

THE VALUE MANAGER

The Hong Kong Institute of Value Management



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Message from the President

Tony Toy, President of HKIVM

By the time you receive this newsletter, HKIVM's third International Conference will be on-going or have just taken place. The Conference was rescheduled from last year due to the economic turbulence. Although the economic situation has yet to improve, and even though we were unable to secure a sponsor, nevertheless the Executive Committee felt that it was important to maintain our commitment to hold a Conference on a regular basis. Hence, the programme was tailored to our market situation. I am pleased to learn from our mid April progress report that there has been strong support for the event, particularly from the public sector, and that we may be able to come out of the red with a few more delegates from the private sector. This we will endeavour to do.

As members are also aware we have been exploring avenues to expand the HKIVM membership beyond the construction industry. As part of this initiative we have focused a part of the Conference at a more general application of VM for the business & the service sectors, and have secured Mr. Mike Rowse, Head of HKSAR's Business & Services Promotion Unit to give us a key note address to start off that session. Further, with the agreement of the executive committee we will selectively promote the Conference to this sector. Hopefully the Conference will provide the necessary impetus for this initiative to take off.

The HKSAR's initiative to push Hong Kong into the forefront of Information Technology (IT) applications and development should, particularly with the advent of the proposed Science Park and Cyberport projects, be of great interest to all of us. The fast track development of e-commerce & multi-media application is already influencing, if not directly affecting, every aspects of our lives.

In this context I would ask two questions as food for thought :

- a) What benefits or service can VM (or any other service provider) offer to knowledge base industries such as IT; and
- b) What advantages can VM derive from the new technologies such as the internet & other IT innovations?

Referring to (a) above, I am thinking of the development of software & new products in particular. The evolution (if not revolution) and development of software and the creation of new market niches in this industry is proceeding at a tremendous pace, yet it seems to be achieved despite the established management cultures and processes. Can this explosion of creativity and innovation be further enhanced by the application at VM? Imagine the benefits and cost savings if the Y2K problem had been dealt with through a VM process. I am sure there are many more similar cases and therefore would be very interested to learn of any VM initiatives for this industry.

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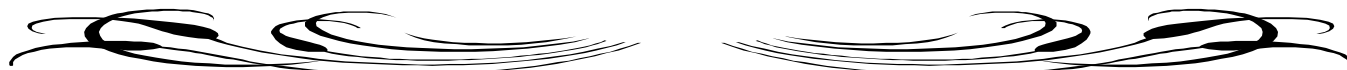
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As our clients become more proficient with new technologies and become more accustomed to immediate global reach through the internet, their expectations and perceptions of any and all interactive processes such as VM are also going to take major paradigm shifts. The question is, are we as individuals and VM practitioners or participants ready for such demands? Although I appreciate the benefits of face to face contacts & the team camaraderie generated in a workshop environment, I must also concede that to arrange for a large group of the 'right' people together for any duration is getting harder & harder. Hence, the question is, can one achieve any or all of the prime functions of a VM workshop through the application of new technologies? Can the functions of a VM workshop be articulated succinctly enough that we can develop alternate solutions for delivering the benefits with less effort? Is cyber Facilitators or Tele VM or virtual workshops a vision for the future? All those interested in the subject should seek me out at the Conference & perhaps we can develop a suitable theme or forum for HKIVM's first Conference in the next century.

Last but not least, on behalf of the HKIVM I must take this opportunity to express a vote of appreciation to Tony Wilson, Malcolm Pearson, the executive committee and Miss Susanna Pang of International Conference Consultants Limited for their hard work and dedication in organising the conference under the most challenging circumstances. Thank you and well done! Have we started organising the next conference yet?

***EDITORIAL:** Inside this combined issue, you will see two articles written by internationally recognised value specialists: Mr. Roy Woodhead from the UK and Dr. David Stevens from Australia. Another article was written by Lindsay Pickles, which introduces the VEAMAC debates on VM workshops. You will also see latest development for the 3rd International VM Conference organised by the HKIVM and many other important events.*



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STRATEGIC VALUE NETWORKS: A METHODOLOGY FOR JOINT VENTURE FORMING WORKSHOPS

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ABSTRACT

This paper is the starting point for further research. It challenges contemporary problem solving methodologies that begin by establishing Bounded Rationality. Value Management is used as a superior alternative that uses creative thinking and perceptions in the context of a supply chain problem. The ideas described here emerged out of another research project (Woodhead, 1997) which investigates the pre-project stage of construction (i.e. Before the RIBA "Plan of Work" begins). The explanation starts by revealing an ineffectual market of small manufacturing firms trapped by their inability to finance expansion. The paper continues to explain how Value Management (VM) can liberate small enterprises and open a new market for property developers specialising in small industrial facilities. To achieve this win-win competitive advantage, a VM approach is advocated to design a joint venture between property developers and a collection of small firms in a purpose-built facility.

The paper concludes by recommending further research to develop this theoretical perspective into a robust methodology. Figures referred to in the paper are appended.

INTRODUCTION: IDENTIFYING A NEW MARKET

The seasonally adjusted new build figures from January 1989 to June 1993 show that the UK construction industry's industrial sector represented about 10.7% of total work (Table 2.2. Digest Of Data For The Construction Industry). This is approximately £2.5 thousand million per year. These figures reflect projects that actually started, not the ones that were abandoned. Data explaining potential orders from small firms who considered the decision to build but later abandoned the idea are unavailable. This group of potential clients wanting purpose-built inexpensive facilities, may well comprise the largest set of industrial clients for the construction industry. This paper argues that as the UK economy comes out of recession, there will exist an unknown number of expanding small firms that want suitable accommodation but lack the finance to realise that ambition. This market can be freed by a VM

approach that allows property developers and small firms to enter into a joint venture.

As no single definition exists, a small firm is taken to be a company that has less than fifty employees. The advantage small firms have over large firms is short communication channels between customers, management and production. By knowing customer expectations on a personal level, a low volume manufacturer can offer a more focused product than larger firms with a limited range of high-volume standard lines. Because of high variety, the small firm experiences an advantage that larger companies are unable to match. However, niche-markets may have a limited size that will restrict growth potential for the small enterprise.

Some property developers draw revenue by leasing or selling units to small service or manufacturing businesses. As the prospective tenant is often unknown at the development stage, units are built to a common standard in an industrial complex. It is common in the UK to see a wide variety of unrelated firms within the same Enterprise Zone. The property developer's approach is a resource led marketing strategy where they allow the market to regulate letting. An alternate practice is to create demand. A focused strategy that has advantages for occupants could stimulate small manufacturers to seek out the property developer before construction begins.

A similar experience has been demonstrated in the USA with the Medi-Park (Fletcher King, 1990). Here a business park is created around a common commercial focus, in this case medicine.

THE PERSPECTIVE THAT SEES A LIMITED NUMBER OF OPTIONS

All manufacturing firms buy inputs, do something to those inputs and sell them as outputs. Essentially all rivals compete by adding value to comparable products at a lower cost than other firms.

In order to meet increasing sales forecasts, the small firm needs to consider the appropriateness of its existing warehouse, factory and other accommodation.

In 1994 the average cost of floor space for single storey industrial space was between £24/M² and £48/M² (Table 1.7. Digest Of Data For The Construction Industry). This places the small firm in the dilemma between investing its limited funds to meet increasing market demand, or stall its market intervention to procure a new facility.

It is most likely that small enterprises' decision makers start strategic planning by considering a narrow range of options limited by perceived recognition of constraints. For example, if a small firm can only afford a building costing £500k, what is the point of investigating options costing above £2 million? Simon (1979) called this approach to problem solving "Bounded Rationality". It creates a mind-set that denies an opportunity for creativity to liberate value.

The small firm's decision makers consider feasible options within the tight constraints of capital rationing. Approaches to external sources of finance are considered by financiers within the restricted potential of the individual firm requesting funds. A new perspective is required that views the need to match finance with growth from a different vantage point.

Many small firms will abandon the procurement option in favour of renting and leasing existing facilities. Often, a small firm will minimise costs by leasing an industrial unit on another site to support the existing place of production. Whilst dual site strategies reduce indirect cost of investment, they increase direct costs of administration, management, and logistics.

As individual small firms lack collateral sufficient to borrow large sums of finance, the cost of expansion is often prohibitive.

SHIFTING THE SMALL FIRM'S PERCEPTION TO A SUPPLY CHAIN PERSPECTIVE

An assumption that binds the current mind-set is that "Competition" at all levels leads to the lowest price. Decision makers adopt confrontational perspectives as a means of surviving. The contract is viewed as a temporary merging of activities awarded to the lowest price. Authority and control are firmly established before the contract is let. Whilst business is viewed as a form of warfare there is inter-firm instability and low-trust. This manifests itself in the commonly held belief that everyone should be prepared to "nail them before they nail you". To protect themselves, firms carry budgets to reduce the adverse impact of non-repeated contracts and commercial isolation. Protection against

an uncertain future causes "insecurity costs" that should be viewed as unnecessary distractions to value.

Transient approaches to dealing with suppliers and subcontractors reduce the advantages of Quality Function Deployment (Kathwala & Motwani, 1994). As a consequence, learning-benefits do not accrue in the firm or product. What must be recognised is that the customer in the shop ultimately decides success. It is the end-customer that places money into the supply chain which is then passed upstream after each node has recovered its input costs and mark-up

FROM ISOLATION TO COLLABORATION

By redesigning a collection of small firms in a supply chain, insecurity costs can be reduced. A synthesised group of small firms in a purpose built facility would have a natural advantage by virtue of proximity, shared information, reduced purchasing costs, and reduced logistical costs. This is explained as a Strategic Value Network (SVN) where Functional Analysis is used to design a Joint Venture between a property developer and a collection of small firms. What must be recognised is the SVN is more focused than contemporary approaches to industrial parks.

THE ROLE FOR A PROPERTY DEVELOPER

The advantages for a collection of small firms flow from the reduced direct costs of sales and increased quality that comes from strategic focus. To achieve this advantage, the small firms need a building that is beyond their individual scope of influence. Unfortunately small firms lack the finance, management, and co-ordination skills necessary to create the SVN's advantage. The property developer can release this potential by forming a Joint Venture that produces a bespoke industrial facility to house a SVN. The SVN provides a win-win situation where the property developer draws premium leases and the occupants enjoy reduced operational costs.

EXPLAINING A SVN IN MORE DETAIL

Coase (1937) wrote a paper that suggested the entrepreneur was someone who co-ordinated activities more efficiently than the market place. This perspective is at the centre of the SVN's advantage.

Porter (1987) has explained that vertical integration has not always led to reduced supply chain costs. Failure stems from problems of merging middle management. The small firm lacks an extensive middle management structure and shareholder expectations. This provides

the small firms with an opportunity not available to medium and large companies.

Jarrillo (1993) describes the missed opportunities by adopting "Arm's Length" approaches to managing suppliers. As the small firm operates on a personal level because of its size, a more intimate relationship between suppliers and buyers may already exist. This ready made familiarity provides a platform to build on.

The SVN deviates from conventional views of mergers and take-overs to advocate a borderless organisation (Jarrillo, 1993) which embraces a number of small enterprises. The initial realisation must be that companies cannot escape the inefficiencies of upstream activities. The SVN seeks to influence companies by collaboration rather than dominance.

By using Porter's (1985) value chains, figure one shows how three retailers selling one line are in competition. Supply chain A will be selected in preference to supply chains B and C as it provides a cost advantage to all retailers. All three retailers cannot reduce their input costs below £4 per unit as this is the cheapest offered by the market (Please ignore temporary loss sustaining price wars). As the retailers are dependent on upstream efficiency they can only compete by adding value to comparable products at a lower cost than their rivals.

The collaborative approach of a SVN offers the prospect of a synchronised supply chain for small firms. Investigation of each link in the supply chain will reveal that insecurity costs and duplicated functions can be removed. This will lead to increased margins and sustainable competitive advantages. Why does every firm in the supply chain need a Sales and Marketing department? Why do all companies need to incur advertisement costs when it is the end-customer that puts money into the supply chain? Why does every firm need to keep paperwork in triplicate? Why don't small firms form purchasing groups and move closer to economies of scale?

The primary function of a small firm will be related to its core business. The small firm will see the ultimate success of its building in terms of contribution to business results. The theoretical interrelationships of other primary functions provided by the building are shown in figure two. This initial model, which needs to be developed and tested further, includes: indirect functions related to the location, direct functions related to business management, social functions, operational functions, technical functions, and aesthetic functions. Each function can be broken down into a collection of processes such as inbound logistics (See figure 3). All

processes are then broken down into verb-noun functions to analyse the value and logic they provide to the SVN.

Once the SVN is operational, the transaction costs between the companies, learning benefits, and the articulation of unified destiny will provide the network with a competitive advantage in terms of, quality, time, cost, service, client empathy, and client oriented systems. As the tenants prosper by being occupants, the property developer will achieve higher than average lease-revenues as well as reduce risks associated with un-let properties.

By locating the SVN in areas with adequate employee skills but which lack unionised demarcation, it will be possible to achieve further value from flexible labour markets (Cooper, Willard, & Woo, 1986).

Figure four shows the SVN's cost advantage in relation to a supply chain experiencing high levels of competition and insecurity costs. The SVN's margins have increased yet the customer's price has lowered.

Further value that is not easily measured in financial terms may also be augmented (Kotler 1994). The first link is shown as not belonging to the SVN to illustrate that the concept can exist within a supply chain. For competitors to react, they must form their own SVN's and recruit a property developer to build a bespoke facility. Even if they achieved this, the original SVN may have established its credibility with large retail organisations or other points of sale. The original SVN could make it difficult for new entrants by erecting entry barriers that increase the customer's switching costs in terms of monetary costs and added-value.

A SVN is similar to the current understanding of "Partnering" in Construction (Reading Construction Forum, 1995). As it is a long term relationship that is being set up, no party must feel they have been badgered, as such bad feeling would manifest itself at some later stage. If one firm acts unfairly, they will be asked to leave the collaboration. It will be this fear of being excluded that will suppress the Machiavellian schemers.

At the heart of the SVN is a mind shift from seeking a larger share of the turnover to increasing the size of turnover, and reducing individual transaction costs.

Although the SVN is similar to Partnering, it is not the same. With a SVN the Client has no obligation to recruit. Each SVN is selected in competition. Some

clients may not even be aware that a supplier invited to tender is actually a Strategic Value Network.

The first task is to identify an attractive channel that has a collection of small firms within it. For example, consider a national retailer as the point of sale, some of its product lines will be capable of being developed by a SVN. Contemplate the toy industry, UK small firms find it difficult to compete with low cost imports from the Far East. However, research (Woodhead, 1997) has shown that the buying process from initial order to arrival in the UK takes around two to three months. The implication of this is that a SVN set up for Christmas sales could have a temporary monopoly as they can start their production runs in November with more accurate market information. The SVN could visit its competitors in the far east and leap frog them to capture seasonal markets.

The kind of products made by the SVN could span such diversity as the bundling of sanitary ware to make prefabricated toilet pods for fast track construction, individually designed and fabricated equipment for disabled people, to the assembly and distribution of hand made cars.

Mintzberg (1991) suggests that a company can differentiate itself in terms of quality, design, support, image, and price. The SVN could achieve these differentiators and focus on niche markets with more accurate customer research.

To design a SVN we need to understand the relationships that will make the collaboration between small firms more attractive, and less vulnerable to new entrants. VM workshops will allow participants to redefine relationships, and promote a new culture, that binds the SVN together.

THE METHODOLOGY FOR JOINT VENTURE FORMING WORKSHOPS

The starting point will be for a property developer to identify the potential for a SVN in a downstream supply network; for example, a large retailer that buys a wide range of products, or a car plant which buys assembled components.

The property developer selects an initial small firm. Together, the small firm and property developer will invite other firms to join the collaboration in a pre-qualifying workshop based on existing operational experience between the firms. Once the prospective participants have been identified, a VM workshop is used to investigate issues related to function and form. It is only when the SVN is designed and a brief elicited

that the developer thinks about committing funds to build. Form follows an articulated view of the collaborative functions which provide competitive advantages for the small firms. This approach liberates a win-win value for the small firms and property developers. Using data from research (Woodhead, 1997) this pre-project stage is expected to take between six and twenty-four months dependant on the complexity of the SVN processes and the social engineering required.

Competitors would find it difficult to sustain prolonged "toe to toe" confrontation with a SVN. Simply trying to match prices will mean tendering with negative margins whilst the SVN still makes a profit. Rivals would not be competing against another company, they would be competing against a synchronised supply chain. It is the building that provides an entry barrier to other small firms. The building's location, design, and layout, enhances the SVN's competitive advantage.

The SVN will use Quality Function Deployment (QFD) to focus its market research and intelligence. Only one Sales and Marketing department are required, therefore insecurity costs are automatically reduced.

Preliminary thoughts suggest a SVN will be set up by the mutual agreement of shared margins realised by the whole network. The participants will list functions in a matrix (See fig. 5) to investigate the SVN before it is set up, how it will operate when built, how it will adapt to the future, and how it will be housed.

This proposed methodology for establishing a SVN begins by identifying all the processes under the heading of its respective primary function (See fig.2). Having identified all the processes, the secondary functions are elicited and analysed. The matrix in figure five demonstrates the five VM workshops as:

1. Creating the SVN.
2. Operating the SVN.
3. Adapting the SVN to the future.
4. Housing the SVN in a purpose made facility.
5. Synthesising the previous four stages.

In the last workshop, the SVN is invented to surpass customer and competitor expectations with a Fast Diagram. The Fast Diagram is then used to elicit a spatial brief which is translated into a concept design and a total-life-cost-plan.

CONCLUSIONS

Value Management and Functional Analysis offer a creative alternative to problem solving strategies that commence by establishing bounded rationality.

The SVN uses creative thinking to release a potential market not considered by contemporary strategic theory. The SVN will provide property developers with access to a market trapped by bounded rationality. A SVN will also allow small firms to achieve sustainable strategic advantages that would otherwise be unavailable to them.

This paper explains a founding theory which still needs to be properly investigated within an action science research methodology using VM workshops and participant observation.

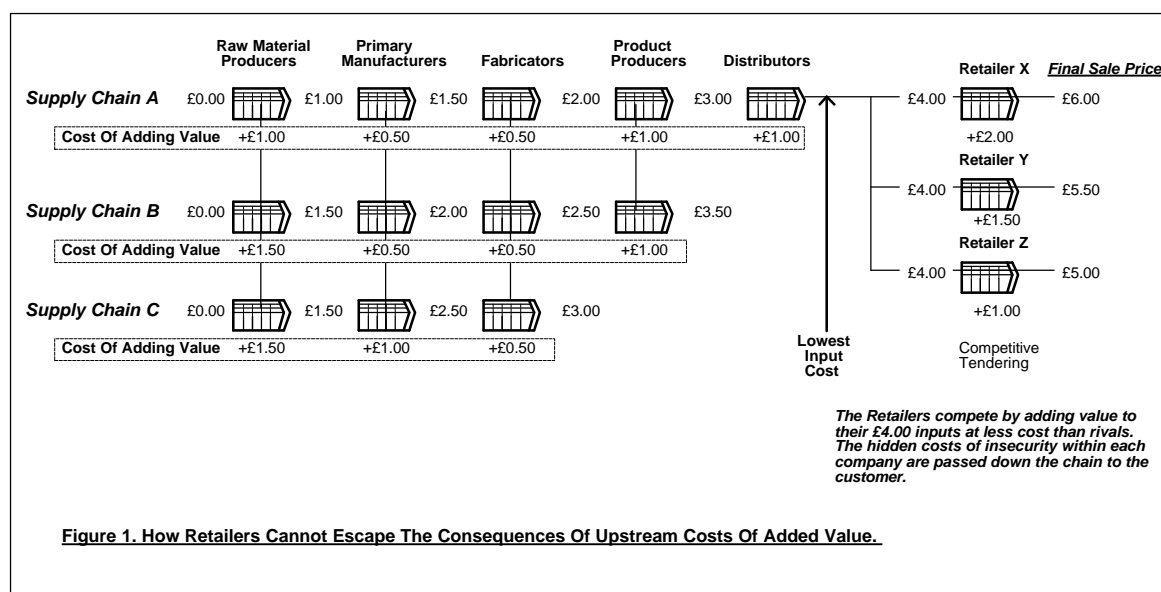
RECOMMENDATIONS

VM needs to articulate the creative alternative it offers to Bounded Rationality. Property developers and other VM researchers, working in the area of supply chain advantages, should use this paper as the starting point for collaborative research projects.

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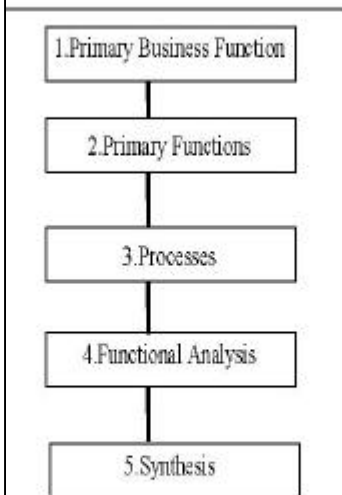
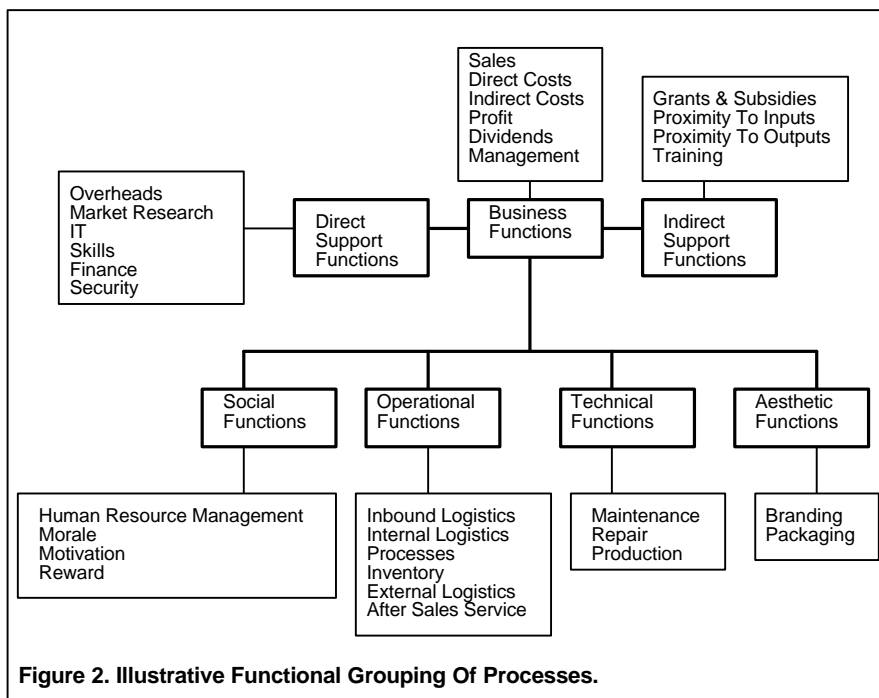


Figure 3. Levels Of Consideration.

Figure 2. Illustrative Functional Grouping Of Processes.

The Supply Chain With Insecurity Costs

	Raw Material	Primary Manufacturer	Fabrication	Product Producer	Distributor	Retailer
Cost of Added Value	£0.00	£1.00	£1.50	£2.00	£3.00	£4.00
Profit	£1.00	£0.50	£0.50	£1.00	£1.00	£2.00
% Return on Added Value.	10%	10%	10%	10%	10%	10%

The SVN With Removed Insecurity Costs

	Raw Material	Primary Manufacturer	Fabrication	Product Producer	Distributor	Retailer
Cost of Added Value	£0.00	£1.00	£1.40	£1.80	£2.60	£3.40
Profit	£1.00	£0.40	£0.40	£0.80	£0.80	£1.80
Percentage Gain Over Supply Chain Which Carries Insecurity Costs	0%	2.5%	2.5%	2.5%	2.5%	11%

THE SVN WITHIN A LARGER SUPPLY CHAIN

Figure 4. The Cost Advantage Of A Strategic Value Network.

Woodhead's SVN Matrix

	Business Functions		Direct Support Functions		Indirect Support Functions		Social Functions		Operational Functions		Technical Functions		Aesthetic Functions	
	Primary Functions	Secondary Functions	Primary Functions	Secondary Functions	Primary Functions	Secondary Functions	Primary Functions	Secondary Functions	Primary Functions	Secondary Functions	Primary Functions	Secondary Functions	Primary Functions	Secondary Functions
Creating The SVN														
Operating The SVN														
Adapting The SVN														
Housing The SVN														

Figure 5. Functional Matrix Used To Design A SVN

VALUE MANAGEMENT WORKSHOPS - THE VEAMAC DEBATE

Lindsay Pickles, HKIVM

The Value Engineering, Analysis and Management Academic Community (VEAMAC) is a forum designed to encourage discussion and research. It allows people who are Practitioners, Academics, Value Managers or just plain interested in Value Management to exchange views on VM related topics with the aim of helping researchers advance VM as superior to parochial cost-reductionism. Each month, a structured debate is led by one of the members of the group. This article looks at the recent debate on "Workshops" in the context of Hong Kong.

The origins of the term workshop in the VM context are unclear but it appears to relate to a group of people working together on a specific task. There is sometimes a distinction made between a VM study and a VM workshop where the latter is used for training. The traditional VM studies comprised a five day workshop where participants looked at the detail of a process for value improvement. This became enshrined in the 40 hour seminar workshop which the SAVE requires as part of its certification process.

Most participants in this recent debate on workshops did not feel that a 40 hour or 5 day workshop was always practicable or desirable. Other durations and combinations of workshop were promoted including the Two Day Workshop, Split Workshop, Series Workshop and Short Workshop.

In the Two Day Workshop, the participants come together to complete the job plan in 2 days, often long days working at a high intensity. In some instances, the high intensity is believed to be conducive to achieving solutions, similar to raising the temperature to improve the results of a chemical reaction. This approach has the advantage of not taking participants away from other duties for too long a period. It is advocated for strategic issues where participants are debating ideas rather than "nuts & bolts".

The Split Workshop is advocated where the tendency is for workshop participants to comprise the actual project team, rather than external experts. The overall time spent in a workshop situation is reduced; usually to two or two and a half days. The job plan is the same, but the development phase is undertaken outside the workshop and there is no actual presentation phase, but rather an action plan for implementation.

Another form of Split Workshop comprises a 2 day pre-event planning meeting followed in 2 weeks by a full (40-48 hrs) 5 day workshop, be it a "soft" or "hard" project issue. During the pre-event, a dedicated core team commits themselves to the full workshop agenda. Guests and other resources are invited as needed, but the core team carries the project load

The 5 day workshop event is sometimes split into 2 parts. Following the first 3 days, concluding with the initial screening steps in brainstorming, the team is given two weeks to explore the proposed ideas and report back as a team to create proposal scenarios and a business plan during the second, 2 day part. In addition to developing more credible proposals with this split session, the 3-2 format allows commitment of highly qualified people on the core team who could not commit to a continuous 5 day event.

The dedicated core team is seen as fundamental to the success of the study. Another fundamental requirement is the identification of a sponsor with authority to fund the implementation of approved VE proposals. Nice to have options include off site working environment, more important for high profile or high risk studies.

Where Value Management are an integral part of project management and product development, VM workshops form part of each approval step and define-redefine-review stage of the deliverables as well as being used to identify value opportunities. This form of Workshop is known as Series Workshops. Here, VM is implemented early, and continues throughout the course of the project management or product development process.

At each stage of a project the VM focus will be slightly different as the output from one phase will be the input of the next. In each workshop, the VM process will cover scope, cost, time and quality and reassess the needs-objectives-value criteria. One important characteristic of this type of workshop process is that the team composition evolves during the life cycle.

In France, this type of process is used for product development where extensive function analysis typically leads to the Function Performance Specification and is followed by a number of VA workshops on specific functions or elements. It is probably more appropriate to the decision making process of organisations, which

is a relatively continuous, incremental and iterative processes.

One advantage of split or series workshops is that the participants have time in between workshops to come to terms with the often complex paradigm shifts that are facing them. The abstract concepts that they are dealing with are easier to swallow in smaller doses and participants are less likely to become discouraged.

The disadvantage is the time taken to get up to speed each time a workshop is reconvened, and for this reason, some practitioners did not feel that splitting the workshops to less than half a day was productive. Others were reasonably happy, so long as the split occurred in line with natural splits in the Job Plan, for example, after the Creative Phase, rather than in the middle of it.

Another disadvantage cited was that the facilitator might be faced with sporadic attendance of different individuals and temporary replacements. This could be frustrating and facilitator would not accept changes to the core team. Others felt that this scenario could be handled reasonably if the Client was flexible enough.

Finally, Short Workshops, those of less than one day duration, were noted. The example given was that of a preliminary design for a construction project. The participants were the design principals and in four hours, the team had focused on functions, researched and developed ideas.

It would appear from looking through this debate that the form and duration of the workshop should match the requirements of the Customer, the parameters of the study and the experience and willingness of the facilitator to work to the requirements of the situation. All parties agreed that it was important to follow the Job Plan and carry out some form of Functional Analysis, FAST diagram or Link Thinking.

In Hong Kong, the pace of life is so fast that it's extremely difficult to get Clients to commit to spending long periods at any one time. It is therefore useful to have the views of experienced practitioners to make us aware that there are other forms of Workshop that are as valid as the traditional ones. The results from the use of VM techniques are more important than a slavish adherence to the detail.

3RD INTERNATIONAL CONFERENCE UPDATE

Tony Wilson, HKIVM Conference Director

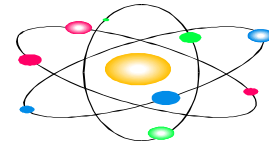
Our third International Conference planning is well under way. The theme "Managing Sustainable Values" has attracted a wide variety of very interesting papers. We have two keynote speakers, Mr. Kim Salkeld, Dep.. Sec. Environment, Planning Environment and Lands Bureau, HK Govt., for day one and Mr. Mike Rouse, Director, Business and Service Promotion Unit, HK Govt. for day two. They will present very different presentations on their views on the conference theme.

There will be 18 paper presentations and 4 discussion sessions covering value management process and applications, value management helping business and value management and construction. The sessions are arranged in such a way that if you cannot attend the whole time, you may be able to select the subjects you find most helpful or interesting.

There will be a Cocktail Reception Racing Night on the 5th. and a Closing Chinese Banquet at the Island Shangri La Hotel on the 7th. All members are welcome to attend with inquiries, registration and payment to be made through ICC, Tel 2559 9973, fax 2547 9528, e-mail Icc@asiaonline.net , attention Susanna Pang. Bookings should be made as soon as possible as places are limited.

The Conference is the single major cost outlay risk of the HKIVM. This year we have received very little support from advertisers and no sponsorship at all. We are relying on delegates attending ,therefore it will be appreciated if you could attend or really make an effort to find extra delegates for us. If any one wishes to advertise in the Conference proceedings or handbook, please contact ICC as above. The Conference will be very stimulating and there will be the opportunity to meet some of the most experienced facilitators world wide. We hope you will be able to attend or otherwise support us in some other way for this major event.

HKIVM NEWS



- ♣ On 23 February 1999, Prof. John Worthington gave a presentation entitled "Management of Value: The Client Paradigm" at lunch meeting at the Fraser Room, The Hong Kong Club. John is conducting a consultancy for the proposed Hong Kong Science Park Project. In his talk, John illustrated how the changing needs of large complex organisations are translated into a programme of practical action for design. More than 20 members and distinguished guests attended the talk.
- ♣ On 8 March 1999, The Honourable Ronald Arculli, JP, Legislative Council Member, gave a presentation entitled "Management of Values from a Legislative Councilor's Point of View" at the Caernarvon Room, The Hong Kong Club.



FORTHCOMING EVENTS

- ◆ 29th April 1999, at 12.30pm, Willaim Barron, Professor of Environmental Economics at The Centre of Urban Planning and Environmental Management, University of Hong Kong will speak at our lunch meeting, entitled "Heading Towards Sustainability? - Practical Indicators of Environmental Sustainability for Hong Kong".
- ◆ 6-7 May 1999, HKIVM will organise the 3rd International VM Conference at the Convension and Exhibition Centre, Hong Kong. For detailed programme, please see page 15.
- ◆ 9-10 May 1999, The Chinese Society of Value Engineering (preparing committee) will organise the 1st International VE Conference in Hangzhou, one of the most beautiful cities in China. For detailed information, please contact Prof. Yiqun Xing, School of Business Administration, Zhejiang University, No. 20 Yugu Road, Hangzhou, 310027, P.R. China, Tel: 0086-571-7951218, Fax: 0086-571-7965716, E-mail: xyq@sba.zju.edu.cn.
- ◆ June 1999, a lunch meeting will be organised by the HKIVM. Details will be announced later.
- ◆ 27-30 June 1999, 39th Annual SAVE International Conference, San Antonio, Texas. For further information, please contact Madhuri Joshi, the conference administrator, SAVE International, 847/480-1730.

A note about the speaker at the lunch meeting:

Professor William Barron, who is the Professor of Environmental Economics at The Centre of Urban Planning and Environmental Management, University of Hong Kong has agreed to speak at our lunch on Thursday 29th April. Bill Barron is the Editor and one of the co-authors of a study entitled "Heading Towards Sustainability? - Practical Indicators of Environmental Sustainability for Hong Kong" and will be presenting this publication.

At the Seventh Annual Business and Industry Environment Conference held in September he was reported as giving a pragmatic view of Hong Kong's situation, placing the SAR on the unsustainable list because of unfulfilled social and environmental needs. He highlighted the difficulties inherent in making basic changes in societies and the conflict between collective and individual choice. He proposed that a collective effort is required to resolve environmental problems, a view supported by the practises of Value Management.

We are delighted that Professor Barron has agreed to speak on such a relevant topic and gear us up for our 3rd International Conference - Managing Sustainable Values due to take place on 6 & 7th May 1999.

NEW URL FOR HKIVM

Please note that our new domain name will be WWW.HKIVM.COM.HK effective from 1 May 1999.

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" or 5.25" 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 such as Wordperfect 5.1 are also acceptable. If none of the above word processing packages is 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 of HKIVM, Dr Geoffrey Shen, Department of Building and Real Estate, The Hong Kong Polytechnic University, Hung Hom, Kowloon. Tel: 2766 5817, Fax: 2764 5131, Email: bsqpshen@polyu.edu.hk.

Application for Membership of the Hong Kong Institute of Value Management

If you are interested in knowing or joining the HKIVM, please fill in the reply slip below and return it to the membership secretary of HKIVM, Mr. Patrick Fong, c/o Department of Building and Real Estate, Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong. Fax: 2764 5131.

_____ Cut Here _____

Please send an application form for membership to the undersigned:

Full Name: _____

Company: _____

Address: _____

Position: _____

Tel: _____

Fax: _____

Signature: _____