

introduction_VM

Written by Administrator

Tuesday, 11 October 2011 04:01 - Last Updated Wednesday, 02 November 2011 01:54

There are no translations available.

VALUE MANAGEMENT

Value Management (VM) is well acknowledged for its ability to provide a basis for achieving value for money in a construction project. VM maximizes the functional value of a project through the comparison and audit of all decisions against a value system determined by the client. This service requires the client to transmit clear value requirements of a project to the project designers.

DEFINITION

Based on numerous recognized definitions, VM is defined as 'a structured, analytical and team orientated process to explicit the functional benefits of a project and to appraise needs, problems or opportunities to seek best value system determined by the client'.

AIMS

Among the generic aims of VM implementation in construction projects are:

- (i) To reconcile differing needs within minimum resources

- (ii) To seek alternate ways to accomplish functions

- (iii) To optimize design through eliminating unnecessary costs

- (iv) To improve performance in delivering best value

- (v) To seek innovation and continuous improvement

BENEFITS

In general, among most visible benefits arising out of the implementation of VM include the followings:

- (i) Better business decisions

- (ii) Robust management style

- (iii) Effective use of methods and tools

IMPLEMENTATION IN GOVERNMENT PROJECTS

VM implementation becomes mandatory to the Malaysian Government projects worth RM50 millions and above (Circular by Economic Planning Unit - EPU, Jabatan Perdana Menteri "Garis Panduan Pelaksanaan Pengurusan Nilai Bil. 3/2009" dated 29 December 2009). Generally, there are three (3) main interventions of VM in the Malaysian Government project life cycle. They are termed as Value Assessment (VA) at the Strategic Planning Stage, Value Engineering (VE) at the Design Stage and Value Review (VR) at the Use Stage.

introduction_VM

Written by Administrator

Tuesday, 11 October 2011 04:01 - Last Updated Wednesday, 02 November 2011 01:54

Based on some acknowledged VM best practices, this table highlights the issues should be addressed in enhancing the project value at each intervention.

(iv) Improved products and services

(v) Improved communication

(vi) Positive human dynamics

VM

INTERVENTIONS

ISSUES

ADDRESSED

CHAMPION

VALUE ASSESSMENT (VA)

introduction_VM

Written by Administrator

Tuesday, 11 October 2011 04:01 - Last Updated Wednesday, 02 November 2011 01:54

- Determine business project objectives
- Determine expected benefits or outcomes
- Determine stakeholders' / users' needs
- Prioritize client value systems
- Establish strategic project functions
- Link functions to services / deliverables
- Establish development scopes
- Establish budget or cost target
- Strategize project implementation

(e.g. Timelines; Procurement; Risks etc)

EPU

VALUE ENGINEERING (VE)

- Validate objectives, needs and scopes
- Validate client value systems
- Validate strategic project functions
- Link project functions to design solutions
- Optimize design solutions and cost
- Improve performance and efficiency
- Impose creativity and innovation
- Improve project implementation strategy

(e.g. Timelines; Procurement; Risks etc)

JKR

VALUE REVIEW

introduction_VM

Written by Administrator

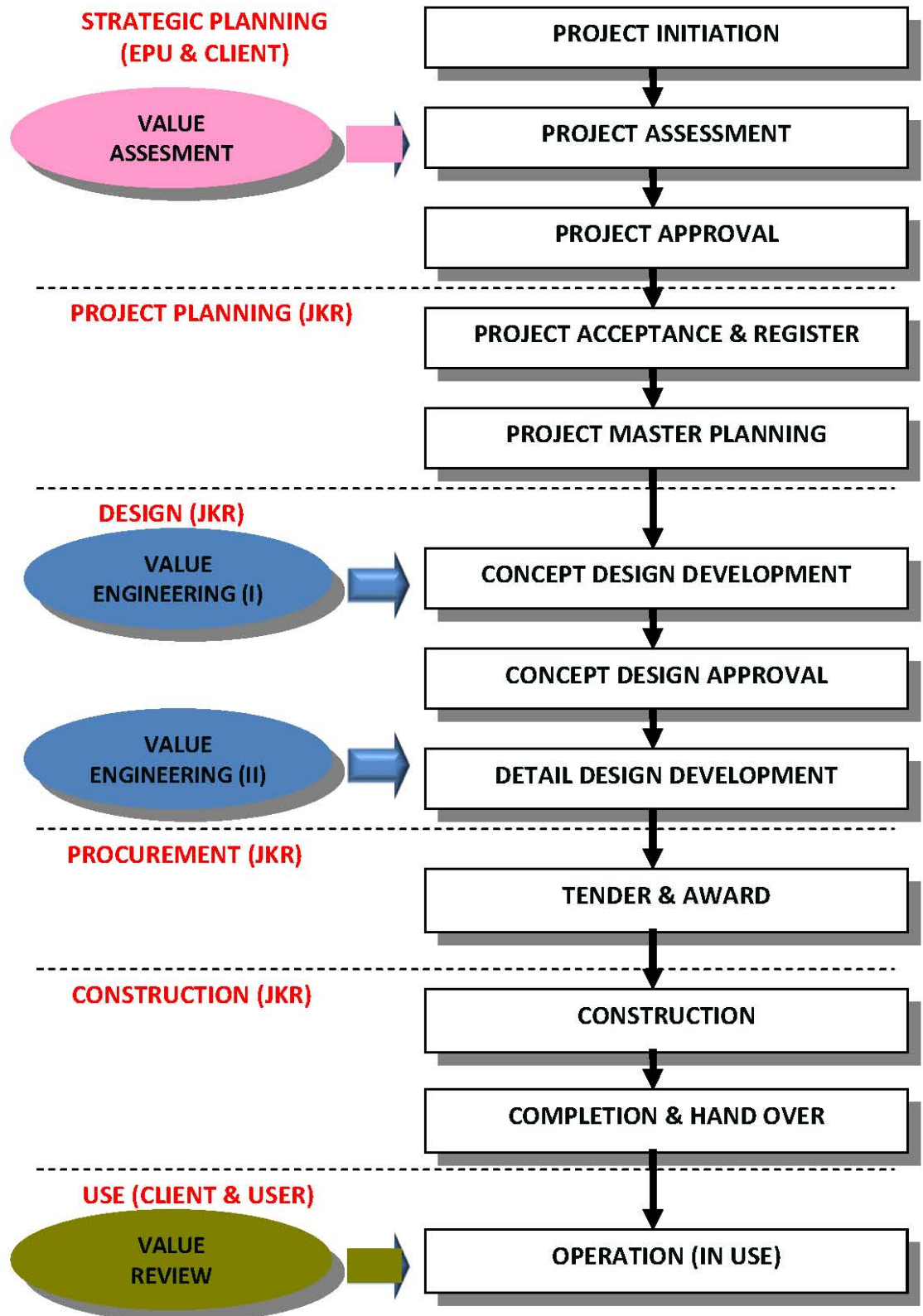
Tuesday, 11 October 2011 04:01 - Last Updated Wednesday, 02 November 2011 01:54

(VR)

- Review project objectives accomplishment
- Review delivery of scope and functions
- Review benefits / outcomes realization
- Review cost, time, quality etc. achievement
- Enhance performance and efficiency
- Identify and escalate lessons learned
- Propose value enhancement strategy

Jabatan Audit Negara

This flow chart illustrates the interventions of VA, VE and VR studies along the government construction project life cycle. VE is most effective at the Concept Design development (VE I). Somehow depends on complexity of the project, further intervention (VE II) may be required at the Detail Design development.



introduction_VM

Written by Administrator

Tuesday, 11 October 2011 04:01 - Last Updated Wednesday, 02 November 2011 01:54
