



# Using Value Management in Business Process Studies



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Value Analysis

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**NGUYEN**  
PARROT

# Purpose of the presentation

- Demystify the use of FA in business process studies
- Give a few hints on how to use it
- Show a few examples

# DEFINITION OF VALUE

$$\text{VALUE} \propto \frac{\text{SATISFACTION OF NEEDS}}{\text{RESOURCES / COSTS}}$$

# Function analysis

Function Analysis is the basic tool to improve the satisfaction of the needs for those who design a process or an organization!

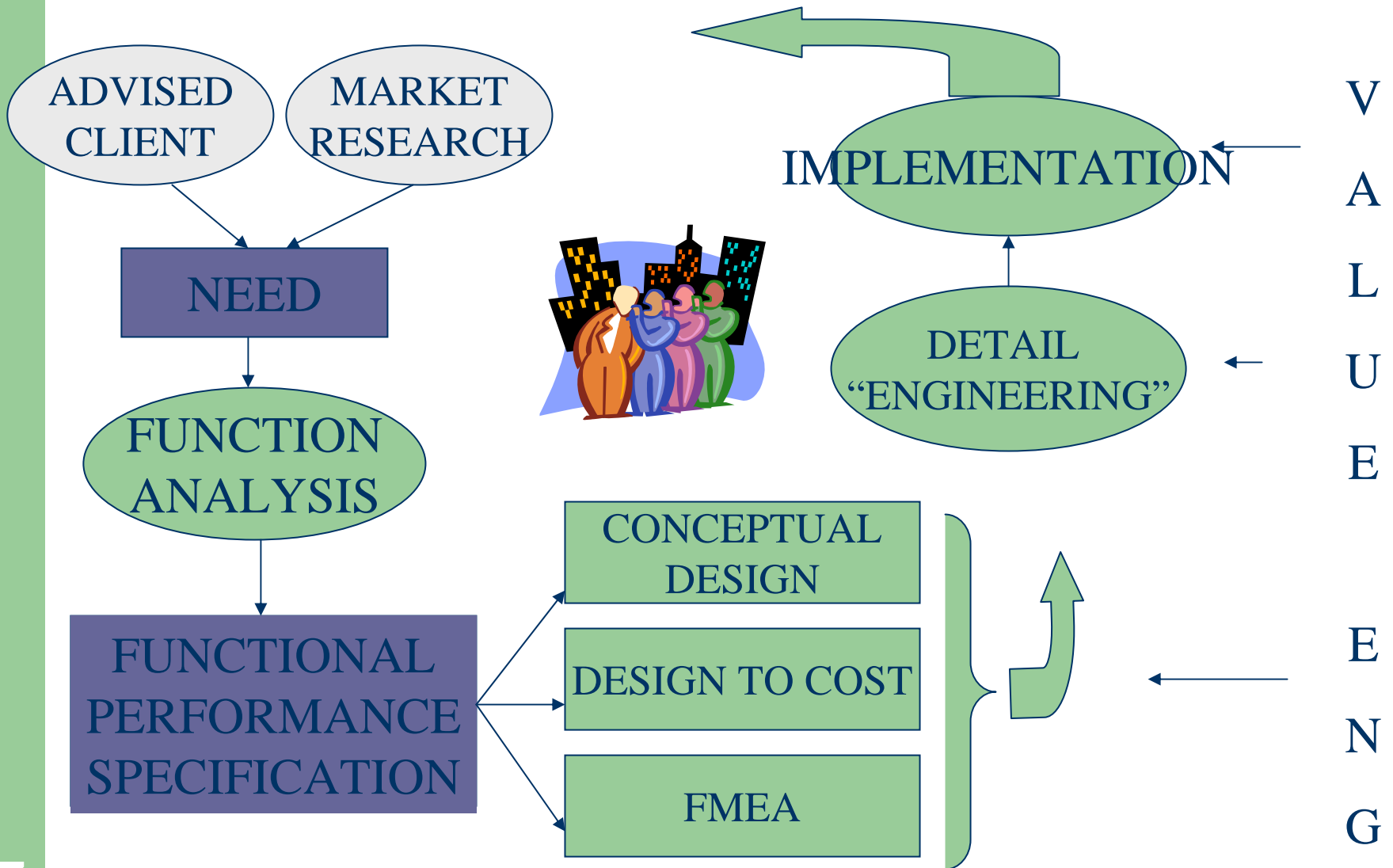
# Function analysis

Function analysis helps all enterprises **BETTER**  
**DESIGN** their processes, considering the  
**NEEDS** they must satisfy and the **COST** and  
**DELAY** objectives

# Benefits of Function analysis

- u Effective Use of Resources
- u Use of Disciplined Methodologies
- u Tradeoffs Between Cost / Features / Performance
- u “Voice of Customer” Instead of “Voice of Management”

# Design strategy



# Function analysis

- Multidisciplinary team
- Moderator
- Functions
- Process



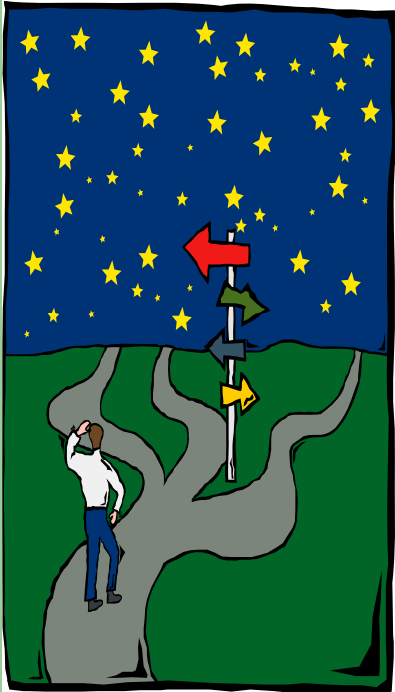


# The FA process

1. Identify
2. Organize
3. Characterize
4. Set into a hierarchy
5. Evaluate the functions of a product



# Identifying the functions



1. Intuitive research
2. Environmental analysis
3. Sequential analysis
4. Movements and efforts analysis
5. Reference product analysis
6. Rules and regulation analysis

# Different uses of each method

<u>Intuitive research :</u> <ul style="list-style-type: none"><li>-common sense</li><li>-limited</li><li>-combine with other methods</li></ul>	<u>Environment analysis :</u> <ul style="list-style-type: none"><li>-global vision of needs</li><li>-high level</li><li>-favours innovation</li></ul>
<u>Efforts and movements analysis :</u> <ul style="list-style-type: none"><li>-question forces</li><li>-question clearances</li><li>-proper sizing</li></ul>	<u>Rules and regulations analysis</u> <ul style="list-style-type: none"><li>-identify constraints</li><li>-compare to standards</li><li>-get certification</li></ul>
<u>Reference process analysis :</u> <ul style="list-style-type: none"><li>-question the influences</li><li>-justify the needs</li><li>-benchmark with competition</li></ul>	<u>Sequential analysis :</u> <ul style="list-style-type: none"><li>-analyse the process</li><li>-questions the needs in relation with the usage</li></ul>

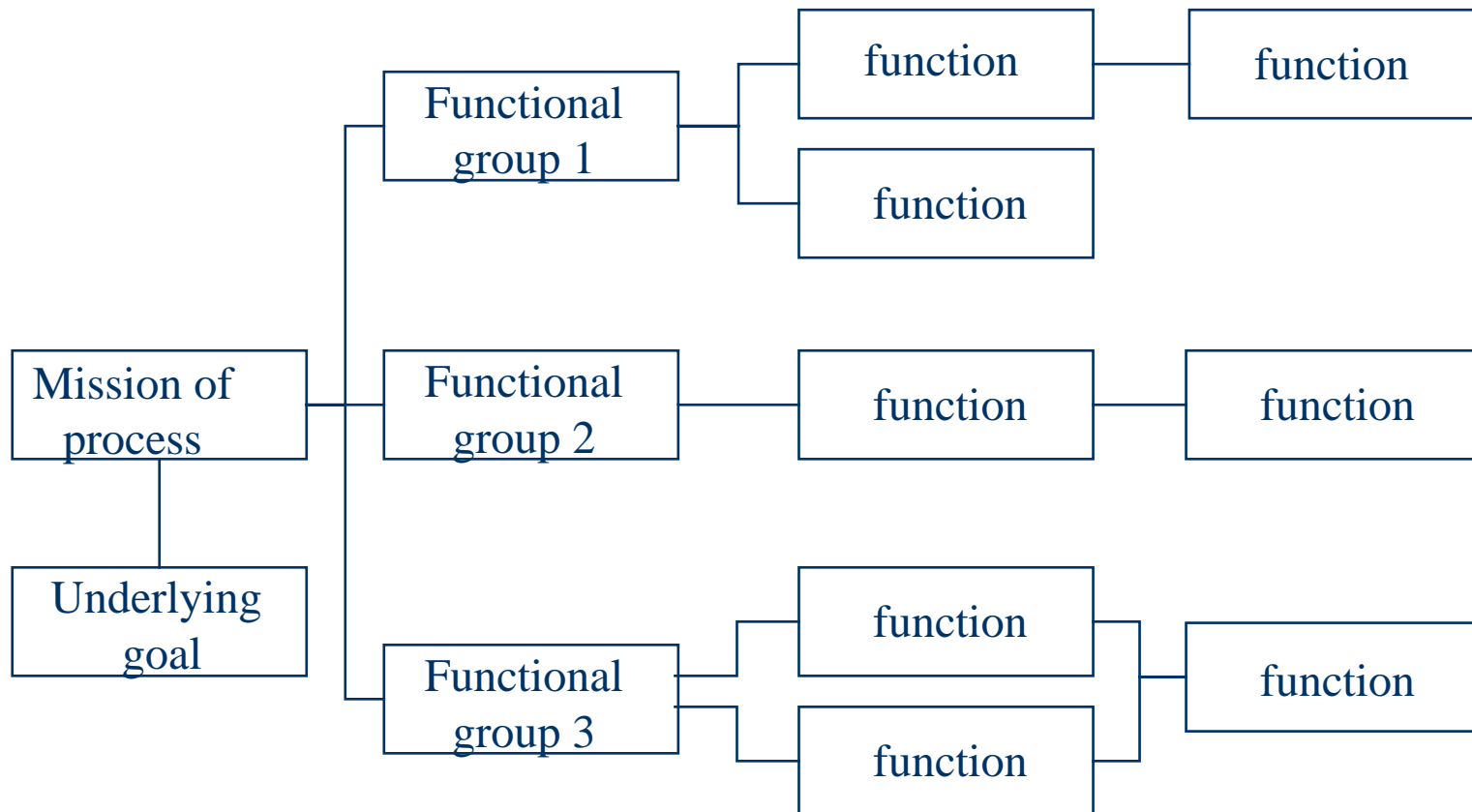
# Functional diagram



Level 1 - Strategy

Level 2 - Tactic

Level 3 - Deployment



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# Characterizing functions

State for each function what will be measured in terms of performance

- Performance criteria
- Performance level
- Flexibility of the level

# Hierarchizing functions

Rank functions according to their relative importance

1-vital, critical

2-very important

3-important

4-desirable

5-nice to have

# Evaluate the functions

Give a value to each function:

- Cost
- Weight
- Number of resources
- Duration
- Other

# Results

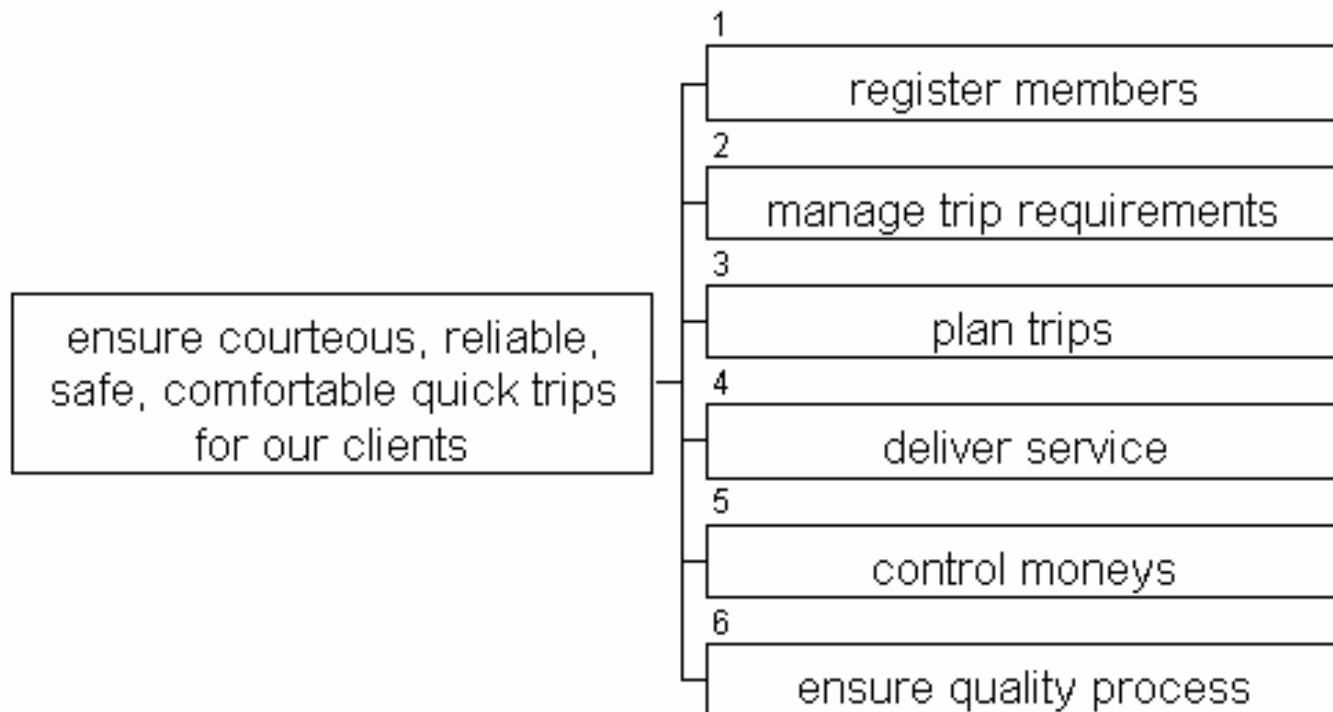
- Obtain a model of what the business should do
- Compare actual business to the desired one, identify mismatches and react
- Describe new process with a time line and names/responsibilities
- Set priorities on development of new activities



# Ex 1 - Context

- Reservation system for trips from point A to point B
- Software already a few years old
- More and more members
- Difficult to keep up
- Some mistakes were appearing
- Different expectations from customer service reps, planners, drivers, management and members
- Software supplier promised a lot, but?

# High level STRATEGY functions

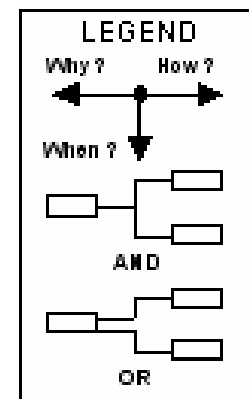
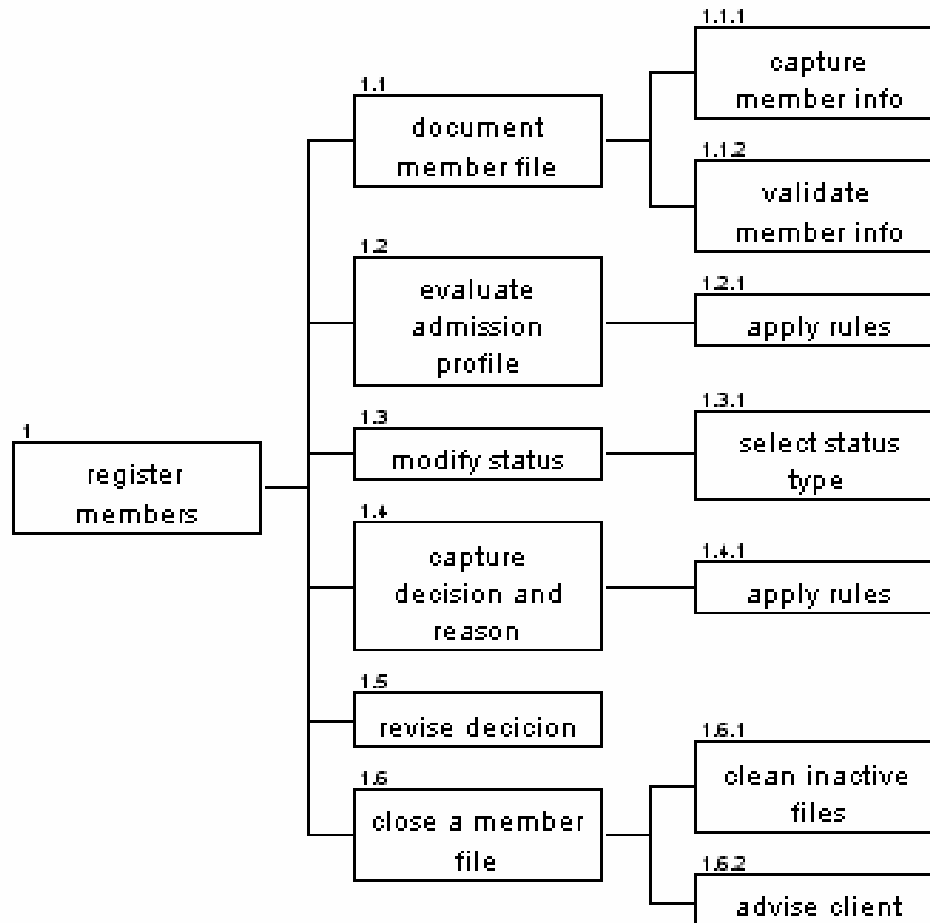


# Tactical and deployment level

STRATEGY

TACTIC

DEPLOYMENT



# Reservation software

Do not try to  
read!



Document Acrobat

Functions  
done now

Functions to  
be

improved  
Functions

to be  
added

Functions  
added by mgmt

# Results

- Function diagram was used to identify modules and features
- Function diagram helped negotiate with software supplier by describing scope of work and priorities

## 2- HR department reorg

- New trends in HR management
- A few persons were leaving, some new ones joining the team
- New vision required in HR to fit management vision
- Function diagram used to identify training needs

# HR department

## STRATEGY

Be a HR consultant within the company while touching base with the corporation

## TACTIC

Improve/maintain nice work climate

Optimize resources

Support line management

Keep contact with retirees

Optimize business processes

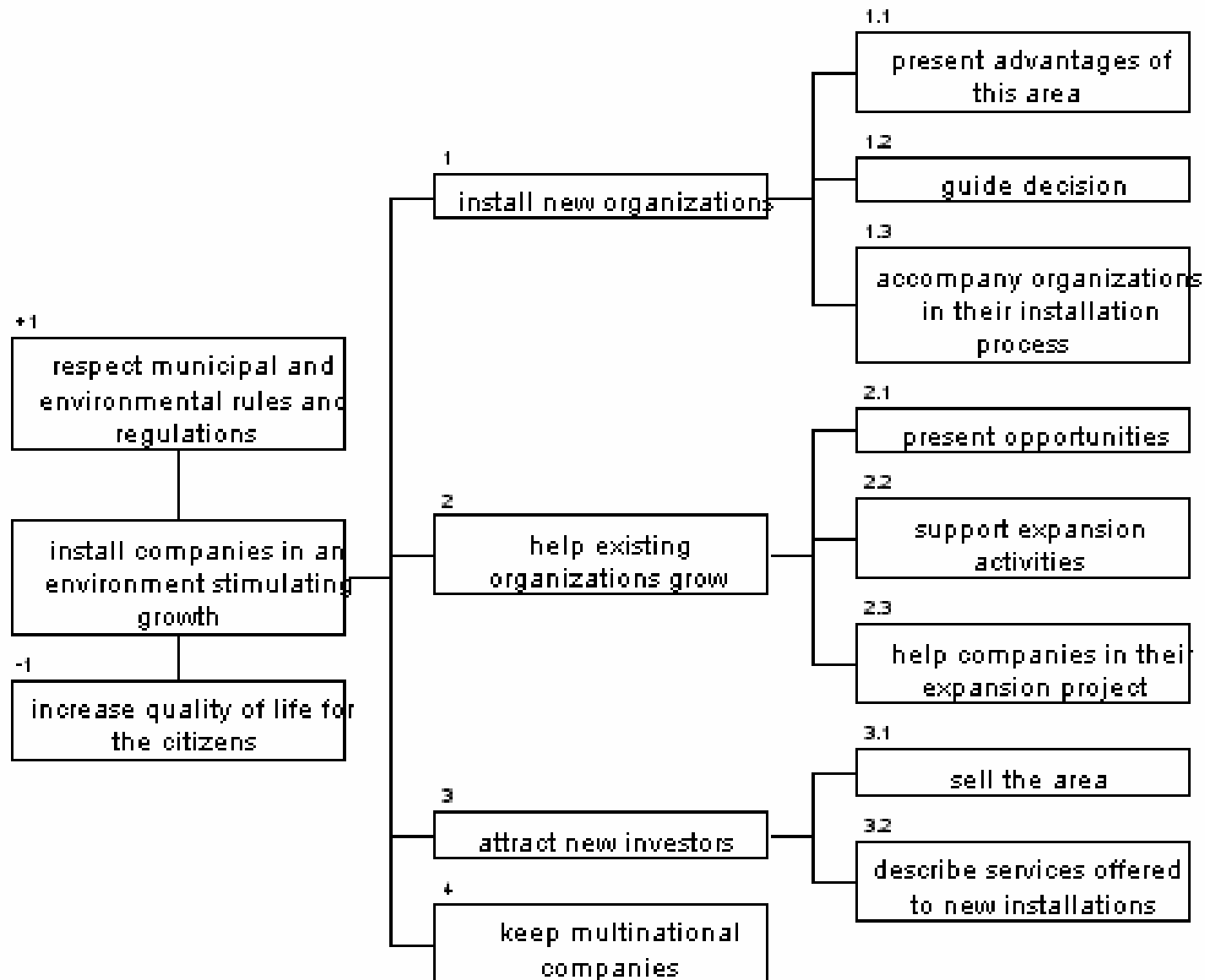
Manage HR division

Prepare communications

Watch for HR innovations

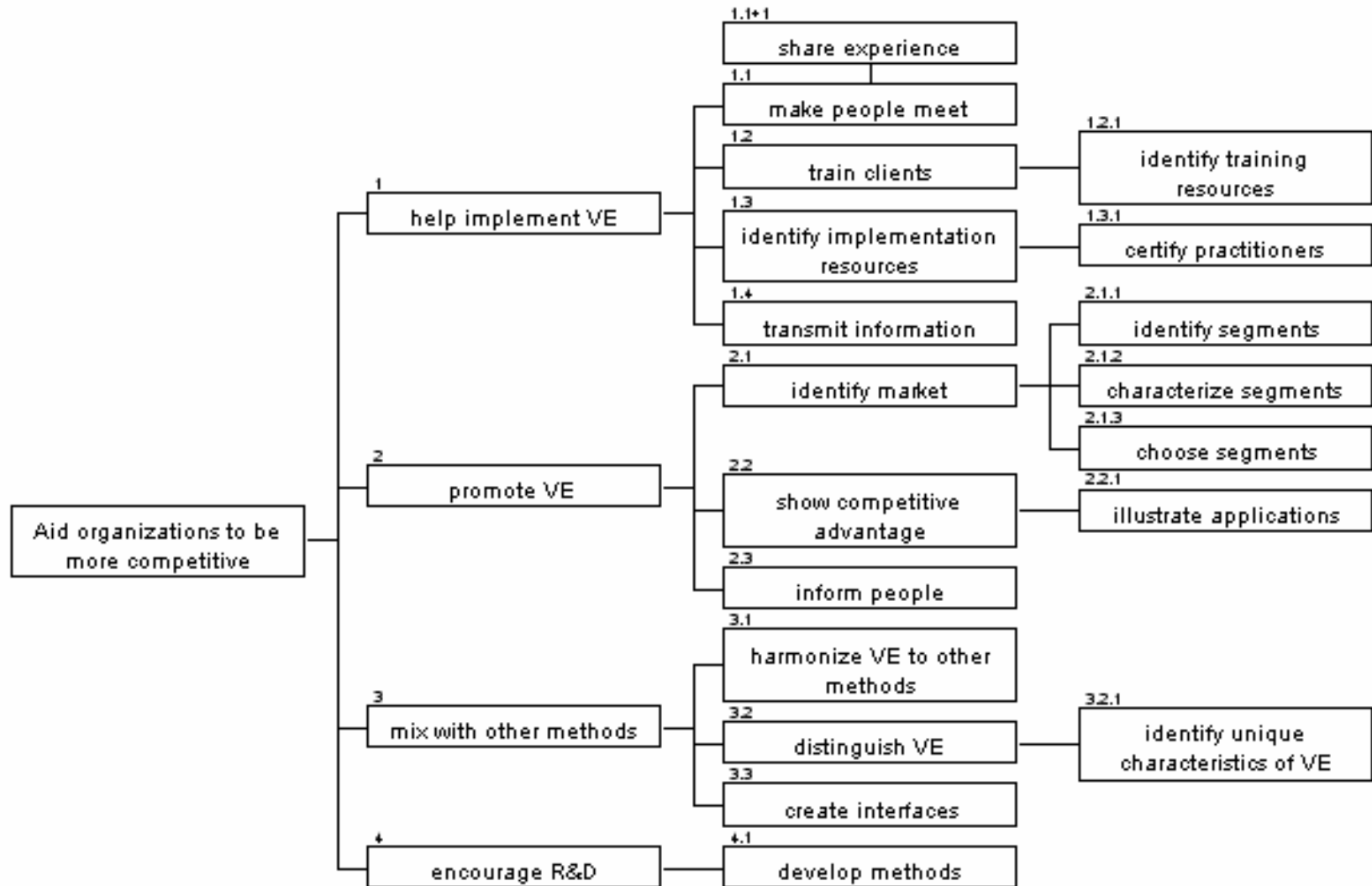
## DEPLOYMENT

# 3- Local Development center WI





# 4- CSVA functional diagram



# Thank you!

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