation

If you do not feel comfortable reporting problems internally, call the General Dynamics Business Ethics Helpline operated by NAVEX EthicsPoint, an independent company. Web reports are also accepted.

You do not have to give your name and your call is not recorded. A specially trained interviewer documents your concern and relays the information to General Dynamics follow-up.

800 433 8442 or www.gd.ethicspoint.com

From outside the U.S. call collect 503 619 1815

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CHALLENGE YOURSELF THIS MAY



Your UnitedHealthcare Wellness Coaches are here to help encourage you to eat more fruits and veggies this Spring through the **Nourish Challenge!** Can you eat add just one more serving of fruit and veggies for two weeks? If you're up for the task, this two-week challenge is for you. Coaches will provide tips, recipes and fun facts to encourage you along the way. Set a goal and track your progress. Notice how good it tastes and how good you feel as you freshen up your meals and snacks with produce this spring.

Did we mention there are raffle prizes for completion? If you complete the challenge, including filling out and turning in your tracker, you will be entered into a raffle for a chance to win one of several grocery store gift cards of varying values (\$50, \$25, \$10).

Sign Up for the Nourish Challenge Now	A Coach Will Meet With Your Team
Sign-ups start as soon as you receive this email and are open on a rolling basis. The challenge starts on May 16 and goes through May 28. <i>(but feel free to join in any time in May).</i> One-on-one coaching sessions are available prior to the challenge starting. Be sure to reach out to a coach below to sign up.	Ready to gather the team for a Wellness Break? A coach will come to your department with a fresh fruit snack for your group to enjoy, discuss the benefits of and give practical tips to make eating more fruits and veggies tasty and easy. Coaches will also explain the Nourish Challenge and offer an opportunity to participate. All attendees earn a chance to win this month's raffle prize. Call your coach to arrange your wellness break now!

Eating a diet rich in fruits and vegetables can help reduce the risk of many leading causes of illness and death, such as cardiovascular disease, type 2 diabetes, some cancers, and obesity. Despite these positive health benefits, few adults meet the recommendations. You can be the exception as you challenge yourself to reach your fruit and veggie goals!

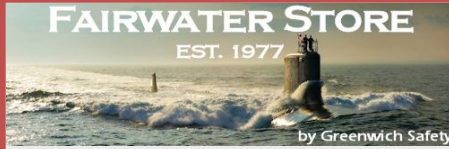
To our off-site locations: Don't forget our coaches want to help your teams eat more fruits and veggies too! Reach out to AnnMarie or David to set up a Zoom session if your team would like a Wellness Break.

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| Groton/New London/Off-site locations
AnnMarie Bartelli
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860-822-3160

David Zaldivar
David.zaldivar@plusone.com
332-257-5164 | Quonset Point location
Jennifer Fine
Jennifer.fine@plusone.com
401-465-1097 |
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May is **Asian Pacific American Heritage Month**. At Electric Boat, we have rich collective of Asian and Pacific Islander Americans who diligently contribute to our diverse culture and workforce. Their contributions throughout our history have helped shape our commitment to building world-class submarines. They embody our core values that help Electric Boat deliver the advantage that protects our sailors, our families and our freedom. During this month-long celebration, we recognize and celebrate all of our Electric Boat Asian American and Pacific Islander employees. For questions about EB's heritage month celebrations, please reach out to **EB_DEIE@gdeb.com**.



- Nike GDEB Golf Shirts in stock!
- Embroidered EB merchandise
- We Build Freedom trucker caps!
- Red, White, and Blue EB Logo Pint Glasses just arrived!

Hours of Operation

Bldg 4: 9:30am to 4pm

Bldg 104: 8am to 4pm

**New London: 7am to 2pm (T&W)
7am to 1:30pm (Th)**



EB Weekly Safety Briefing
05/8/22 – 05/14/22

200%
ACCOUNTABILITY

Summer is Coming!

PREVENTION IS KEY
Stay Hydrated
Cool you Core
React to Early Symptoms



GENERAL DYNAMICS
Electric Boat

Policy Statement # 13: Electric Boat Corporation has established Occupational Health and Safety as the Company's Number One Priority.

Week 19

EB Medical Bulletin

COVID VACCINE FRIDAYS



Starting May 5, 2022 the Groton Yard Hospital will be offering COVID booster shots on Fridays to eligible employees.

Vaccines are available 9:00 AM to 2:00 PM.

Appointments are required, please call the YH at 860-433-3470.

For questions, please email ebmedical@gdeb.com.