



**Getting Big Things  
Done Through**

**VALUE  
MANAGEMENT  
MANAGEMENT DE LA  
VALEUR**



# Thomas Fletcher P.Eng., CVS



- **Senior Value Management/ Engineer (The Fletcher Group) 23 years**
  - *Conducts VM/VE workshops in Canada and Internationally*
- **Value Management Consultant (Fletcher Group Automation) 5 years**
  - *Adviser to CEO on growth strategy, organizational structure*
- **History**
  - **Ontario Ministry of Transportation – Engineer and Senior Management positions including Supervisor Value Engineering Program**
- **Volunteer Positions**
  - *Value Analysis Canada; former Director +10 years & former president*
  - *SAVE International: currently ; Board of Directors & Executive Management Team*





## **IT'S NEVER TOO EARLY TO UNDERTAKE VM/VE**



# Agenda



- 1) Good Management and Value Management
- 2) Value Management – Getting things done, how to get to the table, technical/ interpersonal
- 3) Quote; Find a need, fill it Goal; Repeat and Referral business marriage
- 4) Why use?: part of Management tool box
- 5) How to apply at an early stage
- 6) Expectations at different stages ; overcoming Obstacles
- 7) Examples; Concept, Preliminary Design, Detailed Design
- 8) Summary



# VM Summary comments



- Great process/ methodology
- I wish we would have started this earlier in the design process
- It would have saved a lot of time and effort compared to existing project definition/ charter definition, early interviews
- I wish we would have used this on xxx project
- It would be good if this was part of our corporate policy



# Purpose of VM




Satisfy	Satisfy clients & stakeholders needs
Qualify	Qualify wants versus needs 
Drive	Drive innovation and continuous improvement
Achieve	Achieve Best Value for Money



# Value Management

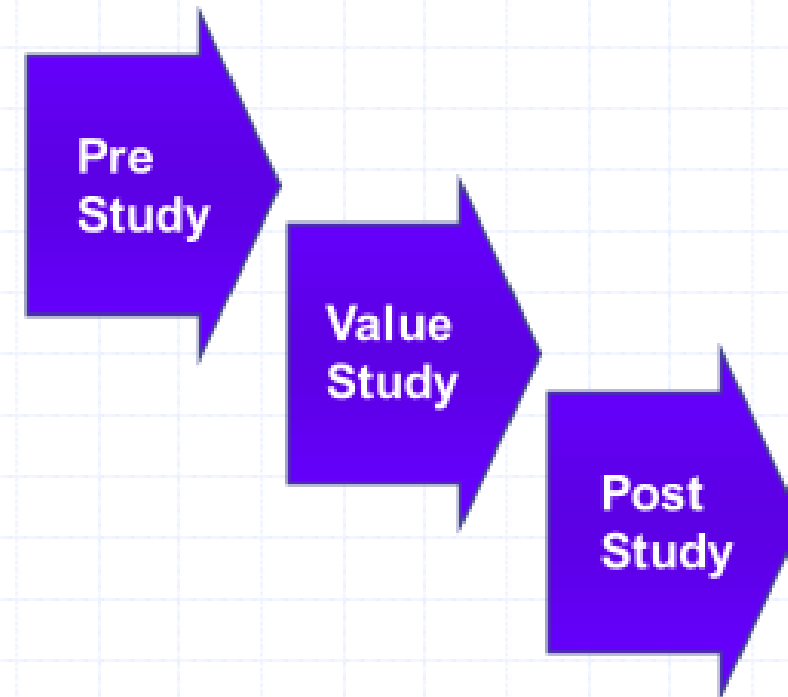


Part of a Pro-active strategy for best Value for Money

Integrates seamlessly with other methodologies e.g. Lean 

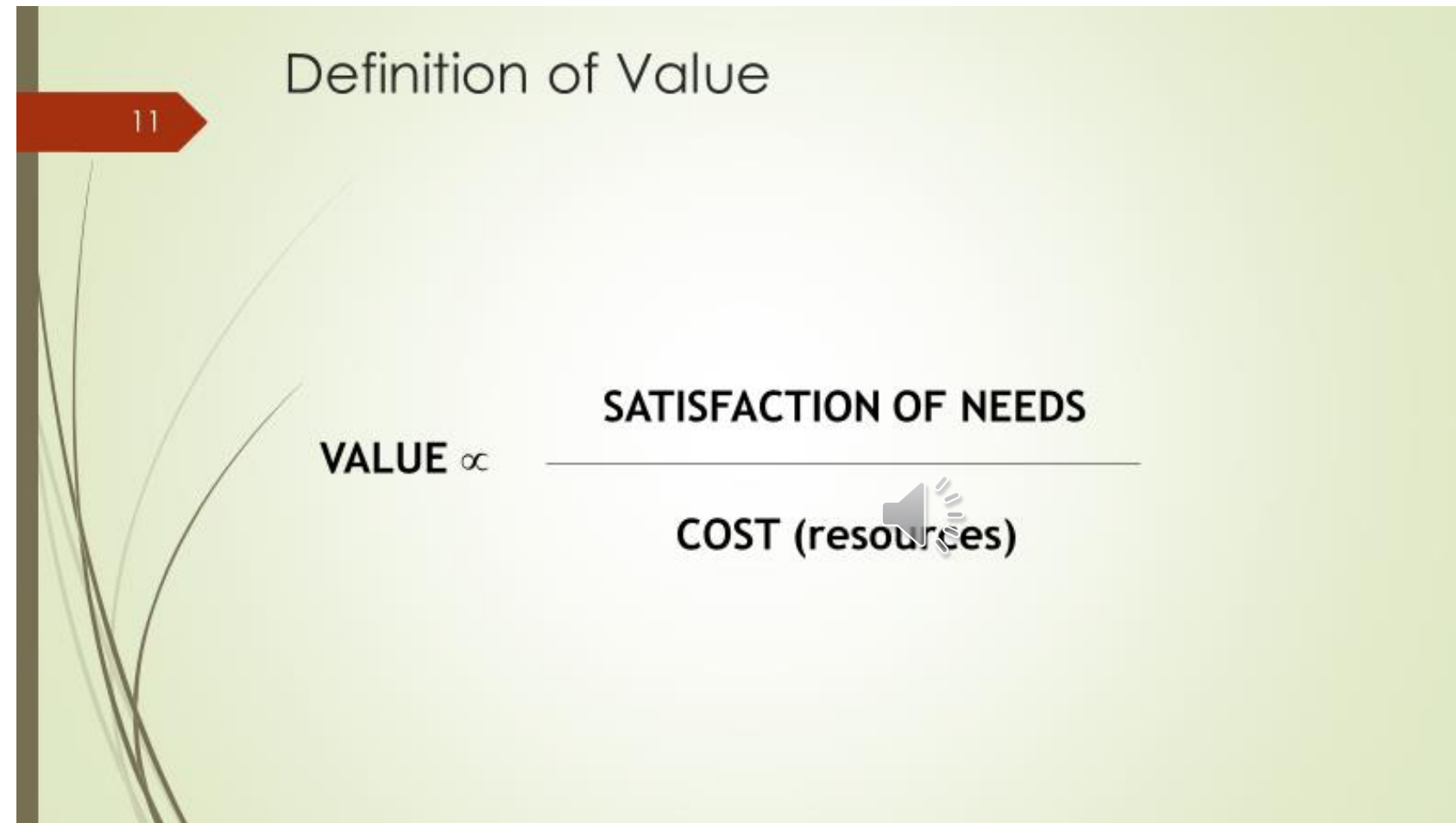


## Value Management Process

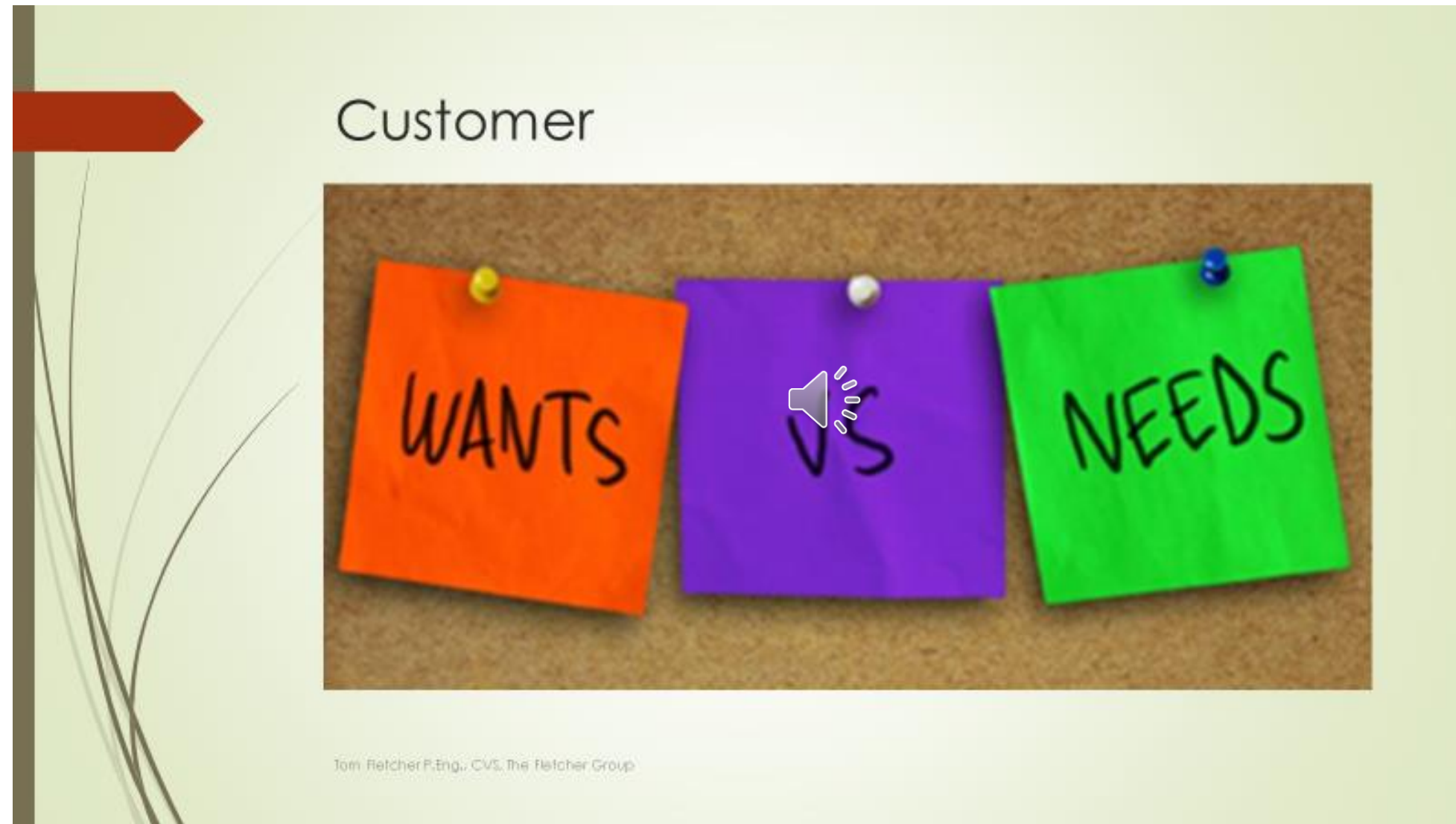


- ◆ Methodology
  - PRE-STUDY
  - VALUE STUDY
    - ◆ Information Phase
    - ◆ **Function Analysis Phase**
    - ◆ **Functional Performance Specification**
    - ◆ Creative Phase
    - ◆ Evaluation Phase
    - ◆ Development Phase
    - ◆ Presentation Phase
  - POST-STUDY

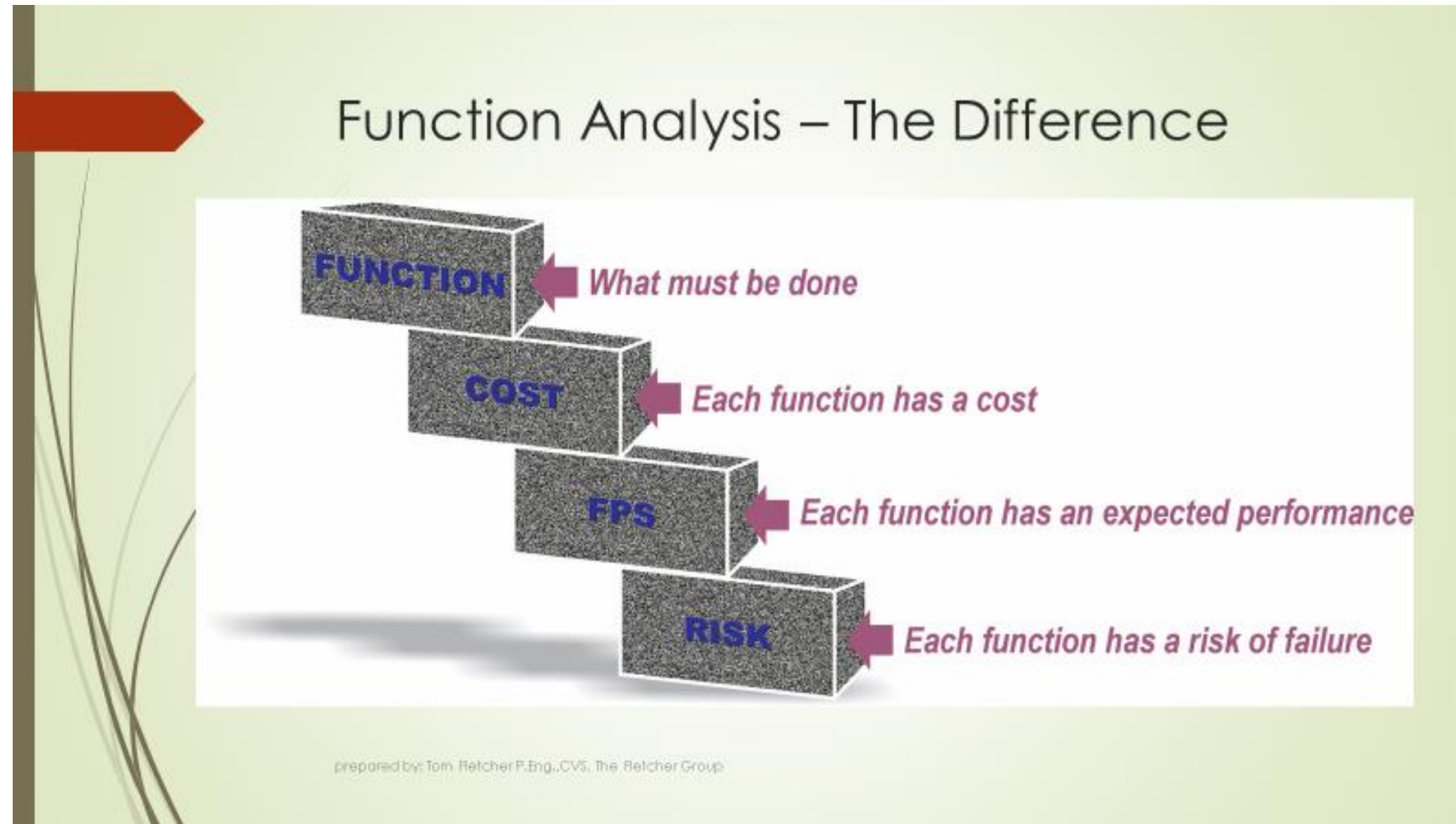
# Value Definition



# Qualifying Wants VS Needs



# Function Attributes



# Expectations / Overcoming Obstacles



# VM Benefits at Concept



## Why at Concept Stage

- Reaches consensus on project scope among VE team members
- Develops team concept which most internal project managers have expressed as a very important step
- VE/ Function analysis is a stronger tool to identify customer needs compared to Lean/ Six Sigma. (Lead with Strength)



# VM Benefits at Concept

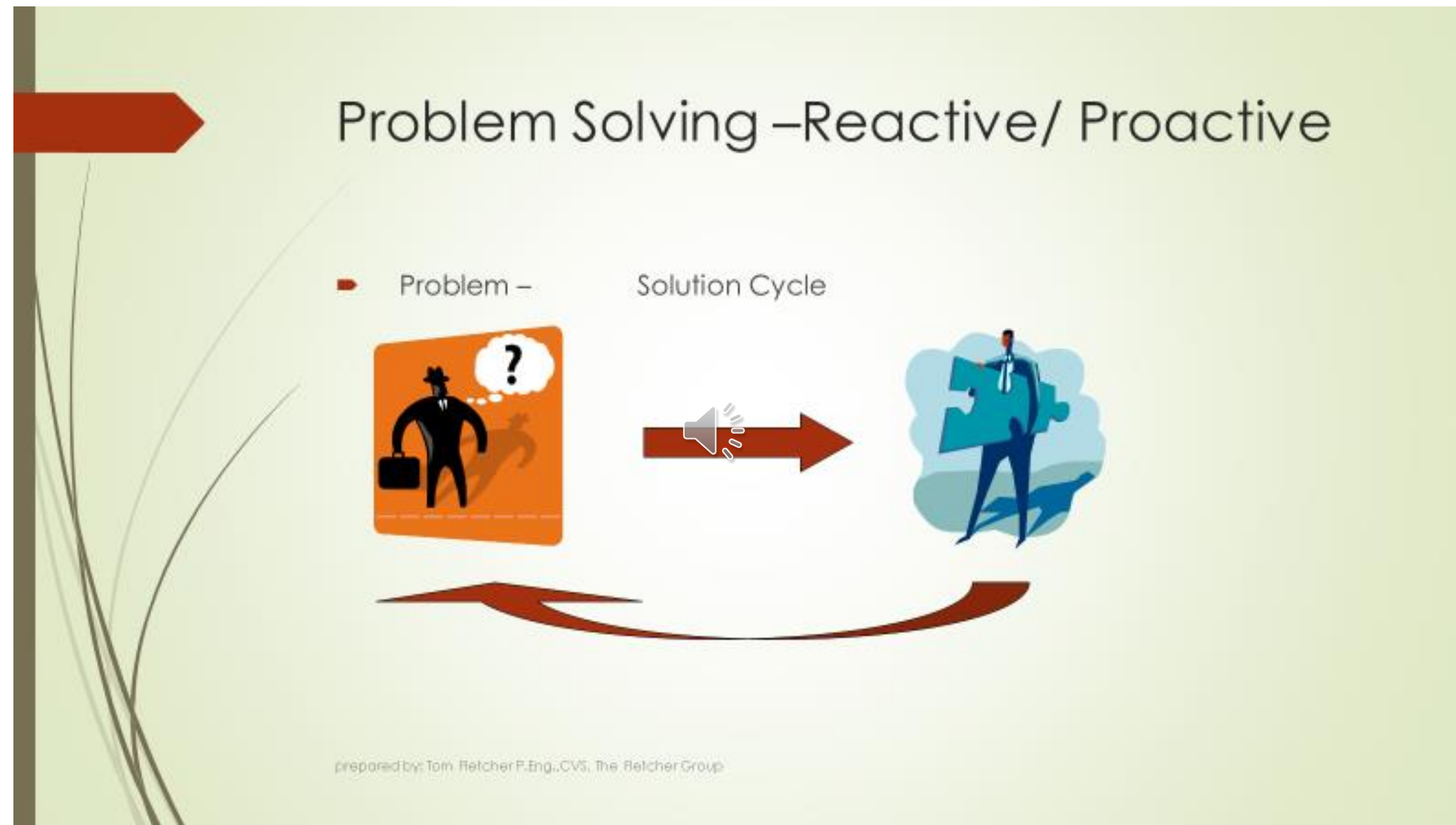


## Why at Concept Stage?

- ▶ Decisions concerning scope, wants versus needs and constraints can be made in the team setting streamlining the planning and project validation process (saving months in time)
- ▶ Initiates VE workshops (concept to completion) to validate needs and costs. Not a single event
- ▶ Primarily composed of internal subject matter experts
- ▶ Can be conducted over a 2-3 day period focusing on function analysis and functional performance specification



# Avoiding Re-Working



# Examples



- 1) Concept Phase: Multi-use Recreational Centre
- 2) Feasibility: large area study ; flood control, roads, agriculture
- 3) Conceptual Design; BRT major revisions, MTO Hwy 17 Wawa
- 4) Detail design; MTO Oakville QEW Hwy 25
- 5) Pre-Tender; University Building combining 2 science programs



# Business of Value Management



Quotation 'Find a Need and Fill it'

Measure of Success short term – Project Success

Measure of Success Long Term - Repeat and Referral Business

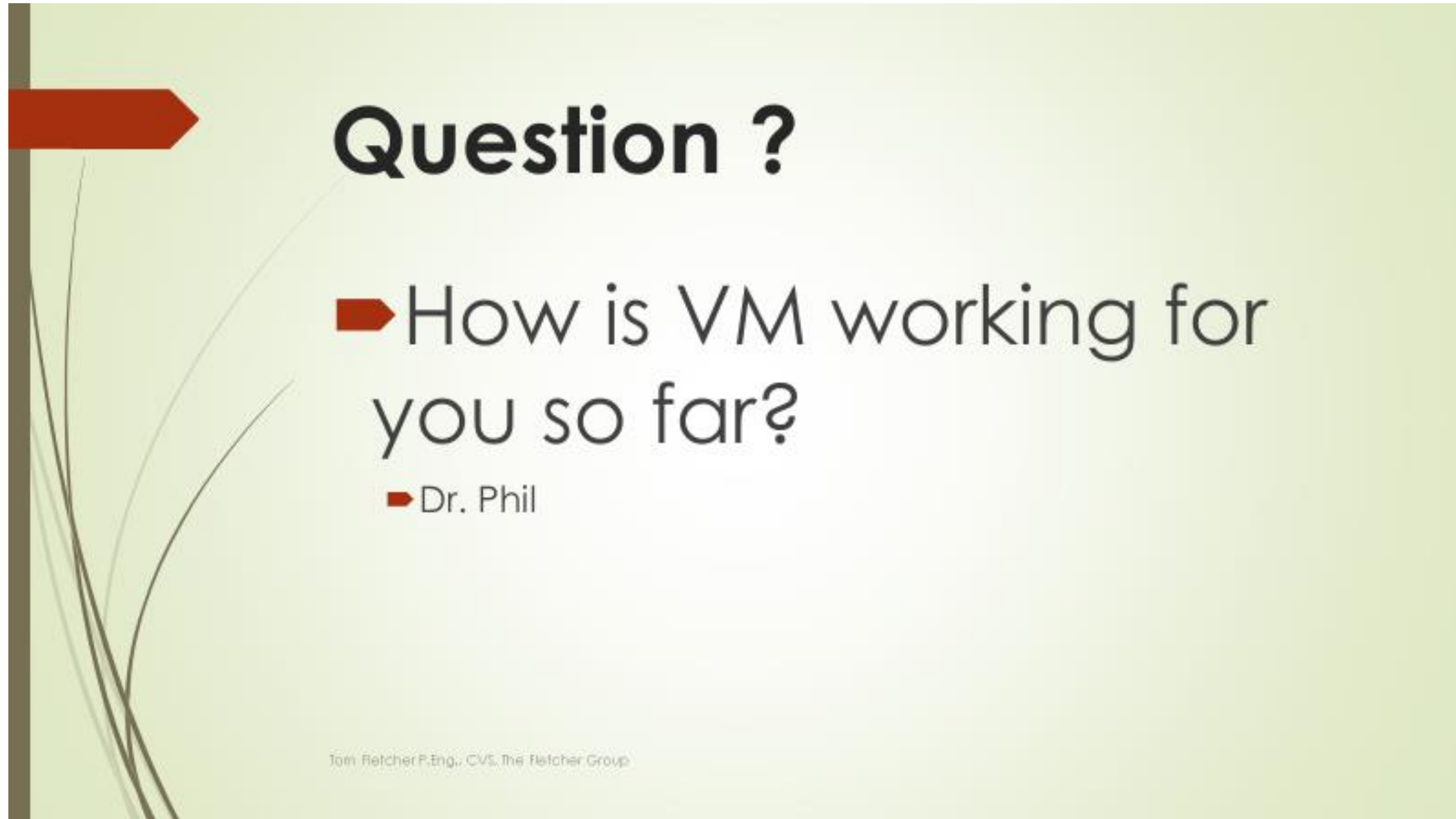
Scenario 1 - VM mandated – e.g. USA OMB A131

Scenario 2 - VM policies – government or corporate

Scenario 3 - VM practitioner initiated



# Question

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**Question ?**

- How is VM working for you so far?
- Dr. Phil

Tom Fletcher P.Eng., CVS, The Fletcher Group



# Questions

