Project Management Acronyms Decoded: From WBS to CPI



WBS

Work Breakdown Structure

At the kickoff

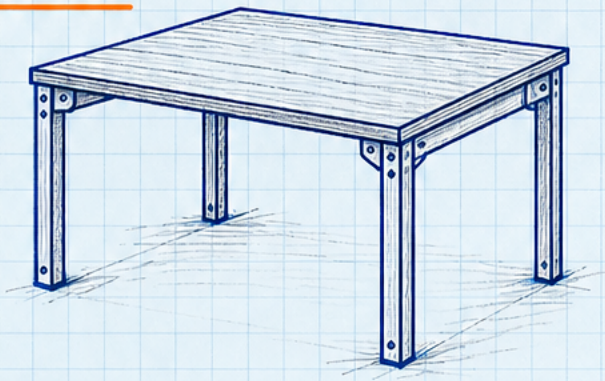
"Before we price the office move, send me the WBS."

What it means

A WBS breaks the agreed project scope into smaller pieces. It shows what work belongs in the project.

One branch of the office move

1.0 Office move
└ 1.2 Workstations
└ 1.2.1 Installed desks



Use it in a decision

The quote covers delivery. Does it also cover assembling all 24 desks? Check the scope for installed desks before approving the price.

Read the code

1.2.1 tells you where the work belongs. The schedule tells you when it happens.

SOW

Statement of Work

In the move meeting

> "The quote says delivery. Who assembles the desks?"

What it means

A statement of work describes what the supplier must provide, including deliverables, boundaries and acceptance conditions. Use the WBS to find the scope item, then read the supplier's commitment.

On the office move

The move needs 24 installed desks. The quote includes unloading 24 flat packs. The two descriptions lead to different prices and different work on moving day.



Write the acceptance condition

All 24 desks are assembled, level and in the assigned rooms. The facilities lead checks the room list and signs the inspection sheet.

Before award

Ask each bidder to price assembly against the same wording.

RACI

Responsible, Accountable, Consulted, Informed

In the move meeting

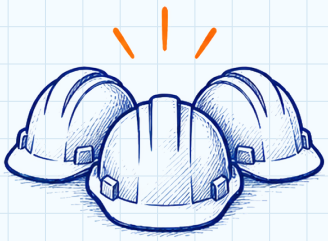
> "Who can sign off the workstation layout?"

What it means

A RACI matrix assigns roles to a specific piece of work or decision. The responsible role does the work. The accountable role owns the result.

On the office move

For layout approval, the designer prepares the drawing (R). The facilities lead approves it (A). IT checks cable routes (C). The move crew receives the signed layout (I).



Find the gap

Two people think the other can approve. Name one accountable role for this decision and confirm that person has authority.

Use it in the meeting

Ask the approver to confirm the drawing revision and the decision date.

RAID

Risks, Assumptions, Issues, Dependencies

In the move meeting

> "The lift may be unavailable. Which log entry do we need?"

What it means

A RAID log separates uncertain events, planning beliefs, current problems and links to other work. Teams use different expansions, so put yours at the top of the log.

On the office move

Risk: the lift may fail. Assumption: it can carry a packed desk. Issue: the loading pass has expired. Dependency: delivery needs an approved loading slot.



Make each entry actionable

Ask facilities to check the lift rating today. Assign the expired pass to security. Record who will confirm the slot and by when.

When facts change

If the lift fails, open an issue and activate the agreed response.

RFP / RFQ

Request for Proposal / Request for Quotation

In the move meeting

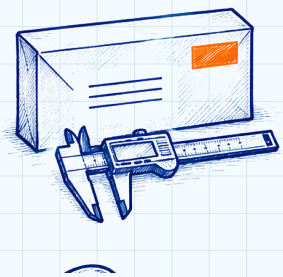
> "Do we want competing plans or comparable prices?"

What it means

An RFP invites suppliers to propose how to solve a need. An RFQ asks them to quote against a sufficiently defined requirement.

On the office move

The team wants options for keeping the office open during the move. Send an RFP for a relocation plan. Once the desks and installation scope are fixed, request an RFQ for that package.



Compare like with like

One price includes night work. Another assumes daytime access. Clarify access hours before comparing totals.

Decision rule

Choose the request that matches the question you still need the market to answer.

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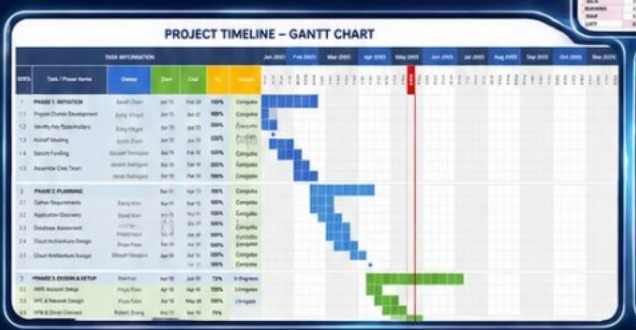
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PO

Purchase Order

In the move meeting

> "The quote is approved. Has the order actually been placed?"

What it means

A purchase order records the buyer's authorised order to the supplier. Check the quantities, items, prices, delivery details and referenced terms.

On the office move

The desk PO lists 24 units at $500 each. That gives $12,000 for desks before tax or separately priced installation. A supplier invoice for 25 desks needs investigation.



Match the records

Compare the PO with the delivery record and invoice. If only 23 arrived, record the shortage and follow the agreed payment terms.

Watch the boundary

An order commits funds. When the cost is recognised depends on the accounting rules.

CR

Change Request

In the move meeting

> "Can we add six desks while the crew is here?"

What it means

A change request records a proposed alteration and its effects so the authorised decision maker can evaluate it.

On the office move

The approved scope is 24 desks. Six extra desks at $500 each add $3,000 in hardware. The estimate still needs installation labour, space checks and any delay.



Record the alternatives

Price the extra desks now and price a later installation. State who needs them and the last date for a decision.

Before the crew starts

Keep the request linked to the current baseline and record its decision status.

CCB

Change Control Board

In the move meeting

> "Who can approve the extra desks and budget?"

What it means

A change control board evaluates proposed changes within delegated authority. Its membership and approval thresholds depend on the project.

On the office move

In this move, the project manager can approve up to $2,000. The six desks exceed that limit even before installation. Send the change and its impacts to the board.



Decision record

Record approved, rejected or deferred, along with the reason, date and decision owner. An approved change needs an implementation owner.

Close the loop

Update affected plans only after authorisation, then notify the supplier and move crew.

QA / QC

Quality Assurance / Quality Control

In the move meeting

> "A level desk is our requirement. How will we achieve and verify it?"

What it means

QA builds confidence in the process used to achieve quality. QC checks actual results against requirements.

On the office move

QA: check that installers use the agreed levelling procedure and maintained tools.
QC: inspect installed desks for stability and record which units fail.



When a desk rocks

Fix the individual defect. If several desks fail in the same way, examine the installation process as well.

Evidence to keep

Keep the process review and the inspection results. Each answers a different question.

UAT

User Acceptance Testing

In the move meeting

> "The network is up. Can staff do their work?"

What it means

In UAT, representative users try agreed business scenarios and compare the results with acceptance criteria. Record who can accept the result.

On the office move

At a moved desk, a support agent signs in, receives a test call and retrieves a customer record. Login alone does not exercise the full workflow.



Use a test record

Write down the scenario, expected result, observed result and tester. A failed call needs an owner, a fix and a retest.

Go-live decision

Bring unresolved failures and their business impact to the authorised approver.

FS / SS

Finish-to-Start / Start-to-Start

In the move meeting

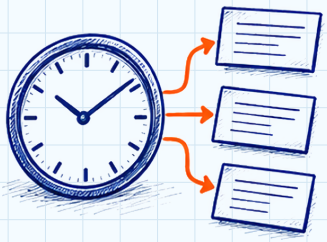
> "Can cabling begin while the rooms are still being prepared?"

What it means

These links constrain activity timing. FS allows the successor to start after the predecessor finishes. SS ties its earliest start to the start of the predecessor, with any stated lag.

On the office move

Use FS from room access approval to installation. A separate SS link with a one-day lag lets labelling start one day after packing starts.



State the assumption

FS with zero lag does not force an immediate start. Crew availability and the work calendar can push it later.

Check in the field

Model the physical handoff that is actually required, especially when work overlaps.

PDM

Precedence Diagramming Method

In the move meeting

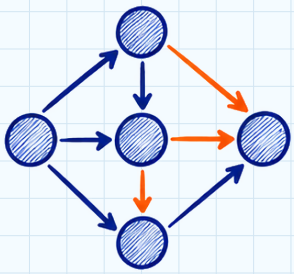
> "Which jobs must be complete before testing can start?"

What it means

PDM represents activities as nodes and uses links to describe their timing relationships. A joining point can depend on several predecessors.

On the office move

After access is granted, desk assembly takes 3 days and cabling takes 5 days. They run in parallel with separate crews. A 2-day system test needs both complete.



Read the join

With finish-to-start links, no lag and a common calendar, testing can start at elapsed day 5. It finishes at day 7.

Check the model

If both branches require the same crew, revisit the resource plan before promising day 7.

CPM / TF

Critical Path Method / Total Float

In the move meeting

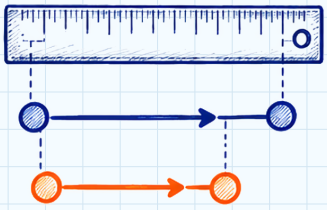
> "Which delay would move the test finish date?"

What it means

CPM calculates dates from activity durations and dependencies. Total float measures how far an activity can slip without delaying the relevant project finish or violating a constraint.

On the office move

Use the previous network. Cabling plus test takes 5 + 2 = 7 days. Assembly plus test takes 3 + 2 = 5 days. The 7-day path controls the finish.



Read the two days

Assembly has 2 days of total float here. A 1-day assembly delay still permits a day-7 finish. A 1-day cabling delay moves finish to day 8.

After a change

Recalculate the network. The controlling path can change.

PERT

Program Evaluation and Review Technique

In the move meeting

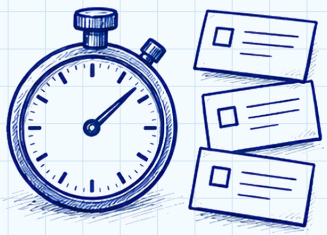
> "Five days is our best guess. How wide is the uncertainty?"

What it means

A common PERT estimate weights the most likely duration four times. Use the same scope and time units for optimistic, most likely and pessimistic estimates.

On the office move

For recabling, the three estimates are 3, 5 and 9 working days. The weighted mean is (3 + 4 x 5 + 9) / 6 = 5.33 working days.



Interpret the estimate

A 5.33-day mean does not promise completion by day 6. Ask what would trigger the 9-day case, such as finding damaged conduit.

Use it well

Record the assumptions and keep the range visible when discussing the date.

EMV

Expected Monetary Value

In the move meeting

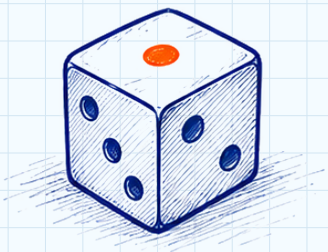
> "Is a backup lift reservation worth paying for?"

What it means

For a risk with one stated cost impact, multiply its probability by that impact. Treat costs consistently and include the response cost when comparing options.

On the office move

Without a backup, a 20% chance of an $8,000 delay gives $1,600 expected cost. A $900 reservation reduces the chance to 5%, with the same impact.



Compare both options

With the reservation: $900 + 0.05 x $8,000 = $1,300. Expected saving is $300 under these assumptions.

Before committing

Check whether the residual delay is tolerable. A single move will not necessarily incur the average loss.



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SLA

Service Level Agreement

In the move meeting

> "What did the network supplier promise after go-live?"

What it means

An SLA sets measurable service commitments. Read the trigger, measurement period, thresholds, exclusions and remedy in the actual agreement.

On the office move

During staffed hours, the supplier must acknowledge a priority-one outage within 30 minutes. An incident logged at 10:10 and acknowledged at 10:32 took 22 minutes.



Test the right promise

Acknowledgement met the 30-minute target. Service returned at 12:05. Compare restoration with its own target if one exists.

Handover check

Give operations the escalation contact and the evidence needed to start the clock.

BAC

Budget at Completion

In the move meeting

> "Which budget are we measuring performance against?"

What it means

BAC is the total budget for the work in the performance measurement baseline. Use the same scope and approved baseline throughout the earned value calculations.

On the office move

Our move has an approved BAC of $120,000. This is the running case for the remaining pages. The baseline excludes a separately held management reserve.



Before calculating

Confirm the baseline revision and reporting date. An unapproved scope addition cannot silently raise the denominator.

Ask the team

Can each reported cost and each unit of earned work be traced to the same scope?

PV

Planned Value

In the move meeting

> "How much of the budgeted work was due by Friday?"

What it means

PV is the approved budget for work scheduled through the status date. Read it from the time-phased baseline.

On the office move

By Friday, the baseline schedules work worth $60,000 out of BAC $120,000. PV is $60,000, so 50% of baseline value was scheduled by then.



Read the evidence

Half the time passing does not automatically mean half the budget was scheduled. Check the planned value profile.

Keep the date fixed

Use Friday's cutoff for earned value and actual cost as well.

EV

Earned Value

In the move meeting

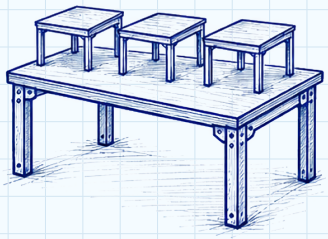
> "What budgeted value have we actually earned?"

What it means

EV values completed work at its approved budget, using the agreed measurement rule. The value credited depends on evidence of completion.

On the office move

At Friday's cutoff, verified work earns $48,000 of the $120,000 baseline. EV / BAC = 40%. A $10,000 package using a 0/100 rule earns nothing until its finish criterion is met.



Avoid double counting

Use the package evidence once. Its earned amount already contributes to the $48,000 project total.

Check the claim

A supplier invoice proves a charge. Use acceptance evidence to establish the earned work.

AC

Actual Cost

In the move meeting

> "Which costs belong in this Friday's report?"

What it means

AC is the cost incurred for the work performed in the reporting scope and period. Follow the project's rules for actuals and accruals.

On the office move

Posted costs total $50,000. Finance confirms a further $4,000 of incurred labour that has not yet been posted. With the agreed accrual, AC is $54,000.



Reconcile the cutoff

When the invoice posts, reverse or reconcile the accrual so the same labour is counted once.

Before comparing

Put EV of $48,000 alongside AC of $54,000 for the same work and status date.

CV

Cost Variance

In the move meeting

> "How far over or under budget is the work already performed?"

What it means

Cost variance compares the budgeted value earned with actual cost. CV = EV minus AC. Express it in currency.

On the office move

Friday's CV = $48,000 - $54,000 = -$6,000. The performed work cost $6,000 more than its budgeted value.



Investigate the cause

Separate extra hours, higher labour rates and rework. A negative variance identifies a gap but cannot explain its cause.

Keep the measure straight

This is performance to date. The final expected overrun needs a forecast.

SV / SPI

Schedule Variance / Schedule Performance Index

In the move meeting

> "Did we earn as much value as the baseline scheduled?"

What it means

SV = EV minus PV. SPI = EV / PV when PV is nonzero. Both compare earned work with planned work at the status date.

On the office move

SV = $48,000 - $60,000 = -$12,000. SPI = $48,000 / $60,000 = 0.80. The team earned 80% of the value scheduled through Friday.



Translate carefully

The $12,000 gap is expressed in budget units. SPI of 0.80 alone cannot tell you how many days late the move will finish.

Next evidence

Check the remaining critical path and milestone dates before reporting a finish delay.

CPI

Cost Performance Index

In the move meeting

> "How much budgeted work did each dollar of cost buy?"

What it means

CPI = EV / AC when AC is nonzero. A value below 1 indicates that the earned work cost more than its budgeted value.

On the office move

Friday's CPI = $48,000 / $54,000 = 0.889, about 0.89. Each $1 of actual cost bought about $0.89 of budgeted work.



Check it against CV

CV is -$6,000 and CPI is below 1. Both describe the same unfavourable cost position in different units.

Use it in a decision

Find out whether the extra cost came from one move-day event or a pattern likely to continue.

EAC / ETC

Estimate at Completion / Estimate to Complete

In the move meeting

> "What will the move cost if present efficiency continues?"

What it means

EAC forecasts total final cost. ETC forecasts the cost still to be incurred. EAC = AC + ETC. Choose a forecast that fits the remaining work.

On the office move

If the cumulative cost efficiency continues, EAC = BAC / CPI = $135,000, using the unrounded ratio 48/54. ETC = $135,000 - $54,000 = $81,000.



Try another assumption

If remaining work costs its original budget, ETC = $120,000 - $48,000 = $72,000 and EAC = $126,000.

Explain the choice

Ask the work owners for evidence supporting either assumption or a new bottom-up estimate.

VAC

Variance at Completion

In the move meeting

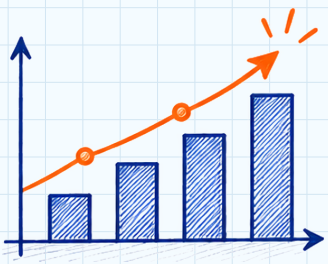
> "How much funding pressure does the forecast imply?"

What it means

VAC compares the baseline budget with the forecast final cost. VAC = BAC minus EAC. A negative amount signals a forecast overrun.

On the office move

At EAC $135,000, VAC = $120,000 - $135,000 = -$15,000. If the one-off-cost scenario supports EAC $126,000, VAC is -$6,000.



Compare with today

Current CV is -$6,000. Forecast VAC is -$15,000 in the continuing-efficiency case. They answer different questions.

Decision for the sponsor

Show the forecast range, its assumptions and who will update it after the next cost review.

TCPI

To-Complete Performance Index

In the move meeting

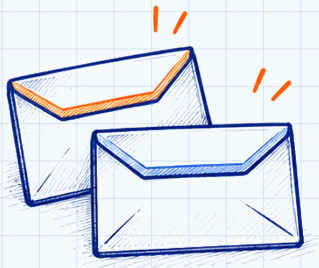
> "How efficient must the remaining work be to hit our target?"

What it means

TCPI divides remaining budgeted work by the money available to finish it. Name the target: BAC or an accepted EAC. A zero or negative funding balance needs separate attention.

On the office move

To hit BAC: ($120,000 - $48,000) / ($120,000 - $54,000) = 72/66 = 1.09. The remaining work must earn $1.09 of budgeted value per dollar spent.



Test feasibility

Past CPI is 0.89. Ask what concrete change could support 1.09. To hit EAC $135,000 instead, TCPI = 72/81 = 0.89.

Report responsibly

Show the target alongside the index so readers know which finish cost is being tested.

PMIS

Project Management Information System

In the move meeting

> "What should the sponsor see in one status note?"

What it means

A PMIS brings together the information used to plan, monitor and report the project. Align the scope, dates and definitions before combining figures.

On the office move

Friday's move report: BAC $120k, PV $60k, EV $48k, AC $54k. SPI 0.80 flags less work earned than planned. CPI 0.89 flags weaker cost efficiency.



Turn numbers into a decision

Check cabling against the day-7 test finish. Ask finance whether premium labour will recur. Use those findings to choose between the $126k and $135k forecasts.

Close the report

Name the owner and next review date. Link the status note to the schedule, cost ledger and acceptance records.