

Using Value Analysis to Strategically Deploy Available Resources

CSVA 2011 Conference
Toronto, Ontario
Nov 14 -16, 2011

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Topic Overview

- *When resources are in short supply – how do you allocate your existing resources against your priorities?*
 - *Do you know how your resources are currently allocated and what your priorities really are?*
- *Public Organizations are expected to deliver programs with improved quality and efficiency with existing resources*
- *Objective of this Presentation:*
 - *Describe how Value Analysis was used to help a Division within MTO define their business and document how resources are currently used to deliver that business*

Background

- Provincial Highway Management Division
 - Over 1800 staff, 5 regional offices and a HO
 - Mission:
 - Plan, build and maintain a provincial transportation network in Ontario in order to allow the population and goods to travel for economic and personal reasons, in a safe, efficient and sustainable manner.
 - 7 Functional Engineering Teams
 - 5 Operational and Maintenance Teams
 - 2 Financial and Business Services Teams
 - Several Special Project Teams

Project Objective

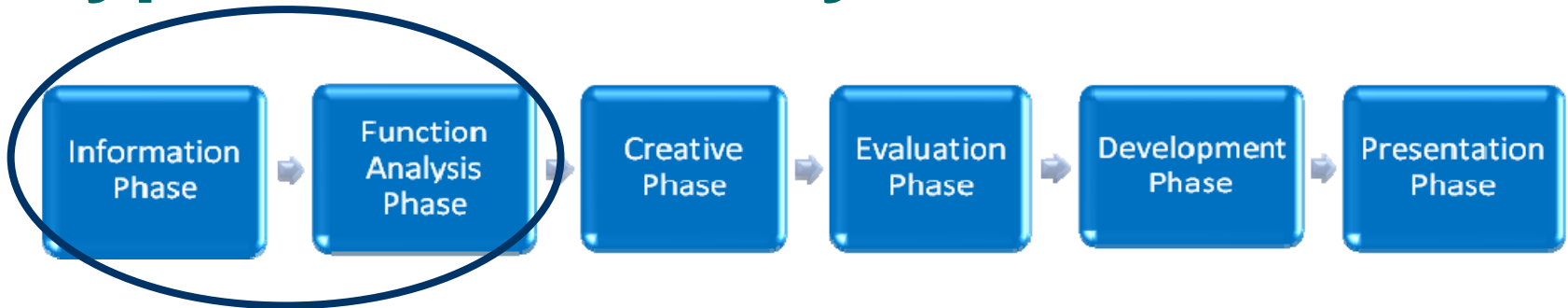
Develop the ability to strategically deploy available resources to be consistent with the priorities of the division now and in into the future.

Why Use Value Analysis

1. Facilitated and Creative Process
2. Generates Alternative Solutions
3. Buy in for Change
4. Fosters Innovation
5. Maximize Use of Resources

“It is about stepping away from the current solution or process and ensuring that good value is achieved

Typical Value Analysis Process



Phase 1: Information	Gain an understanding the problem and the solution that has been proposed.
Phase 2: Function Analysis	Define the problem by analyzing the functions that meet the needs of the user or solve the problem.
Phase 3: Creative Phase	Generate creative alternatives related to the functions.
Phase 4: Evaluation Phase	Evaluate all ideas/alternatives and select those with the most potential for development.
Phase 5: Development Phase	Develop alternatives in detail so they can be recommended or rejected by the team.
Phase 6: Presentation Phase	Sell ideas by strategically presenting recommendations to the decision makers.

Approach

What is our business?

Function Diagram

What is the size of our business?

Function Performance Specifications

How are the division's resources used?

Function Resource Table

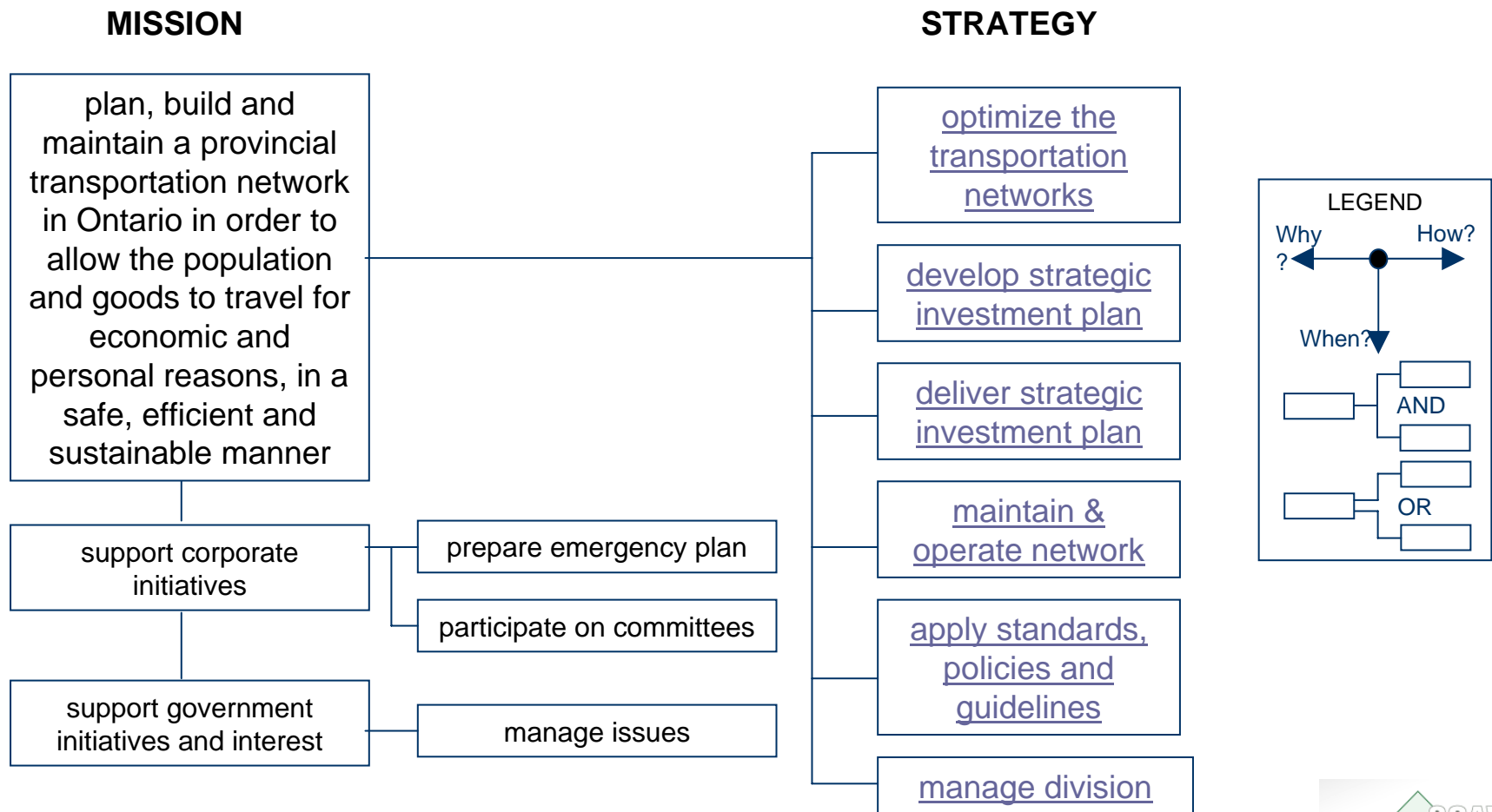
Adjustment plan

VA + Priority Matrix

Implementation

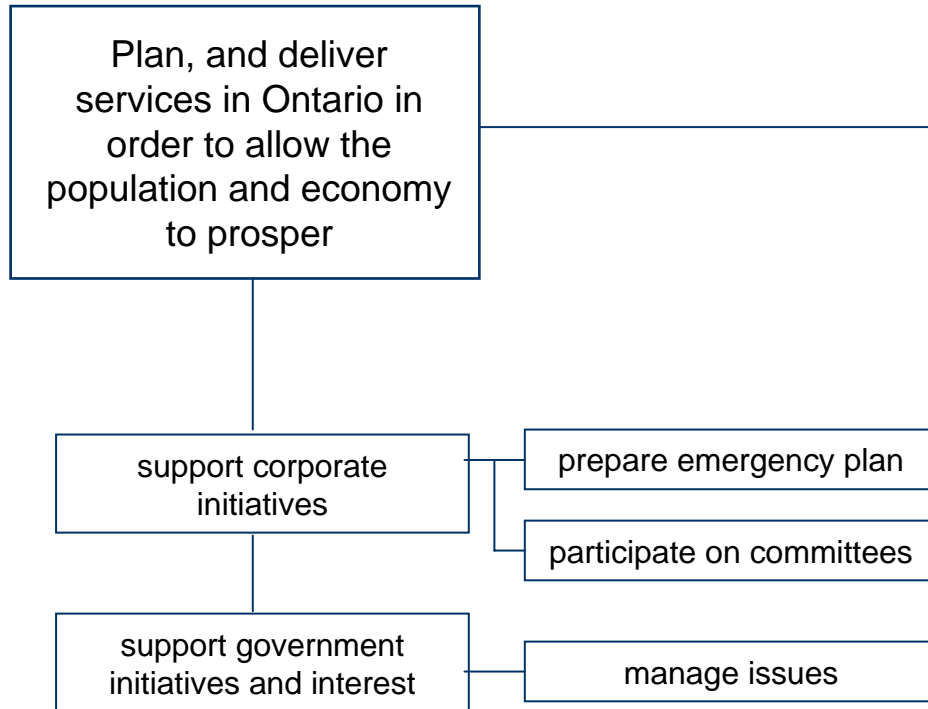
What is our business?

Several 2 day workshops to develop a functional tree

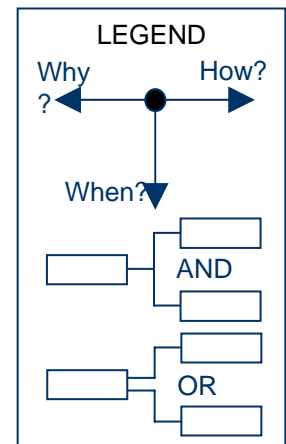
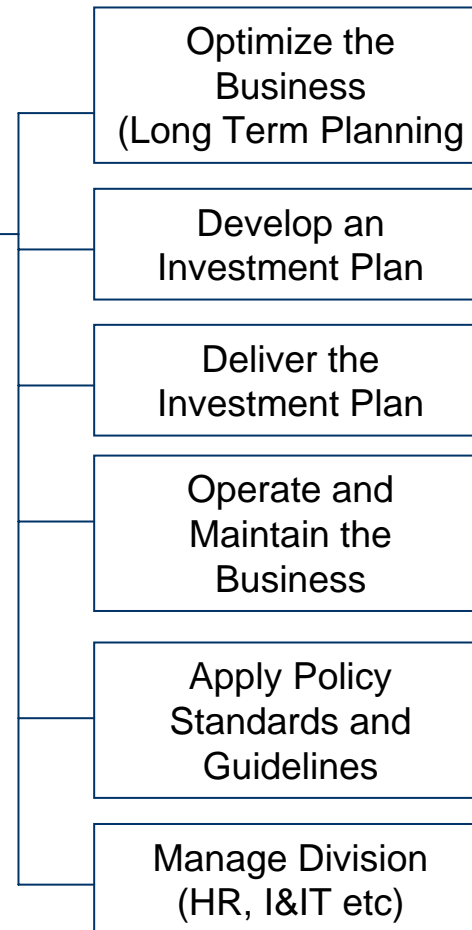


This could be your business?

MISSION



STRATEGY



What is the size of our business?

Separate 2- day workshops with 17 functional groups within the division to develop the Functional Performance Specification DEFINE THE NEEDS

Team	Criteria	Level	Flex	Comments
Function: Manage Issues				
BRA	FOI requests	5 per year	F0	Varies each year
BRA	Investigating/ responding to Ministers Letters	2 per month	F0	Tracked thru CTIS
Function: Inspect Assets				
BRC	Number of safety Inspections	200 – 300 per year	F0	Additional inspections required every 6 years, more detailed than standard inspection
BRC	Number of Bridges Inspected	1,400 per year	F0	Routine inspections every 2 years

How are the Division's Resources Used?

- 1 -2 days of homework for each participating Manager after the workshop to assign level of resources to each function they characterized

	Position/Job Family	Manager/Head						Senior Engineer					
	Region	C	W	E	NE	NW	HO	C	W	E	NE	NW	HO
	# of Positions	1	1	1	1	1	1	10	4	2	5	3	10
ID	Function / Cumulative Total	.06	.04	.04	.08	.08	.24	1.68	1.1	0.8	0.5	0.3	0.58
0-2.1	Manage Issues	.02	.01	.01	.01	.01	.2	.78	0	0	0	0	.08
1.1.1.1.1	Inspect Assets	.02	.03	.03	.07	.07	.04	.8	1.1	.8	.5	.3	.4
1.1.1.1.2	Predict Deterioration	.02	0	0	0	0	0	.1	0	0	0	0	.1

Function Priority Matrix

- 3 days of workshop with executives to develop a Priority Matrix that assigned a priority score against each function at the tactical level
 - Priority based on 3 factors:
 - Contribution to maintaining status as a knowledgeable owner
 - Legislated requirement vs an internal policy
 - Impact on traffic if function is not done
- Priority Matrix to allow evaluation of level of effort vs priority of the function

Benefits and Observations

- The VA technique allowed senior executives to develop a functional model that when reviewed by the management teams remained relatively unchanged.
- FPS describes the needs of the organization in terms of a function without reference to the how it is done – removing biases of workshop attendees
- An efficient approach to documenting the functions being delivered and the level of effort to deliver them
- Important that organization concentrates on 2-3 areas of change in order to allow management team to continue with day to day business

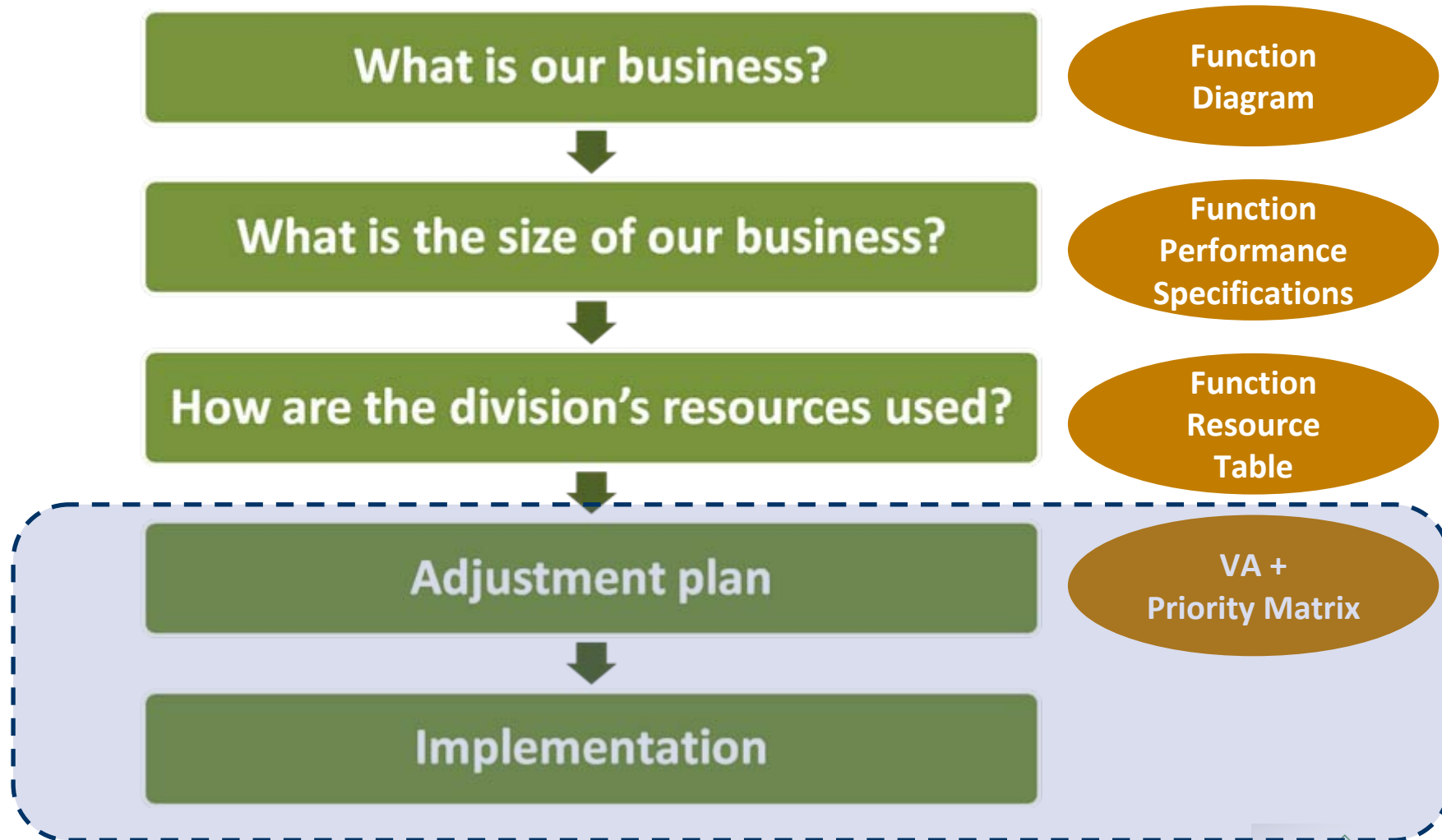
Benefits and Observations

- Important to keep workshop attendees out of the weeds
- For any organization who has gone through continuous change over a number of years – provides an opportunity to stop and take stock of where you are
- Feedback from a number of functional teams was they wanted the information that would allow themselves to identify areas they could potentially change
- Information can be sliced and diced many ways:
 - Level of effort from region to region
 - Level of effort function to function
 - Level of effort for functions that contribute to the delivery of the mission directly (design and construction) vs support functions (HR, I&IT, procurement services etc)

Benefits and Observations

- Workshops helped :
 - directly identify old practices some were still performing
 - potential areas of duplication
 - raised questions within each functional area about why they were doing certain things
 - Identified areas that were never previously discussed
 - Functions that simply were not being done due to lack of resources
- Considerable amount of data that could be used – how to mine the data?
- The data should not be taken as absolute values due to the level it was captured at.

Next Steps



Thank You - Questions??

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