THE VALUE MANAGER

The official publication of The Hong Kong Institute of Value Management

THE HONG KONG INSTITUTE OF VALUE MANAGEMENT

THE VALUE MANAGER

Editor: Dr. Geoffrey Q.P. Shen, Assistant Editor: Jacky Chung

COUNCIL MEMBERS OF HKIVM

AIMS AND OBJECTIVES OF THE HKIVM

- To create an awareness in the community of the benefits to be derived from the application of Value Management in Hong Kong.
- To encourage the use of the Value Management process by sponsors.
- To establish and maintain standards of Value Management practice in Hong Kong.
- To contribute to the dissemination of the knowledge and skills of Value Management.
- To establish an identity for the Institute within Hong Kong and overseas.
- To encourage research and development of Value Management with particular emphasis on developing new applications of the process.
- To encourage and assist in the education of individuals and organisations in Value Management.
- To establish and maintain a Code of Conduct for Value Management practitioners in Hong Kong.
- To attract membership of the Institute to support these objectives.

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EDITORIAL

Welcome to the 3rd issue of the year 2003. Apart from the President's message, you will read four technical papers on a variety of value-related topics. Thurnell's paper is about the personal style of the VM facilitator, which describes a proposed exploratory survey, aimed at providing a framework for the identification of personal traits and characteristics, together with significant socio-emotional issues that arise during VM workshops, which can be directly influenced by the personal style of the VM facilitator. Smyth explains why registered social landlords are making considerable headway in complying with government initiatives to building value in social housing. Dawson describes a VM approach to examine the views, attitudes and feelings of the people in organisations. By eliciting information from people through a series of carefully constructed questions the author can categorise responses, identify strengths and weaknesses and, through facilitated workshops, improve the effectiveness of organisations. Lau and Yau introduce an environment for change by using the tools of team building, value management, research and development and a web based interactive project management system. The authors argue that the challenge is how to implement the change in hard times and managing the personalities in the team and this cannot be done through VM alone. I hope you enjoy reading these articles in the summer (perhaps sitting beside a swimming pool).

Dr. Geoffrey Q.P. Shen
Editor, The Value Manager

MESSAGE FROM THE PRESIDENT

Tony Wilson
President of HKIVM

Summer is with us again and there have been a few days of wonderful clear views to the mountains and harbour.

Normally when summer arrives and the weather heats up there are a lot of complaints. This year so far there seems to have been less, maybe because it will help to keep SARS away and we are so glad not to have to wear masks any more. We certainly seem to have had a slightly happier time recently and it good to see some of the buzz of life come back into the city.

Things don't always go to plan and when something goes wrong the comments given are not always very convincing, for example, the quote that our highways are "designed to international standards". It would seem that some edge barriers are clearly not up to the job. Perhaps it is in the interpretation or it is the intended use that is not tested. The standards may be fine if the highway is a flat section of motorway with adjacent flat fields on either side. They may not have been envisaged for use on high bridge or flyover sections, subjected to a very heavy volume of large heavy vehicles thundering along at high speeds nose to tail. Hong Kong is unique in many ways therefore why isn't Value Management used to explore all the options, set the priorities and test out some of the worst case scenarios? Please everyone try to see how VM can help in future.

We must apologise to members for being in isolation during the SARS period. It was felt that most members would not be too inclined to join the lunches but now we must restart. You will receive notification shortly of our next event and we look forward too seeing everyone again.

Our International Conference planning is moving along well and the programme looks very exciting and stimulating. We would really appreciate any help at all on the sponsorship side therefore if anyone has contacts or ideas, please let us know as soon as possible.

For those of you going on vacation, have an excellent rest, recharge the batteries, have a happy holiday and we will see you back after your break.

Best wishes to all,

Tony Wilson

THE PERSONAL STYLE OF THE VALUE MANAGEMENT FACILITATOR

Derek Thurnell
UNITEC Institute of Technology, New Zealand

ABSTRACT

To date, little consideration has been given to facilitation in the Value Management (VM) literature, and it has been asserted that it has not been accorded sufficient emphasis. Research has shown that experienced VM facilitators are necessary for a successful VM workshop, and that the VM facilitator should possess attributes that include leadership qualities and competence in a variety of management skills related to human dynamics. This paper argues that the VM facilitator's unique, idiosyncratic style has a direct influence on the success of the VM workshop. Therefore, research is needed to develop an understanding of the personal traits and characteristics of experienced VM facilitators that contribute to their facilitation "style" (particularly with regard to the socio-emotional issues surrounding group dynamics). A proposed exploratory survey is described, aimed at providing a framework for the identification of these personal traits and characteristics, together with significant socio-emotional issues that arise during VM workshops, which can be directly influenced by the personal style of the VM facilitator. The paper concludes by discussing how the expected results of the research aim to provide the opportunity to enhance the effectiveness of the Value Management process in the construction industries of the Oceania (New Zealand and Australia) region, where the "soft" VM approach is commonplace. This would be beneficial to VM clients and practitioners, as well as academics.

INTRODUCTION

The commercial necessity of maintaining, and indeed, increasing the professionalism of Value Management (VM) practitioners suggests that serious, systematic, rigorous study of the human relations aspects of VM is undertaken. This is particularly so in the construction industries within Oceania, where Barton's (1996) 'soft' approach towards VM is commonly used in practice. The prototypic nature of construction, with its ill-defined, complex, multi-perspective issues which are often found at the early project development phases, and its multi-faceted clients, have been acknowledged by Barton, and are reflected in this approach. The focus is on an integrated approach to communication, where skilled facilitation is needed (Barton, 2000). 'Soft' VM recognises that individuals' perceptions of values are influenced by a range of factors, and may result in each person's perception being idiosyncratic (Leung and Liu, 1998). Furthermore, 'soft' VM acknowledges that the client is not a single person, and that the very process of modelling their value system will inevitably influence the values and perceptions of the workshop participants (Green, 1999). Consequently, the success of 'soft' VM depends on the attitudes of the parties involved (Australian/New Zealand Standard AS/NZS 4183: Value Management, 1994). Of crucial importance is the ability of the VM facilitator to secure the necessary commitment and enthusiasm from the client and the entire team (Palmer, 1990) (emphasis added).

Male, et al (1998a, 1998b) suggest that experienced facilitators are necessary for a

characteristics and traits of experienced VM facilitators, and the effectiveness of the VM workshop, or study. The closest related works are concerned primarily with "task" - the Job Plan, function analysis, and VM tools and techniques. However, the literature, as it is, concerning VM facilitation is briefly reviewed here.

Kirk (1992) undertook hypothesis-generating research into the use of gaming/simulation in VE workshops by observation in a laboratory setting, and self-report instruments administered to group participants post-task. Group behaviour was monitored using Bauare cSS teit is,

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understanding, intrinsic motivation, etc (Goleman, 1996, 1999). There have been several recent empirical studies (Lam, 1998, Mount, 2000, Murensky, 2000) incorporating EQ testing instruments, which conclude that there is a definite link between EQ and behavioural competencies in the management field. It is considered that the emotional intelligence of the VM facilitator could be a significant factor in the effectiveness of VM group facilitation, and hence the success of the VM workshop.

RESEARCH AIMS AND OBJECTIVES

The objective of this research is to investigate the personal traits and characteristics that contribute to the facilitation "style" of experienced Value Management facilitators, and to examine the degree of correlation of these attributes with the effectiveness of the Value Management facilitation process (particularly with regard to the socio-emotional issues surrounding group dynamics) and hence the successful outcome of the Value Management study.

Key research questions/problems are:

1. What are the personal characteristics of the VM facilitator? For example, these may include: extent of VM facilitation experience; formal education; facilitation training undertaken; self-motivation; stress management, and emotional intelligence (EQ).

2. Which of these characteristics contribute to the "style" of the VM facilitator? For example: conflict management style; leadership style; social (expressive) style; flexibility and adaptability, and aspects of emotional intelligence (EQ) such as empathy, appraisal and perception.

3. What influence does "style" have on socio-emotional issues in the VM workshop? Such socio-emotional issues relating to the group may include: expectations; communication; goals; trust; acceptance; friendship; attraction; equality; cohesion, and needs

4. How do these socio-emotional issues affect the group dynamic, and consequently, the success of the VM workshop?

   Secondary issues hoped to be addressed by the proposed research include:

   • What do we know about VM facilitators, and their importance?

   • What are the functions, tasks and activities that make up their work?

   • What roles do they play? What are the skills important to their job?

   • What influence does context have on their work?

   • Are VM facilitators with different styles more effective in certain circumstances or situations?

   • Are some styles more effective than others?

   • Is it possible to change one's facilitating style?

   Also, the future development of an "ideal profile" VM facilitator model, and simple tests that can predict individuals with high potential to become VM facilitators may be beneficial.

RESEARCH METHODOLOGY

A number of conditions determined the methodological approach to the proposed study. First, the lack of a comprehensive list of individual characteristics that have an impact on VM facilitator effectiveness indicated that the pooled intelligence of a select group of knowledgeable individuals is desirable. Second, as explained by Delbecq et al. (1975), in order to understand social phenomena, often it is necessary to obtain the views of the actors.

The research methodology will adopt a multi-methodological stance, employing both qualitative and quantitative approaches, to enable triangulation of results. Interviews will be used to design research instruments, which will then be applied in an empirical study, the data from which will be subject to statistical analysis.

The research programme has three main stages:

1. Interviews with a selected group of experienced VM facilitators, in order to:

    - compile a list of criteria to measure the effectiveness of the VM workshop, from the perspective of both the facilitator and the workshop participants.

    - provide a framework for the identification of the significant socio-emotional issues which may arise during VM workshops, and how the personal style of the VM facilitator influences the way in which these issues are dealt with.

    - assist in the development and design of the research instruments.

2. After piloting, the research instruments will be administered to a purposive sample of VM facilitators in Australia and New Zealand, each of whom may provide data from several actual VM workshops which they will be facilitating in the near future. It is envisaged that there will be one self-report instrument for the facilitator, to gather: general information on the facilitator - background, experience, etc.; data regarding two or three specific VM workshops; questions to establish the personal style, and emotional intelligence, of the individual facilitator, and open ended questions for any further information which the facilitator may consider relevant regarding socio-emotional issues in the VM workshop, and how they are addressed.

    Also, each facilitator will be asked to distribute a questionnaire to VM workshop participants, to determine their perception of the personal style of the facilitator, and the way in which this may have influenced the dynamic of the VM workshop, and influenced the success or otherwise of the workshop. In this way, the researcher hopes to triangulate the findings, by the use of both qualitative and quantitative approaches, and data collected from both the VM facilitator and the workshop participants.

3. The data will then be subject to statistical analysis, in order to address the research questions, and draw conclusions.

CONCLUSION

The research methods described above constitute an original, innovative strategy devised to achieve the research aims and objectives. The research results could be used by property industry clients and VM practitioners to aid in the selection of the most suitable individual VM facilitator for a specific project, and by educators of VM facilitators, to test potential staff before undergoing facilitation training (it has been suggested that, even after screening, only a very small proportion of staff that undergo VM facilitator training end up making successful facilitators). This will be of particular benefit, as the variety of different contexts for VM studies which will affect the suitability or otherwise of a particular facilitator, e.g. group size & composition; complexity and stage of project; hard or soft approach; single/dual facilitators, etc, is enormous, and will continue to grow, as the use of VM grows in the Oceania region.

The findings are expected to significantly add to the body of knowledge relating to VM facilitation, and are expected to be generalisable, to some degree. This will be beneficial to both practitioners and academics in not only the construction management discipline, but also in the disciplines of management and behavioural sciences. In summary, the research aims to provide a framework outlining the aspects of VM facilitator's personal characteristics and style which can significantly influence the effectiveness and successful outcome of the VM process.

ACKNOWLEDGEMENT

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BUILDING VALUE

Gill Smyth
Treasurer, Institute of Value Management, UK

INTRODUCTION

The UK construction industry is not renowned for delivering quality. The jury is still out on whether quality mark, the anti-cowboy builder scheme, is working. There is however one quality area that is making headway - registered social landlords, or RSLs. Gill Smyth, a chartered quantity surveyor and value management consultant, explains why RSLs are making considerable headway in complying with government initiatives to increase the quantity and quality of social housing. The government has allocated funds to encourage manufacturers to develop new materials and building systems for the social housing market. Increased spending and the necessity to achieve higher standards of quality do not, however, ensure that the money is well spent. RSLs are finding that one way to ensure they achieve best value is through the application of value management.

THE START OF THE LOVE AFFAIR

Value Management has been applied in the UK construction industry since the 1960s, but it only really started to take off in the early 1990s when a number of expert industry clients started either to implement it internally or to ask their consultants to provide a value management service.

There were initial problems resulting from the lack of a formal value management training and certification process. The quality of the service provided therefore varied according to the knowledge and ability of the consultants. Implementation of the European Value Management Training and Certification process has changed this and clients of the construction industry can now be confident that if they employ a qualified value management professional they can at least expect the

practitioner to possess a basic level of value management knowledge and experience.

This confidence has encouraged RSLs to use value management to ensure that their increased funding to improve social housing is well spent. Value management is now being used on a wide variety of social housing projects, from multi-million pound redevelopments to small projects such as the upgrading of heating systems within existing buildings, in order to provide better quality solutions and eliminate unnecessary costs.

SILWOOD ESTATE REGENERATION PROGRAMME

As part of the Silwood estate regeneration programme, the existing, early 1970s estate was to be demolished and replaced with modern housing. In order to continue to provide accommodation for the existing residents the work was programmed to be completed in four phases

The earlier that value management is applied to a construction project the greater the potential for increasing value. The cost of abortive design and implementation will also be less. Generally, value management workshops should be planned for the beginning of the concept, feasibility, outline design stage and the beginning of the detailed design stage. For large projects, workshops should also be held at intervals during the detailed design stage. As a general guide a workshop should be held whenever a significant decision needs to be made.

The phase 1 contract had already been let and was under construction prior to the project being value managed. The phase 2 demolition works had been completed and the three-year, new build package was about to be let. Phase 3 was going through the planning process and

work on phase 4 had yet to commence. In light of this there would be little scope for the value management process to improve value on phase 1 and it was too late for it to have a significant effect on phase 2.

Two value management workshops have, to date, been carried out. The specific objectives of the first workshop were to:

- demonstrate the best practice model

- establish a value framework for the project demonstrating the needs of the stakeholders and required functions

- establish the process for applying the value framework to phase 3

- identify where value management could be applied to phase 2

The first workshop generated a value framework for phase 3 and also identified areas which needed amending in order to be applied to phase 2. The value framework for phase 3 was to be used to inform the detailed design, ensuring that all costs would provide required functions. The value framework for phase 2 was to be used to identify areas of unnecessary cost within the current detailed design. This was the focus of the second workshop. The objectives of the second workshop were therefore to:

- identify value mismatches and/or high cost functions within the phase 2 design

- establish alternative means of achieving these functions to provide improved value

- identify lessons learned for phases 3 and 4

The second workshop also identified a number of areas of unnecessary cost within the design. Alternative ways of achieving required functions were established which reduced the cost without reducing quality. A number of lessons were also identified that would be implemented during phases 3 and 4.

The heat is on…

Another example of value management being used successfully is its application for a new heating system for local authority flats in central London. The purpose was to identify the best value solution over the potential life cycle of the new heating system.

The existing heating system was subject to continual breakdown which was costly in maintenance terms and disruptive to tenants. The concern was that increased levels of maintenance would be required as the system became progressively dilapidated, eventually leading to the complete failure of the system.

A value management study enabled the housing authority to take a fresh look at the options available and ensure that the money would be well spent. The existing system was a gas district heating system and it was recognised that there would be problems installing a different type. If a new heating system were to be installed the users would need to be educated on how to use it. This would be a priority. Elderly people on the estate, for example, may have problems with programming complicated timers etc. This needed to be avoided so a new system would have to have a simple control mechanism. There was also a concern for some residents that with some types of heating systems, eg individual heating systems, they may lose space in their flats.

The local authority benefited from the bulk purchase of gas, therefore installation of individual systems would have cost implications for the residents. Due to the way the blocks had been built, the flats got very cold in the winter and hot in the summer. The current type of heating system was very effective with coping with this and a new system would need to be just as effective. The flats were of different sizes, therefore there could be problems with trying to install a standard system to all flats and also with the allocation of metered costs.

FINDING THE BEST SOLUTION

The aim of the value management study was to identify the system that would deal with these problems at the cheapest cost over the life of the system. It was decided that two workshops would be necessary. The first would be to establish and prioritise the needs of all stakeholders in the project and identify the different types of heating systems that would deliver these needs. The needs were identified

through the development of a weighted value tree. A brainstorming session then identified the various types of heating system that might deliver these needs. These were sifted to eliminate any impractical ideas and the remainder were evaluated against the criteria in the value tree. Four options obtained high value scores and were taken forward to be developed and costed:

- straight refurbishment of the district heating

- provision of individual boilers in each flat

- mixed scheme (centralised system plus some individual units)

- all-electric system

The second workshop was held to establish which of the four systems would provide the best value for money. This was accomplished by producing a cost/value ratio for each of the heating systems. The all-electric system came out with the highest value score. However when the life cycle cost was taken into account the mixed scheme was identified as the system that would provide the best value.

The benefits of value management:

- optimum effectiveness of feasibility studies, by identifying a limited number of options worth addressing in the studies

- early identification of the best value for money solution - there will be a significantly better fit between the stakeholders needs and the finished product at lowest cost

- achievement of an enhanced understanding, by all stakeholders, of the objectives, needs and critical issues related to each project

- reconciliation of different stakeholder objectives in the development and acceptance of a value framework

- all important factors relating to the project are considered and analysed

- there is ownership of the outcome by all the participants that encourages high motivation

- the implicit team building nature of the value workshop improves the efficiency of project delivery

- there is greatly improved communication and understanding between all parties to the project, ie the client organisations, the project team and the end users

- the process is speedy but allows checks and balances to take place within the group

- design proposals are made in accordance with sound value for money objectives

- it facilitates the identification and elimination of unnecessary costs

- it provides an accountable basis for decisions, strategies and designs

Gill Smyth is a chartered quantity surveyor with a masters degree in construction management. She worked as a cost consultant for many years in both the building and civil engineering sectors, during which time she became involved with value management. She has now been working in this field for over nine years, mainly as a consultant, but also for three years for a client organisation. She is an accredited trainer in value management (TVM) and professional in value management (PVM). She now has her own consultancy business.

AN APPROACH TO IMPROVING EFFECTIVENESS IN ORGANISATIONS ONLINE

Brian Dawson
Value Systems, Australia

ABSTRACT
All of us work in organisations, whether it be an 8,000 strong corporation, or a 2 person office. All organisations are staffed by people. Up till now, Value Management (VM) has been able to address products, systems and organisations but, to the best of my knowledge, has never been used to examine the views, attitudes and feelings of the people in the organisation. By eliciting information from people through a series of carefully constructed questions we can categorise responses, identify strengths and weaknesses and, through facilitated workshops, improve the effectiveness of organisations.

INTRODUCTION

We live in an era of rapid change and we know the future will be different from today. We also know that we don't know what it will be. This key management problem is present in all organisations and how to deal effectively with this forms the basis of many management principles and approaches. Unfortunately, much of this effort is still directed towards assessing the capabilities of the organisation and adopting these to meet the presumed future scenario. Organisations plan and strategise but they often do not have a clear picture of what they are planning for. For some organisations, planning cannot be carried out. Planning is linear and based on assumptions. For some organisations we do not know what to plan for. Instead we must prepare. In the recent conflict in Afghanistan, the generals prepared. They did not know what was going to happen. They make no hard and fast assumptions - they prepared.

ORGANISATIONAL EFFECTIVENESS PROFILING

Organisational Effectiveness is the key approach to preparedness and it is the managing of the Organisation's Effectiveness Profiling (OEP)™, a product of Centre for Organisational Innovation Pty Ltd from Sydney, with VM which is the topic of this paper.

The job plan familiar to all VM practitioners, comprises 5 steps:

- Information
- Analysis
- Creativity
- Judgement
- Development

The OEP approach neatly dovetails with VM as will be demonstrated.

INFORMATION

Information is obtained from individuals via the internet. (And this can be elicited anywhere in the world which has internet access). By using a unique code, each individual can access and complete a questionnaire.

The questionnaire has been carefully and systematically developed over a number of years by a small group of management professionals to reflect clearly and unambiguously, the key functional drivers of a successful organisation. These drivers consist of What? Who" and How?

- What ? is described as STRATEGIC INTENT.
- Who? is described as CULTURE AND BEHAVIOUR.
- How? is described as BUSINESS PROCESSES

Each of the 3 drivers has, in turn, sub-drivers. For example "Communication" and "Management Style and Behaviour" are sub-drivers of CULTURE and BEHAVIOUR. "Reporting and Performance Measures" is a sub-driver of BUSINESS PROCESSES.

When all of the organisation has completed the questionnaire, the information is sorted via a central computer. This provides a very rich source of data, so rich that care has to be taken not to overburden the client with information.
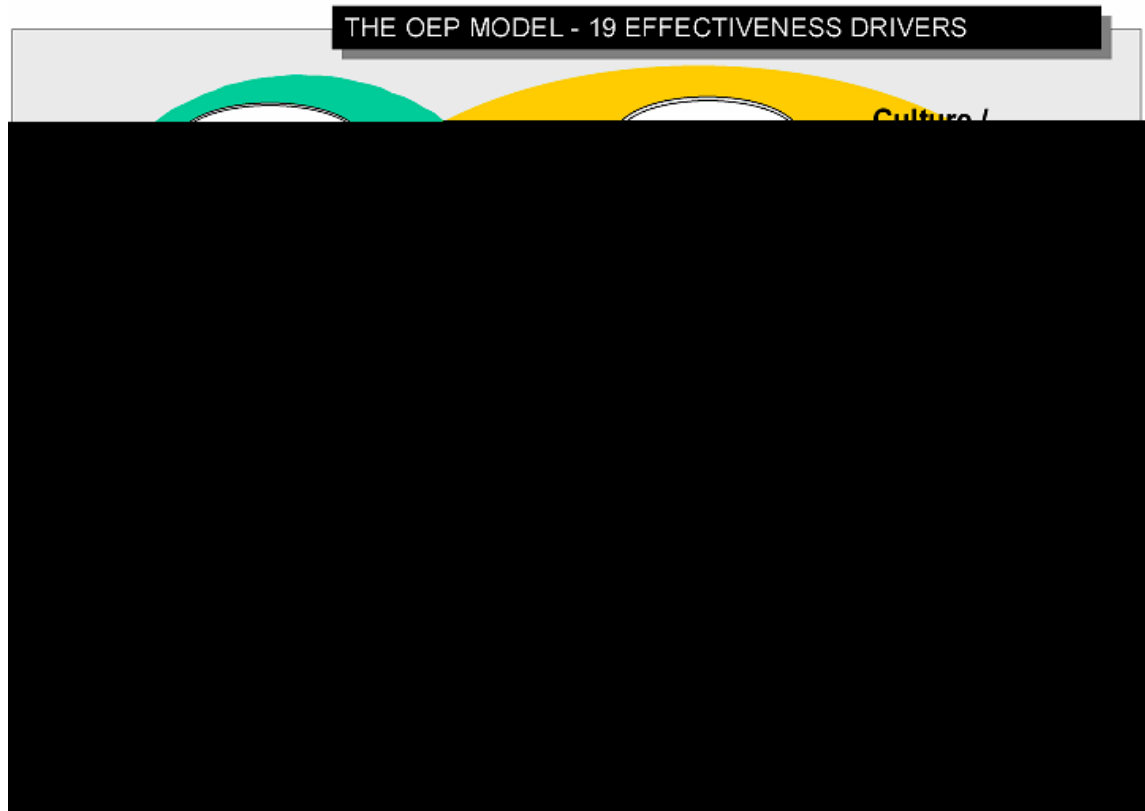
ANALYSIS

Normally, the big picture is identified. This shows the 3 main drivers and 19 sub-drivers (called effectiveness drivers). Each of these is measured for the whole company. This immediately establishes at a glance the health of each of the effectiveness drivers for both the company and individuals. It shows strengths, weaknesses and points to areas requiring remedial action.

Digging down in the data, we can analyse further. If, for example, the key driver of 'communication' scores lowly, we can uncover / analyse further by testing one region against another other, or senior management against middle management, or recently employed staff against established staff. We may find that some parts or sections of the organisation have

performed adequately and that the reason for a moderate score is attributable to only a specific section of the organisation.

Digging down deeper into the data, we can get to the level of individual questions and identify specific responses from specific groups. In other words, we can analyse at several levels in order to create a clearer picture of the staff values / ideas / attitudes as indicated through these responses.

The system is particularly useful for longitudinal studies (i.e. those measured over time) - say, at annual or bi-annual intervals to test the effectiveness of remedial action. In addition, any number of client-specific questions may be added and contribute to the richness of the data.
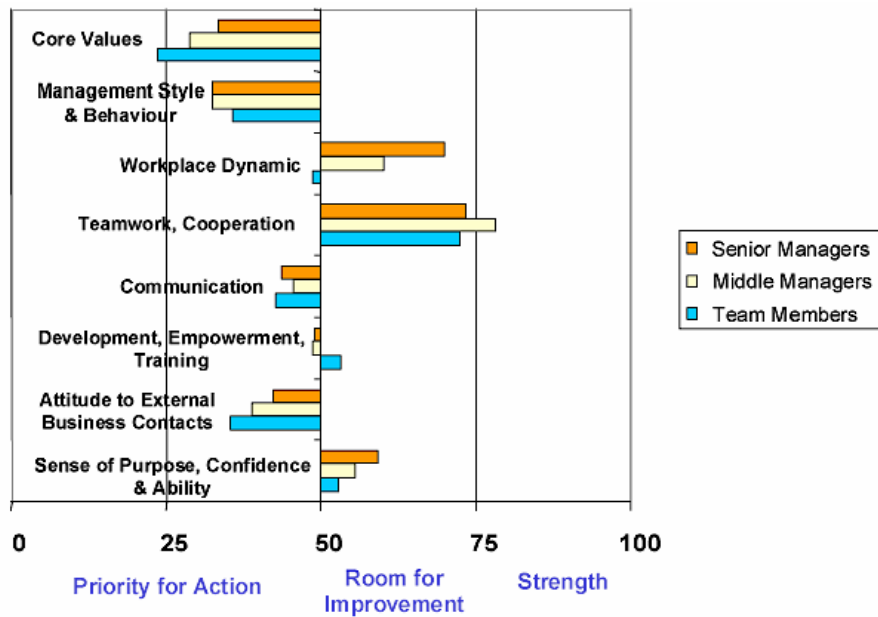
CREATIVITY

In traditional VM, we ask individuals to generate ideas and opportunities to improve functionality. Using OEP, we do the same thing. In traditional VM we may, for example, use the Pareto phenomenon (where 80% of the value is in 20% of the items) as a means of identifying the scope of the VM exercise. In OEP we also 'home-in' on the sections most in need of improvement, as indicated by the data.

Once we have identified the critical areas, say in communication of the Southern region, we can target this group and by the use of participatory workshops, involving the

stakeholders themselves, we can generate alternative ways of improving the situation. There are a number of creativity and workshop techniques available to and widely used by VM practitioners. These are beyond the scope of this paper but typically would include brainstorming, or Edward de Bono's 6-Hat technique.

The workshopping environment is similar to VM workshops and is familiar to experienced facilitators. Typically, this will include a co-operative, non-judgemental manner and a non-threatening, non-hierarchical approach. The key factor here is that because stakeholders create the solutions, a high level of ownership results.

JUDGEMENT

During the workshops, many ideas and opportunities will be identified. The most promising of these will be addressed and advantages / disadvantages identified, together with costs and times for implementation. The proposals will be discussed with management and those most likely to succeed will be implemented.

DEVELOPMENT

Unlike a construction project, the process is a dynamic one and can continue indefinitely. One of the key strengths of the system is the ability to monitor its success by repeating the questionnaire on an annual or bi-annual basis, thus providing a longitudinal measure of success.

Workplace Dynamic

	Answer Score, % against Desired State		
	Senior Managers	Middle Managers	Team Members
My capabilities and achievements are recognised by the organisation (Fully = 100%)	66	64	47
I enjoy working here (A lot = 100%)	94	70	60
There are problems with "Office Politics" (Never = 100%)	28	27	26
Employees complain in private about the Organisation (They don't = 100%)	89	76	63
I look forward to going to work (I do = 100%)	72	64	47
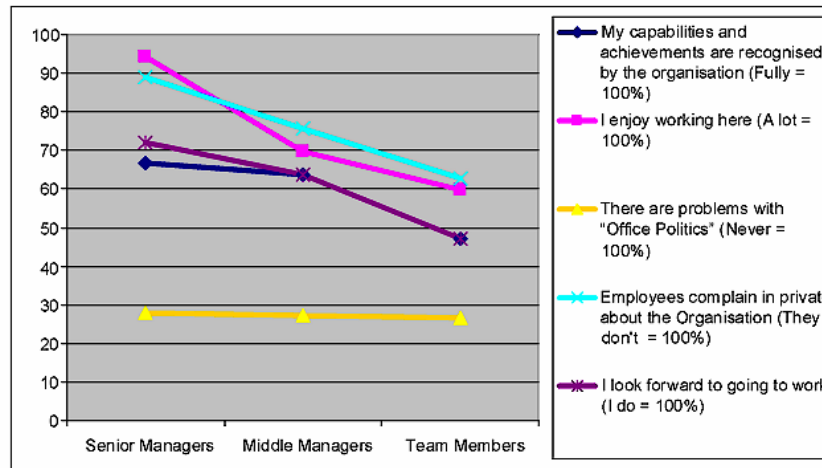
SUMMARY

The OEP approach has a number of significant features which make it a unique and useful management tool.

- Ease of access via the internet makes it particularly flexible and practical, whether in a single location or multiple or even international locations.

- Instant analysis and feedback from 1 central source.

- Adaptable (you can add your own questions) with the ability to analyse for a wide range of factors.

- Economic (low cost based on the actual number of respondents completing the questionnaire).

- Easy to understand. All questions are simple to comprehend, have no jargon.

- Tested over many interactions.

- Available in a range of languages.

- Anonymity of users.

I have always maintained that VM is a people focussed - rather than a mechanical process. OEP takes the people focus one step further by eliciting information about the people from the people and using this as a means of understanding their views. By analysing these views and using these as a basis for carefully constructed workshops where stakeholders can be part of the solution, a truly powerful management tool can be delivered.

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www.valuesystems.com.au

MANAGEMENT OF CHANGE IN A RECESSION USING VM

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ABSTRACT
In a recession the expectations from customers are higher. This puts a lot of stress on the project managers to perform. Changes have to be made to improve the efficiency and effectiveness of the project team. We have created an environment for change by using the tools of team building, value management, research and development and a web based interactive project management system. The challenge is how to implement the change in hard times and managing the personalities in the team and this cannot be done through VM alone.

INTRODUCTION

I have the honour to work in a Project Management Department of a large Hong Kong Property Developer with over 30 professionals from Architectural, Engineering and Surveying backgrounds. Therefore, I have to be responsible for not just projects, but people and not just ordinary people, but people of different disciplines, education, experience and mind-sets.

A Project Manager's role deals primarily with:

- Quality
- Cost
- Time
- Safety
- Environmental concerns

Before 1997, his order of priority probably follows this sequence: time, quality, cost. After 1997, the order changes, cost comes first, then time, then quality.

CHANGE IN A RECESSION

In a recession, everything changes:

- The construction costs must be kept low as prices of flats have dwindled.
- The quality must be kept equally high, if not as before, as customers are more demanding.

- Time is reduced as projects must be fast tracked to generate revenue.
- Or the Project Manager finds that he has become more busier in searching for some other things to do (or finding a new job) as the projects are put on hold with no money available to spend.

All of these put a lot of pressure and stress on people. Their energy available for work is reduced as their energy is used up for emotional survival. The management of staff has to be carefully balanced. There is a saying in Chinese "開源節流" which translates to something like expanding our vision and scope whilst reducing wastage. During the past few years, we have practiced this out by using:

- Team Building
- Value management
- Research and development
- Interactive project management

TEAM BUILDING

Teamwork is the key ingredient in a successful project. As complexities of problems increase, any one individual will not be capable to deal with them all. Whilst the Project Manager is there to co-ordinate and take charge of a project, the design and construction of a building is an extremely complex undertaking involving people from many different professional backgrounds having different

commercial interests. Together, a Project Manager, the architect, the engineer and the contractor should develop guidelines, plans, goals and practices for the construction project involved.

However, each party is likely to give primacy to certain aspects of the whole:

- The developers seek to maximise gross floor area (profits) while minimizing cost and time

- the ultimate occupant may want a building that is attractive to staff and visitors, convenient to use, and comfortable to occupy

- facility engineers focus on work-flow, adjacency and furniture layout

- architects emphasize aesthetics

- engineers stress on the structures and services

The complexity of a construction project has led to greater interdependency between the specialisations, which produces a consequent need for strong integration of the independent professions and skills. Although the interdependency of the contributors to the construction process has long been recognised, it is often regarded as sequential interdependency, i.e., one discipline can only participate after the previous disciplines have done their work.

In trying to achieve the goal of team building, we have adopted the following more or less a routine in our work:

- group meetings during breakfast or lunch, large and small, usually during the not so heavily loaded Saturday mornings

- outings, usually in the form of visits to site and factories, sometimes outside of Hong Kong

These encourage more opportunities for informal communications made amongst members in the team, thus creating more dialogue between staff and producing more interactive ideas to help improving the management.

VALUE MANAGEMENT

Value Management (VM) can be defined as a structured, systematic and analytical process which seeks to achieve value for money by providing all the necessary functions at the lowest total cost consistent with the required levels of quality and perforoa7.9(d de of the)]TJT0.0012 Tc0.00
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Figure 2. The Value Management process

Therefore, the benefits of Value Management workshops apart from achieving value for money from the whole project are:

- Appropriate quality for the project

- Responsiveness to client's priorities

- An opportunity for the client and users to formally participate in the design process

- Client's and users' insight into the project

- Improved communication among stakeholders and team building

For example, for one of our development projects in Tai Po we have carried out the following Value Management Workshops:

1. Construction and phasing strategy in January 1998

2. Site Formation and design development in June 1998

3. Programme review in December 1998

4. Assessment of precast alternatives in March and May 1999

5. Phase 3 construction sequence in June 1999

6. E & M review in October 1999

7. Logistics issues in June 2001

The opportunities for value improvement decreases as construction progresses, hence there was a time gap to the last workshop.

VM allows the free flow of ideas during a period of brainstorming within the workshop period. In other projects, we have used VM to challenge set assumptions, our in-house contractor's set ways of thinking and practices

by carrying out buildability and cost reviews. The outcome of these workshops basically helped us to focus on the cost and time reduction whilst retaining the quality of the development.

RESEARCH AND DEVELOPMENT

After challenging set assumptions, set ways of thinking and working practices, it becomes necessary to upgrade ourselves and our staff. Therefore, we have set up a research and development (R & D) team in both the Project Management Department and the Construction Department. The R&D team was set up following a VM study into building construction in 1998. The reason is that there is a need for us to learn of new innovations and to improve our construction methods and practices in order to achieve our goals of being both efficient and effective in our projects by:

- Building faster

- Building cheaper

- Building better quality

- Building safer

- Building more environmentally friendly or "Green Buildings"

In research, we have carried out technical visits to several countries:

1. To USA to learn more about data centers and e-management

2. To Europe to learn more about system formwork and its applications

3. To Australia to learn more about precast concrete systems

4. To Singapore to learn about modular building technologies

5. To Korea to learn more about providing prefabricated unit bathrooms

6. To Japan to learn about all of the above, plus the use of robotic systems in construction

7. To China to learn of the improvements that have been made to the building industry, new construction methods, material manufacturing and simply how to build cheaply

As well as equipping the Project Managers with these knowledge, it was important to work closely in partnership with our Construction Department managers to ensure they too adopt the same goals and values and do not feel threaten by the required changes.

INTERACTIVE PROJECT MANAGEMENT

The old system of passing everything (meeting notes, memos, letters, reports, etc.) in paper form and keeping them in "files" has been regarded as not environmentally friendly, inefficient and occupying much office space and working hours. There was a need to turn all these into an electronic system.

Our Project Management Department Intranet or "PM Net" was set up in early 2000 after a couple of VM workshops with the project managers, assistants and secretaries to brainstorm on the requirements of a document management system (DMS). This was then passed onto Electronic Data Processing Department to develop the system internally. As a start, we set up the system with the following functions:

- Manage, Monitor and Report progress

- Manage, distribute and share data

- Reduce waste/cost and improve efficiency

For companies, a centralized DMS increases the efficiency and productivity as it reduces the many paper documents being sent back and forth between departments or managers. Circulation and viewing can be carried out using the computer. Feedback can also be achieved as most DMS have redlining as an added feature. Therefore, time and cost is saved on storing and reproduction of the documents.

After the amendment of the Evidence Bill on 13th January 1999, the definition of records in the Evidence (Amendment) Ordinance has broadened to include computer-generated documents. Thus, the courts in both civil and criminal proceedings will accept electronically scanned documents. Inland Revenue Department also accepts them provided that they are fully backed up and convertible into written/paper version. This amendment further makes electronic filing system more beneficial and attractive to companies.

Our system now has the following features:

- Document Management System for:
    - Paper documents/correspondence
    - Drawings (database and viewing)
    - Photos (database and viewing)

- Company list - with contact numbers and job reference

- Auto alert - New document updates

- Project information database

- Logon report of iPM usage

- Forum for PM discussion and messages from the department head

In order to have better control of the projects and improve communication and response time from all parties, especially from the consultants, the PM Net system was extended to the Internet as a collaboration website for the project teams under iPM (short for Interactive Project Management).

Again, a VM workshop enabled the functions of such system to be defined and additional modules developed for team working, these are:

- Webmail system for each project, this replaces many fax and letter communications as webmail is recorded onto the database with any attachments.

- Project calendar where all team members can place notice of meetings (internal and external of the team).

- Announcements / bulletin board

The iPM and PM Net are interfaced by two servers and information is updated between them at 15-minute intervals.

The following modules are being developed for the iPM systems:

- Reference of building materials and codes

- Technical library catalogue

- Link to standard drawings

- Useful links to other Internet websites
- Site monitoring of piling works by PDA (personal digital assistant)
- Project tracking
- Master programme/schedule
- Programme viewer
- Daily Reports and inspection forms
- Instruction forms (RFI, RAI, SI)

THE MANAGEMENT CHALLENGE – IMPLEMENTING CHANGES

The above-mentioned systems of team building, VM, R&D and iPM are often buzzwords used in the industry, they are tools in creating an environment where the project teams will feel more comfortable. However, implementing change is more of a challenge. We have used value management to help set targets for the department to meet performance requirements of our Henderson Group. However, at the same time we have to ensure that staff can gain personal satisfaction and motivational needs in their work.

Using the tools we have mentioned (VM, team building, R&D and iPM), we have created an environment of open dialogue, encouragement and praise. From this we can implement change by:

1. Learning about new ideas and studying the department's needs
2. Plan changes

3. Gain management support for change
4. Communicate to staff
5. Implement new ideas and roles
6. Follow through and reinforce
7. Repeat cycle from 1.

The people factor cannot be dealt with by VM alone. It becomes necessary to deal with our staff and manage their personalities. Their attitudes can be defined into four categories:

- The Resistors
- The Supporters
- The Followers
- The Apathetic

Since equipping and providing the environment for the department to change, the final act becomes one of pruning when there is apathy and inertia from those staff that cannot change.

CONCLUSION

Implementing change can be difficult and painful, particularly to streamline efficiency and effectiveness, but is a necessity in a time of recession. We can use technical visits, team building, value management and the like to provide the environment for change as well as equipping project managers with new knowledge management skills. It is necessary to make staff become supporters and followers to implement change. However, pruning is required when there is apathy and inertia from those staff who cannot change.

HKIVM NEWS

- An online Basic Value Analysis Course now is offered by the Lawrence D. Miles Value Foundation on the Internet. The first lesson – The function of Value Analysis is free of charge and please visit http://www.valuefoundation.org/bva for further information.

- Hal Tufty, the first and only President, has retired from office of the Lawrence D. Miles Value Foundation's after 26 years of dedicated service. Donald Parker has been elected as the new President. Visit http://www.valuefoundation.org/director.htm for details of Board of Directors.

- The 43rd Annual SAVE International Conference organized by the SAVE International in the Double Tree Resort Scottsdale, Arizona has been successfully completed. There are total 35 presentations delivered in the conference. For more information, please visit the website of SAVE (http://www.value-eng.org/education_conference_details.php#tech_presentations).

- The Spring Issue of the Value Magazine is now available on the IVM's website; it can be accessed at http://www.ivm.org.uk/aboutivm_valuemagazine_spring2003.htm.

FORTHCOMING EVENTS

- **27-30 October 2003**, The 2nd International Conference on Value Engineering and Enterprise Technology Innovation, Hangzhou, China. For further information, please contact Dr. Wang Xiao-yi (Fax: 86-571-87965716, Email: kevinwxy520@sina.com) for further information.

- **26-27 November 2003**. The 6th International VM Conference: A World of Value will be organized by the Hong Kong Institute of Value Management in the Hong Kong Convention and Exhibition Centre, Hong Kong. Please visit http://www.hkivm.com for details.

- **29-30 November 2003**, Beijing International Value Engineering and Management Conference, Development of Value Engineering and Management: China and World, Hosted by Value Engineering Society of Beijing and China Mechanical VE Society. For details, please contract: *Prof. Wanhua Qiu, School of Management, Beijing University of Aeronautics & Astronautics, Beijing, China, 100083. Phone: 86-10-82315575, E-mail: vesb@mail.china.com*

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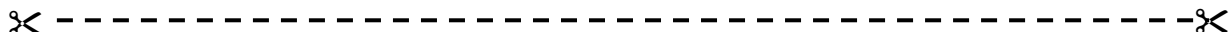
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