THE VALUE MANAGER

The Hong Kong Institute of Value Management

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Table of Contents

- Message from the President
- Councillors' Responsibilities
- We all live downstream: VM for regional water control
- Challenging the project management paradigm
- HHIVM News
- Forthcoming Events
- Call for Papers

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MESSAGE FROM THE PRESIDENT

Following our Annual General Meeting and very successful Spring lunch at the Hong Kong Club on 15th March, it is my duty to thank, on everyone's behalf, our vacating President Malcolm Pearson.

Malcolm had the unenvious task of having to take over the helm due to the untimely passing of our founder President Tony Toy. The main event for the year 2000 was our International Conference, and Malcolm carefully steered the Institute to ensure that we had a successful event. Again, our thanks to everyone who pulled together to contribute to this major achievement.

Malcolm used his leadership skills and kept the Institute taking over to provide the platform for us to attract new members on the Committee this year. He will continue to assist us by being in charge of promotion of the HKIVM. Thank you again, Malcolm for all your support and input as President of the Institute.

Lindsay Pickles is our new Vice President. She has been a tireless worker behind the screens both on Conference Committees, at workshops, preparing papers, promoting issues and giving all round support when required. Welcome Lindsay to your new role.

Geoffrey Shen and Rick Grosvenor have kindly agreed to continue as our Secretary as our Treasurer respectively. Frederik Pretorius will be our Membership Secretary, David Yau will be our Conference Director, Accreditation and Training will be taken up by Vaughn Coffey, Research and Development will be under Tony Wu and Richard Lyall has offered to coordinate our speaker lunches. On Richard's behalf, we are keen to have nominations for lunchtime speakers so if you have ideas or contacts please let Richard know.

As we are now planning our activities and work for the year 2001/2002, we will be very pleased to have any feedback on what you would like to see from the Institute. The new Committee will be meeting again in mid May and if members are interested to help or provide input to assist with any of the committee roles mentioned, please contract us soonest.

Finally, it is appropriate to republish the aims of our Institute for everyone's information.

- 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 in Hong Kong.
- To establish and maintain a Code of Conduct for practitioners of Value Management in Hong Kong.
- To attract membership of the Institute to support these objectives.

Best regards, **Tony Wilson**

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WE ALL LIVE DOWNSTREAM: VALUE MANAGEMENT FOR REGIONAL WATER CONTROL

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ABSTRACT

This paper describes a Value Management Workshop conducted on a large multi-agency government program for controlling regional water quality. Kitsap County, in Washington State, had successfully passed a water quality tax to finance the development and management of surface water controls throughout the region. The region includes over 520 streams providing over 660 linear miles of stream drainage, and numerous lakes, all draining into Puget Sound and the Hood Canal. Puget Sound serves over 440 government entities interested in its water quality. With funds in hand, the challenge for Kitsap County was to determine how to best share these funds amongst five cities, two Indian tribes, numerous public utility districts, the US Navy, agricultural and forestry interests, health services, and marine industries. Many of these agencies and interest groups had overlapping responsibilities and expectations for the program.

The intense three day value management study included over fifty participants representing these various interests. This paper describes methods used by the Value Management team to most effectively facilitate this large work group in order to arrive at consensus for this complex technical and political program.

INTRODUCTION

Workshop Purpose
The Kitsap County Surface and Storm Water Management Program has been in place for approximately one year. Kitsap County conducted this four-day study to:

1. Criteria: Reaffirm major program goals and criteria.
2. Teaming: Reinforce teaming effort among key program agencies and groups.
3. Resource Allocation: Identify and prioritize various resource allocation within the existing budget among program activities.
4. Program Efficiencies: Identify opportunities for meeting program goals with greater efficiency, simplified systems, or reduced cost.
5. Public Confidence: Reinforce public understanding and confidence that public moneys are efficiently spent and protecting public health.
6. Value Analysis: Introduce the value analysis process as a useful tool for other County personnel and programs.

Self Assessment Study Team
The County assembled a large, multi-disciplined study team representing the Commissioners Office, Administrative Services, Public Works, Health District, Public Utility Districts, Conservation District, Community Development, Suquamish Tribe, watershed management committees, Home Builders Association, and several private individuals and consultants. Most of the team were familiar with the program and many were primarily responsible for implementing the program. At the initial kick-off meetings, additional steering committee representatives joined the team to outline program goals and criteria. The study team followed a structured value analysis work plan in which the basic and supporting functions for each component of the program were identified; alternative approaches were generated; and viable recommendations were developed and analyzed against program criteria.

Program Review
The large study team broke into smaller groups in order to examine the various components of the program. The program's primary functions are to:

- Control water pollution
- Plan surface and storm water control systems
- Construct surface and storm water control systems
- Operate surface and storm water control systems
- Assure compliance with preventative water pollution control methods
- Actively pursue water pollution control and public education/ involvement efforts.

Supporting functions include:

- Administer surface and storm water programs
- Educate and inform public
- Maintain surface and storm water systems
- Fund surface and storm water system programs

Goals and objectives, as well as more specific activity and task assignments were examined for each component of the program. The current program budget was reviewed to better understand how the funds are distributed relative to each of these functional components.

Program Criteria
The study team discussed a wide range of goals and criteria for the program and identified the following as most important for this study:

- Stream Quality
- Public Information and Education
- Pollution Control
- Grass Roots Involvement
- Re-Charge Water Quality
- Agency Coordination
- Long-term Funding
- Natural Systems Solutions
- Monitoring
- Data Reliability
- Puget Sound Water Quality
- Controlling Growth and Development Impacts
- Public Health
- Positive Incentives
- Balancing Costs

STUDY PROCESS

Process Purpose
Value analysis itself is an organized, creative process which examines a given project or process, and identifies alternatives to optimize cost and performance and assure compliance with project requirements. Through a structured system of investigation, functional analysis, idea generation, and analysis, the VA team is able to consider and identify alternatives for process, personnel, organization, timeline, schedule, program, methods, and additional issues in a concentrated week-long study.

Kickoff
This VA study was initiated by the request of Kitsap County Commissioners Office and began in November 1995 with identification of a team of facilitators, County representatives (from each of the involved agencies) and additional interested and affected parties. This team was split into two groups: the Steering Committee was responsible for delineating the highest level criteria and direction for the study, and for making final determinations and recommendations; the Study Team was organized to include the day-to-day managers and technical experts who are most familiar with each of the individual programs of the SSWM Program.

A project kick-off meeting was held on November 29, and included all members of the Steering Committee and key members of the study team. During this meeting, lasting three hours, the VA team leaders laid out the basic methodology and framework of the study and agreed to a Statement of Work (Figure 1).

Criteria Definition/Prioritization Phase
On the first day of the study, the process was kicked off with the study team, steering committee, and other interested participants discussing their goals and criteria for the program. Each of the attendees summarized their two or three highest criteria (what's most important to them), as well as their areas of greatest concern for the program. All of these were listed and then prioritized by means of a voting process in which each of the participants selected the seven criteria of highest importance, and the seven criteria of lowest importance, with those items in-between indicating medium importance. These votes were tabulated and graphed (Figure 2), and used throughout the study as a reminder of issues that are important to the study participants, and to help prioritize the areas in which the study team will focus attention. These discussions of criteria prioritization also served as a means for various program participants to hear what is important to other program participants. This prioritization should be helpful to the County in making choices on study proposal implementation, and as a model to update in the future, to re-visit and re-prioritize so that all can see how goals may evolve from initial program perceptions and efforts.

Functional Analysis Phase
After the morning criteria session, the core VA team reconvened and split into separate groups (corresponding to the major program elements, i.e., Operations and Maintenance, Public Involvement) to conduct functional and cost analysis of the entire SSWM Program. Functional analysis is key to the process of VA, and means looking at each activity and element of a program, and asking a series of "why" and "how" questions about each of these activities. This analysis, based on the originally adopted 1994 program plan and budget, was initiated for the purposes of the study: it is a tool for creating a baseline and generating alternative ideas only, and is not intended as a budget review.

The VA team began their analysis with a functional diagram (Figure 3). Value analysis uses function analysis as a primary tool to better understand the actual workings of the program. Functions are sorted from high order functions such as: protect humans, wildlife, and environment; to basis functions such as: plan control systems, construct runoff control

systems, operate systems, and assure compliance; and finally to supporting functions such as: maintain systems, inform and educate the public, and manage the program. The goal of this study was to maximize the basic functions and minimize, or look for alternative methods to accomplish, supporting functions.

The study team used this breakdown as a means to understand the programs, agencies, and budget distribution, and then distributed each of the activities of each SSWM Program component into this "functional language." (Figure 4) The purpose of this element of the process, as other steps in the value analysis process, are several fold:

- for each of the team members to better understand the workings of the SSWM program and the distribution of costs, and
- so that the team could identify areas of imbalance between cost and importance of function and focus their attention on those items.

At the completion of functional analysis a representative of each mini-group reported back to the entire team a summary of the findings. Figures 5 and 6 illustrates how the functional and cost data was summarized by the team. The graph depicts the breakdown by each participating agency and helped illustrate those items that were distributed relatively equally across each agency, and those focused in a particular agency. Given the limited time available, the large size of the study team, and the fact that most study participants are not accounting-focused in their day-to-day work, the primary value for this portion of the process was for the participants to better understand the relative distribution of funds that must support multiple functions.

Alternatives Generation Phase

The team then generated alternative ideas for program improvements and efficiencies. Again, initial ideas were developed by breaking the larger study group into smaller groups, each focusing on the main functional components of the project. In the initial session, the participants were asked to focus on the specific supporting function and look for a minimum cost approach, whether that approach was ultimately viable or not. This process served to:

- Validate portions of the program that are already very efficiently organized
- Identify some immediate cost reduction approaches
- Identify areas that are worthy of further discussion to search for alternatives - either cost reduction alternatives or program improvement alternatives.

The smaller study teams each presented a synopsis of their program area and some initial "off the top of the head" concepts to the larger group. The larger group then, using a voting process, selected those specific items that they felt were worthy of further development. Figure 7 summarizes these votes.

Ideas Analysis and Development

Those ideas which generated the most support and/or interest were grouped into recurring themes and distributed to smaller study groups for development. Each concept was evaluated against the original prioritized criteria that had been developed on the first day of the study. This process was followed in order to evaluate whether the alternatives met all of the most important program criteria, and where they were weak, to look for ways to improve relative to specific criteria. Each of the concepts was ranked from 1 to 10, with 10 being high and 5 being the comparison for the current approach (Figure 8). Here again, this process was not intended to be a mathematical or functional definition of value, but a way to assure that the study teams reviewed and discussed ideasagainst each of the major project criteria. From individual-to-individual and from group-to-group there were some components that received relative strong concurrence in this evaluation, and there were some areas whose evaluation varied greatly. The time limits of this study did not allow for total group concurrence with a group of this size, but once again recurring themes and ideas rose to the top with general agreement that they should be pursued and further developed.

Implementation Phase

Two weeks after the study ended, the Steering Committee reconvened to review the draft report and findings of the study team.

WATER MANAGEMENT

This program assessment revealed that the Kitsap County Surface and Storm Water management Program employs a broad based approach to protecting and improving local and regional water quality. The program funds are effectively distributed among four primary agencies, serving different communities and enviro needs, all of whom are responsible for administering their portions of the budget. In the first year, this program has raised the publics awareness of the need for regional water quality protection; has began analysis and planning for capital improvements; and has implemented as effective maintenance program for the existing systems. Some elements of the program are not yet in place, and accordingly the planned, initial expenditure funds are still available. The program participants in this study team all demonstrated a strong desire for

inter-agency coordination and efficiency in order to maximize implementation and minimize overheard expenditures.

RECOMMENDATIONS

The study team generated and quickly discussed hundreds of ideas for improvements to all components of the program. Most of these are minor adjustments or improvements to day-to-day operations. Several themes, however, surfaced frequently and were developed as high priority specific recommendations for steering committee review and discussion. Following is a summary of those key themes; the following section of this report includes detailed recommendations for specific proposals.

Program Administration
At the time this study was carried out, a program administrator had not yet been selected. Consequently, a number of functions such as personnel, volunteer coordination, training, public information, and database management were being handled separately by the various program components. The Program Administrator will be expected to improve efficiencies in the overall program and provide leadership.

Funding
The current program is budgeted on an annual steady-state basis. The study team recommends that a longer range (ten years, twenty years, etc.) budget be completed as soon as possible so that funding distribution can recognize some higher initial planning and start-up activities that are non re-occurring in the future, thereby allowing more substantial capital and maintenance programs in the future.

The study team also reviewed the allocation of funds and activities that have been transferred from the road maintenance program to the surface and storm water management program. It is recommended that the specific funds not be transferred formally to the SSWM Program in order to avoid unnecessary B&O taxation and handling costs. The actual SSWM Program-related maintenance activities can still be budgeted and tracked separately without formally transferring the funds, as an "in-kind service".

Planning
The current program and capital budget estimate is based on a regional model extrapolated from one completed basin study. This is an economic, broad based method for prioritizing regional needs, but in the long term it may not reflect actual conditions. Ideally a regional plan would be based on more complete hydrological survey and study of all the basins in the region. Although planning at that level is expensive, it may ultimately prevent the County from allocating funds to low priority areas. This re-prioritization of funding should be reviewed in the context of a long range funding budget.

The study team recommended strongly that surface and storm water planning be coordinated with County and regional land use planning in order to not only prioritize the water control projects to areas of greatest need, but also to use planning and zoning as an effective tool for regional water quality control.

Public Information
In addition to focusing much of the public information and training under the Program Administrator, the study team recommends that an experienced public information individual be hired to coordinate these efforts on behalf of all the program components.

Maintenance Waste Disposal
The current maintenance program under the direction of public works is efficient and responsive. A disproportionately high expenditure is the cost for the disposal of sediment, which is currently being handled as hazardous material. The study team recommended that the County aggressively pursue alternative, less expensive methods for handling this material.

Monitoring
A number of water quality survey and monitoring activities are included in the program. These include septic system monitoring, stream monitoring, well head monitoring, agricultural monitoring, as well as general storm water system condition monitoring. Although none of these by themselves account for large portions of the budget, it is suggested that as this program develops and as compliance methods are better understood by the public, that the program manager look for ways to combine some of the surveying and monitoring currently being conducted separately by the various agencies in the program.

Methodologies
This study reviewed only briefly some of the specific technical approaches to various program components such as data collection and modeling, monitoring, maintenance, and public education. Several study team members with exposure to other non-local water programs noted that a great deal of research, literature, and information has already been developed and tested for programs similar to Kitsap County's program. Here again a strong central Program Administrator can encourage the use of this outside

knowledge base and avoid re-inventing the wheel in Kitsap County.

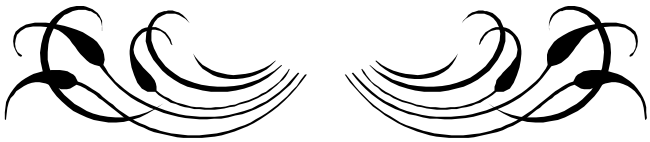
We All Live DownStream
A large number of participants and the intensity of their involvement in this study demonstrates a concern for the wise use of public funds. This study also demonstrated to all of the participants the complexity of the regional eco-system and the tremendous impact that people have on water quality. A well balanced program such as the Kitsap program will definitely temper and lessen that impact, but funding even at many times the current assessment levels, would not completely remove the impact of growth and can develop in the region. This program appropriately allocates resources for education and prevention, which will ultimately have a larger positive impact than constructing water and pollution control facilities. In the meantime, the study demonstrates that the program participants are looking for efficiencies so that existing budget can implement physical improvements in the communities.

CONCLUSION

Most of the challenges as well as most of the benefits from this workshop process were a result of the large number of people (stakeholders) participating in the workshop. The most valuable phases of the study were the group discussions and prioritization of criteria and the definition of the entire complex program in functional terms. The initial discussion of the criteria allowed all participants the opportunity to comment on their perspectives. Much of the benefits of a workshop such as this are derived from the rare opportunity to gather all of the stakeholders; but the real consensus building occurs during the debate and ultimate voting on overall project criteria. The large sampling contributes to the viability of the prioritization.

The definition of the program in functional terms and the assignment of cost to these functions also led to better consensus and balancing of overall program cost allocations. During the study there was some concern for the viability of cost information used in the workshop. The large group had to be broken into smaller study groups, and each of these groups then developed functional cost models for their assigned topic. There were not enough facilitators or skilled cost estimators to serve each of the small groups. The facilitators tried to explain that the cost information was to be used for relative comparison of alternatives rather than for ultimate fund allocation; but this still did cause some concern to participants during the study.

The study demonstrates that the rigorous value management process allows a large number of people representing diverse governmental and community agencies to better understand and self assess a complex program in a short amount of time. Often, in the development of complex governmental programs, it is difficult to bring together in meaningful working sessions the large number of interested people and agencies; and as a result programs are developed with a lack of consensus amongst the groups. Value management is a tool that can encourage cooperative development and regular fine tuning of programs such as the Kitsap Count Regional Water Quality Program.



CHALLENGING THE PROJECT MANAGEMENT PARADIGM: DEVELOPING CONSENSUS ON CHANGING STRATEGIC DIRECTION THROUGH A VM TASK FORCE

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ABSTRACT

This paper describes a Value Management (VM) task force approach to developing consensus on changing corporate strategic direction. The methodology enables well-founded, collaborative decisions for a variety of problems and opportunities. The approach is applicable equally across a range of situations, such as major policy changes, turning around adversarial relationships, procurement of major equipment or implementation of different operating systems. Benefits include clear, tested strategic direction, enhanced teamwork and communication, together with fast track consensus building

In line with conventional VM studies, the various workshop steps involve an iterative process of issues identification, development of a vision, principles, strategic action areas, strategies, initiatives, target levels of service and indicators for success. This includes testing the rationale, functionality, life-cycle impacts, relative cost-benefit, affordability and acceptability to all stakeholders. It is a natural precursor to proper program and project development for complex or sensitive issue areas and as a foundation for encouraging continuous improvement during subsequent implementation of proposals.

INTRODUCTION

Old habits and prejudices die hard. Traditionally, this slows considerably the process of developing consensus among stakeholders on complex and emotional topics. Underlying differences over values can sabotage the best of intentions and apparently well-laid plans.

Thus, changing corporate direction can incur a great deal of time, money and perhaps resentment. Effort spent in developing unambiguous, acceptable strategic direction is undeniably a good investment to ensure proper direction of subsequent effort.

The purpose of this paper is to describe a methodology for developing or modifying strategy and formulating a workable plan of action. The basis of the methodology is to use a select number of team members to address the basic issues through understanding the values and aims of the various parties involved. This is achieved through a high energy, single workshop or through a series of mini workshops timed to accommodate the constraints of individuals and their organisations.

Steering corporate direction is somewhat similar to steering a large ship: it takes a long time for the results to show, and changes of mind may be too late to avoid collision. The Value Management (VM) Task Force methodology is particularly applicable for developing consensus among a multiplicity of stakeholder groups, - e.g. on basic issues of needs versus wants and affordability in more than monetary terms. This includes strategies for:

- outsourcing of professional services & key resources (e.g. power) for a large organisation
- pollution abatement (air, water, land)
- transportation planning # socially/ environmentally sensitive areas
- centralization, (or alternative) for judiciary services
- energy management and building retrofits
- planning for sustainability
- master plans for major facilities
- feasibility of introducing new technologies
- corporate restructuring
- major project trouble-shooting
- refocus of ongoing program(s).

VM TASK FORCE APPROACH & METHODOLOGY

Conventional VM studies work extremely well at the outline and design stages of a project, product or service. For best results, absolute clarity of program definition and output requirements is a pre-requisite.

At the stage of determining (change of) strategic direction for an organization, or for defining scope and budget for a program of projects, the VA. Task Force study approach is particularly appropriate. This approach addresses the issue of getting a team of busy people together, - utilising a series of mini-workshops for short but intense periods.

The basis of this approach is a step-by-step sequence of "mini" value management study workshops carried out over a number of weeks or months. This period is substantially shorter than traditional methods, but can be longer than expected of a typical VM study. The timeframe allows for participants who are doubtful to feel comfortable with the process and other team members, and for a normal gestation period (to encourage organizational ownership of the proposed changes). It also allows for task force members to continue relatively uninterrupted with their other duties and to check the developing strategic direction with their mainstream colleagues.

The Task Force assignment is conducted as a cross-functional study comprising a specific sequence of integrated steps. The core of each step is one or more VM workshops with members drawn from a wide cross-section of project stakeholders of varying administrative seniority, as appropriate to the stage of the study. The essence of the workshops is to assemble key stakeholders together and, jointly, to evolve and test various options for strategic direction and to develop a workable commitment package. This is not "just a series of meetings". Collectively, the workshops form a structured, iterative process of information gathering/sharing and analysis, creativity, evaluation, prioritization, re-evaluation and presentations to take into account newly emerging information, changing attitudes and stakeholder views. Each workshop is an exercise in consensus development and requires a pre-determined focus and outputs.

When setting up the VA Task Force, it is preferable to initiate a small steering committee to set the scope and focus of the study. This committee is sufficiently close to the issues and yet at a useful distance from the hour by hour deliberations of the Task Force to provide an effective sounding board as the Task Force work proceeds. In a similar vein, an additional consultative committee, comprising employee, union or representatives of other affected parties/special interest groups is a very useful mechanism in gaining consensus through open and regular communication. Such committees allow the formation of a smaller (core) working Task Force while providing a flexible and informal approach to consultation for work in progress. In essence, the Value Analysis Task Force approach is a blend of the traditional VA methodology and the standard participatory strategic planning practice.

The VM Task Force process is used to develop strategic direction through identifying and challenging options for the following:

- program needs, intent and key issues/concerns
- key result areas, strategies, initiatives and indicators for success
- broad indications of likely costs and other impacts on stakeholders
- action plan (enabling activities and key milestones)

Specific stages are as follows:
Stage A, Identification of Issues, Options, Vision, Principles, Strategies & Potential Initiatives
Phase 0: Preparation
Phase 1 : Information & Analysis
Phase 2 : Creativity
Phase 3: Judgement
Stage B, Development of Strategies & Initiatives
Phase 4: Development Phase
Typically this is the longest phase and encounters resistance from new participants. Yet, when complete, it is a particularly fruitful phase for the team members.
Stage C, Development of Recommendations & Acceptance
Phase 5: Recommendations
Phase 6: Acceptance
The foregoing steps can be conducted either in a high energy, single workshop or, more typically, over a protracted period of time through a series of mini workshops. The latter accommodates time constraints of both individuals and their organisations and also allows for a period of adjustment of attitudes in order to gain acceptance. Taken as a whole, the series of

logic" diagram by the study team, using the FAST diagramming methodology has the following benefits:

- raises the level of understanding of the various issues
- identifies data and logic gaps
- forces deeper thinking and objectivity
- forces issues for resolution and consensus development
- keeps issues in focus through a framework covering the overall scope
- provides a vehicle for stakeholder communication and participation.

It should be borne in mind that the process of jointly developing, discussing and using the FAST diagram is more important than the final diagram itself. The initial version(s) of the FAST diagram provide a setting for group modification of the emphasis placed on issues, values and priorities, depending on the true drivers of the particular situation.

The rigour of the VA and FAST diagram methodology ensures that due attention is given to developing a sound foundation for making sound progress while developing consensus. Yet, there are many examples of where major strategic decisions have been taken without the fundamental issues and risk areas having been examined thoroughly.

Strategy Assessment Criteria

Some basic criteria are used to test each strategy in broad terms:

- Can it be made to work?
- Will it contribute to the goal(s)?
- How effective will it be in improving the bottom line?
- What is the("ball park") cost of implementing this strategy/initiative?
- What is the (approximate) relative benefit-cost ratio for implementing this strategy/initiative?
- What is the priority (in terms of importance/criticality) for implementing this strategy/initiative?
- Can it be implemented in:
  a) reasonable time
  b) with minimum investment
  c) with little disruption?
- How long would completion of its implementation realistically take?

These questions are used to stimulate discussion and then eliminate, modify or combine strategies and initiatives as appropriate.

Decision Criteria

As the study progress and initiatives are developed, there is a need to apply specific decision criteria. For example, depending on the focus and composition of the team, values by which to choose potential outsourcing partners might be:

Primary Importance

- Quality of service
- Consistency
- Responsiveness
- Flexibility
- Innovation

Secondary Importance

- Delivery accuracy
- Competitiveness
- Lead times
- Minimal disruption during start-up
- Cost of management/degree of supervision required

Service Levels

In determining the degree of expenditure that should support a strategy or initiative, there is a key question of what standards are being provided for. Service levels may be more spoken about than acted upon in earnest. Yet the service level actually provided drives resource requirements satisfaction and legal liabilities. Surely we must scope out the requirements and implications of various service levels before adopting a strategy; yet this is often resisted by team members as "something we should do, but we have other priorities right now"! Without agreement of the proposed service level being perpetrated throughout each of the organizations, there is unlikely to be a consistently efficient approach on all fronts.

It is important to evaluate the various resource implications of adopting a high standard of service level and conversely, the potential liabilities related to adopting a lower service level. For the target levels of service and specific targets to be both achievable and acceptable, there will need to be an assessment of:

- the service levels that are currently provided in practice
- the extent of existing problems and emerging issues
- in broad terms, the varying degrees of impact (e.g. environmental improvement) that may be effected by taking different courses of action
- economic criteria and impacts on user/customer costs over whole life cycle
- collective impacts of decisions normally made by organisations, or departments, in isolation.

VA Team Output

The overall output of the VA Team workshop(s) is stakeholder consensus on the problem (or opportunity) through:

- a common understanding of the complexity of different stakeholders' issues, risks, liabilities and prioritisation criteria
- a "menu" of options for resolving the issues, together with the related impacts of implementing each of the options
- agreement of key actions, milestones and responsibilities
- identification of procedural changes and budgetary requests that will be required

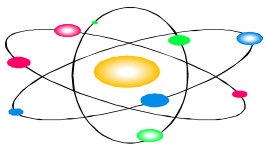
CONCLUSION

Through an intensive workshop process, VA can be used to fast-track the decision-making process. Alternatively, or it can be used to develop consensus over a longer period through a part-time task force. However it is applied, this rigorous, structured methodology provides the following:

- systems approach that focuses on service delivery requirements
- focus on identifying needed functions
- innovative development of service delivery options
- balanced allocation of resources to essential functions
- significant teambuilding benefits
- tailored outsourcing strategy
- clarity in setting objectives and understanding of consequences
- alignment of strategy, people, process and technologies
- confidence in selection of workable and affordable strategic direction, targets and initiatives
- agreed scope definition, performance requirements and a framework for subsequent refinements to take into account changes in information, attitudes and other factors.

A series of documents is generated through the task force process and should be planned from the outset, such that "ownership" of each key document falls naturally to a specific committee. This is more likely to encourage general stakeholder acceptance and ultimate approval by the appropriate bodies.

HKIVM NEWS



♣ 10 April 2001, The newly-elected Council of The Hong Kong Institute of Value Management hold its first meeting after the 5th Annual General Meeting on 15 March. Specific responsibilities have been assigned to the councillors, which are as shown inside this issue.

FORTHCOMING EVENTS

♦ June 2000, HKIVM lunch meeting, guest speaker: Mr. Richard Ormiston. He will present the latest VM development in the U.K. and Europe. Details to be announced in due course.

♦ 9-11 July 2001, "Managing Value Management" is a 3-day advanced Value Management Seminar that has SAVE International qualifications attached to it. It focuses on the management of VE and contains unique Project Management tools. The brochure for this course can be read by going to the following URL: http://www.brookes.ac.uk/other/ofavs/Oxford-Brookes-Mod-2-2001-A4.pdf

♦ 12-13 July 2001, Function Focused Thinking and Classic Function Analysis System Technique (FAST)". This is a two-day "hands-on" workshop where learning is achieved by 'doing' and experience. The brochure for this course can be seen at: http://www.brookes.ac.uk/other/ofavs/Oxford-Brookes-FAST-2001-A4.pdf

CALL FOR ARTICLES

THE VALUE MANAGER is the official publication of the Hong Kong Institute of Value Management. It intends to provide a lively forum and means of communications for HKIVM members and those who are interested in VM. To achieve this objective, we need your strong support by writing to us with your articles or comments. The following are some notes for contributors:

(1) Articles submitted to HKIVM should fall in one of the following categories: New VA/VE/VM techniques or methodologies, Review of conference VM papers, VM case studies, VM research trends and directions, Reports of innovative practice.

(2) Papers or letters should be submitted on a 3.5" disc for IBM PC and A4 hard copy. Discs will be returned to authors after editing. Figures, if any, should be sent separately, in their original and preferred sizes. The length of each paper should be around 1000-1500 words.

(3) The preferred software for processing your article is MS Word for Windows V6, other packages are also acceptable. If the above word processing package is not available, please find a computer with scanning capabilities; the typewritten copy can be transferred to a file as specified.

(4) All articles and correspondences should be sent directly to The Editor, Dr. Geoffrey Q.P. Shen, c/o Department of Building and Real Estate, The Hong Kong Polytechnic University, Hung Hom, Kowloon. Tel: 2766 5817, Fax: 2764 5131.

Application for Membership of the Hong Kong Institute of Value Management

If you are interested in knowing or joining the HKIVM, please download the membership application form from the Institute's website - www.hkivm.com.hk. Alternatively, please fill in the reply slip below and return it to the membership secretary of HKIVM, Dr. Frederik Pretorius, c/o Department of Real Estate and Construction, The University of Hong Kong, Pokfulam Rd., Hong Kong. Tel: 2859 2128, Fax: 2559 9457.

Cut Here

Please send an application form for membership to the undersigned:

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