



Newsletter No. 2014-03

Dear Members and Readers,

The summer is really very hot but, without laying back, we are still making progress!

Institute Logo

We have not had high resolution institute logo for a long time. Thanks to our Council Member for IT, Mr. CHAI Chee Yoong, we now have one as shown above.

Message from the President

Dear Members,

It is my great privilege and honour to be elected as President of the Hong Kong Institute of Value Management (HKIVM). I will cooperate with our council members and dedicate my energy to pursue the visions and missions of HKIVM. With the continuous support from our members, I am confident that HKIVM will provide you with best value and more updating seminars and events.

In 2013, we attended a meeting with the Development Bureau and submitted our suggestions on reviewing the value management (VM) practice in Hong Kong especially for Government projects. Over the past 10 years, VM has evolved to serve the needs of project teams in Hong Kong. Based on this experience, we suggested to apply VM as early as possible at the project definition stage of Government projects and invite multiple stakeholders to participate in the workshops for team discussion and decision. In order to successfully facilitate VM workshops, we suggested that it would be essential to select a qualified facilitator from our facilitator list.

The works departments should be encouraged to provide adequate VM training to their officers. We strongly recommended adopting 1-day workshop, at least, to follow through the VM job plan systematically and logically. Moreover, VM was also proposed to be adopted in the public engagement process in order to integrate public views, analyze public interests and meet various expectations of representative stakeholders.

To actively respond to the Development Bureau, our council members reviewed our current facilitator requirements in the beginning of this year. The VM facilitator requirements should ensure the qualification of VM facilitators in the industry and pursue best value for our clients.

To increase the number of qualified VM facilitators, two VM training courses have been conducted recently. Through the formal training, the potential VM facilitators not only learned the basic knowledge of VM, but also practised VM facilitation. I wish that they would have more opportunities to join real VM workshops and become qualified facilitators in the near future.

To promote our Institute, we are going to arrange a series of VM seminars in 2014 jointly with the Hong Kong Institute of Surveyors, the Hong Kong Institute of Construction Managers and the Chartered Institute of Building. All HKIVM members are welcome to join these seminars and learn the new development of VM. We also wish that these seminars could provide a platform for our current members for sharing their VM experience and give opportunities to attract people who have the motivation to adopt VM in their work and lives to become new members / associate members. Having been established in 1995, HKIVM will soon welcome its 20th birthday. Our council is

preparing to organize the 20th anniversary VM conference in March, 2015, with the support of SAVE International, USA. It will be a great opportunity to meet international VM experts from Japan, Korea, India, Taiwan, Garman, Australia and the United States. We hope that our members can join us at this big event. We are pleased to announce that Mr. Thomas Wong has attained sufficient experience to be admitted to List B of the Approved List of Facilitators. We also congratulate the following who have received the AVS qualification in 2014 after undergoing VM training organized by HKIVM: Mr. Wai Ming Tse, Mr. Steven Tsang, Mr. Yik Shun, Ricky Wong, Mr. Qi Liang, Mr. Chi Sum Fok, Mr. Ka Tai Lion Lau, Ms Yang Li, Mr. Zikun Jiang, Mr. DingCheng Xi, Mr. Xingbin Chen, Ms Qing Xu, Mr. Peng Zhao, Ms Tian Qing and Mr. Yue Wang.

Looking ahead, I have no doubt that the coming year is an opportunity for greater development of HKIVM and also VM applications in Hong Kong. If you have an interest in sharing your experience and opinions, please feel free to contact our secretary Ir. Lillian L.Y. CHAN by email secretary@hkivm.org.

Best Regards,

Mei-yung LEUNG

President of the Hong Kong Institute of Value Management

16th June, 2014

Payment of Annual Subscription

Renewal Form for payment of Annual Subscription for this year 2014 and updating contact information has been emailed to members by end of May 2014 for payment by 15th July 2014. Please submit the Form with payment if you as a member have not yet done so.

VM Module II Training on 25th to 27th April, 2014

A VM Module II training course has been conducted on 25th to 27th April, 2014 at Room 1207 (HKIS Meeting Room 1), 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong. The instructor was our **President, Dr. LEUNG Mei-yung**.

Chee Yoong has the following report:

Value Management (VM) Training for Construction – Module II

Mr. Chee Yoong CHAI

The Hong Kong Institute of Value Management



Organized by the Hong Kong Institute of Value Management (HKIVM) and approved by the SAVE International Society, Value Management (VM) Training Workshop for Construction – Module II was successfully held over 25 – 27 April 2014, with the participants from various organizations, such as academic institutions, QS firms, developer, the government and consultants. Dr. Mei-yung Leung, as a president of HKIVM, was the facilitator of the training workshop.



Nowadays the competition in Hong Kong's construction industry is increasingly fierce. The industry necessitates that professionals not only acquire technical knowledge, on the contrary, they must also develop various management skills for setting the primary goals. VM is widely recognized in the way to improve the quality of construction products and enhance the value of projects. However, qualified facilitators / co-facilitators are hard to come by in Hong Kong. Hence, **Module II**, which offered in-depth VM knowledge and value methodologies, as well as various facilitation skills and techniques, was intended for participants who had completed Module I training and planned to become a qualified VM facilitators locally or internationally.



All phases of the VM job plan, including the function analysis phase, the creativity phase, and evaluation phase were covered under this workshop. The workshop was conducted in an interactive way through individual presentation and group discussion. Participants engaged in "real-time" decision-making using the value methodologies and learn the VM in an advance level. The participant also learned how to manage and organize one-day VM workshop which is very common in Hong Kong.



During the workshop, each participant was requested to play as a facilitator and learn how to apply different tools and techniques in each phase. They actively involved in the role play as a "facilitator" and tried to familiar the tools and techniques. Group discussions were held after each presentation to discuss the strength and weakness of each participant and the advice also has been given by the facilitator and group members to each participant for their improvement.



At the 2nd and 3rd day of workshop, Mr. Paco Tsang, Sr KC Tang, Mr. KT Chau and Ir. Lillian Chan, the council members of HKIVM were invited to sharing their experience in facilitating and participating VM workshops. They highlighted the important skills and the role of facilitator during the workshop, and further elaborated the common problem facing during workshop and suggested various effective techniques to overcome those problems to all participants. Furthermore, they also witness the presentation of each participant and willing to comment the presentation performance and facilitating skills of each participant.



All in all, the training workshop was conducted successfully. All participants found it is really practical and beneficial in the way of facilitating workshop. Upon the completion, all of the participants were planning to become facilitators and co-facilitators.



Future VM Qualification Training

The Council Meeting on 11th June, 2014 has decided to change the qualification requirements for listing as a HKIVM facilitator in order to enable more people to become facilitators so as to promote the use of value management. Our **Council Member for Professional & Training, Mr. K T Chau** will put the changed requirements in proper wording for official announcement. We will keep you informed.

20th Anniversary and International VM Conference 2015 “Discover Hidden Values”

As advised in the previous Newsletters and in the President's message above, we will have our 20th anniversary next year and we are planning to organise an International VM Conference in **March** next year. However, we may adjust the time to **May** subject to final checking as to the best time to hold it for local and international guests.

We are pleased to have **Mr. David K C YAU**, one of our Past President, join our Organizing Committee comprising:

- Conference Director: **David K C YAU**
- Conference Treasurer: **TANG Chi Wang**
- Conference Secretary: **CHAI Chee Yoong**
- Conference Programme Manager: **Elise CHAN**

The Event Consultant has been selected to be **International Conference Consultants Ltd.**

CPD Event on 30th June 2014 Is Value Management Part of Your Daily Life by Ir TSANG Ping Chiu, Paco and Ir. Lillian Chan

Our **Vice President, Ir TSANG Ping Chiu, Paco** and our **Secretary, Ir Lillian Chan** (<http://hkivm.org/contact.htm>) have delivered a CPD talk on "Is Value Management Part of Your Daily Life" on 30th June 2014 from 7:00 pm to 8:30 pm at The Hong Kong Institute of Surveyors. This is a joint event between us and the Building Surveying Division and Quantity Surveying Division of The Hong Kong Institute of Surveyors, as a result of our initiative to offer CPD events to our members.

The event started with Paco introducing the VM methodology. This was followed by Lillian conducting a real time practice.









From left to right on the last photo: K C Tang (dual member of HKIVM and HKIS), **Paco, Lillian**, C W Tang (event organiser and dual member of HKIVM and HKIS).

Paco and Lillian have kindly agreed to release the presentation slides of the event as the **attached**. Paco also would wish to thank our **Council Member, Dr. Jingyu YU** for her help to prepare his presentation slides.

Appeal to Members

The above CPD event and another CPD event held in October last year were jointly organized with HKIS on our initiative. HKIS has kindly agreed to make them free events for those who have actually joined. However, it has been reflected that the attendance number as HKIVM members **is very low**. We would therefore appeal to you to join our future CPD events and to indicate your HKIVM membership if you have dual membership to ensure the sustainability of these events.

16th July, 2014
End of Newsletter

Is Value Management (VM) Part of your daily life

Presented by Ir. Lillian Chan and Ir. Paco Tsang
Date: 30 June 2014

HKIS and HKIVM

Contents of Seminar

Part 1: Would you like to know how VM affect your daily life?

Part 2: Would you like to know the process of VM?

Part 3: Would you like to have a taste of VM techniques?

Definition of Value Management (VM)

Structured and analytical process which seeks to achieve value for money by **providing all the necessary functions** at the **lowest total cost**, consistent with required levels of quality and performance.

Australian for value Management AS/NZS4183

3

Assumptions

Poor values exist because of :

- Working pressure
- Insufficient time
- Habitual thinking
- Poor coordination
- Insufficient information
-

4

Philosophy

$$\text{Value} = \frac{\text{Function}}{\text{Cost}} = \frac{\text{Satisfaction achieved}}{\text{Resources consumed}}$$

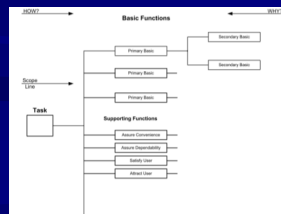
5

Process



VM DECISION-MAKING PROCESS

- A VM approach emphasizes the logical and systematic VM processes standardized by SAVE, i.e. Five-phase job plan.



7

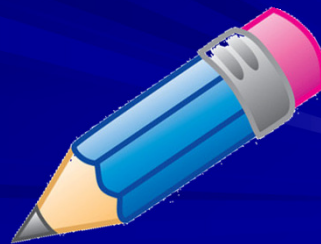
VM Process	Purpose
Pre-decision making	Clear project scope Appropriate PE arrangement Adequate PE publicity
Sharing information	Concise presentation Sufficient / selective information Not too many technical terms
Analyzing information	Information analysis Aware how opinions are proceeded
Generating ideas	Sufficient time for discussion Create as many feasible opinions as possible
Evaluating ideas	Engage public involvement
Developing ideas	Develop specific plan Commitment and consensus

Function Analysis

Construct a FAST diagram

HOW →

← WHY

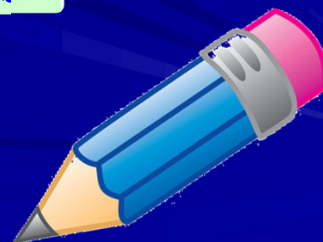


Function Analysis

Construct a FAST diagram

HOW →

← WHY



INITIAL STAGE OF VM

Pre-decision making

- ✓ Establish VM strategy (activities, date, venue,)
- ✓ Identify stakeholders
- ✓ Prepare information

Pre-workshop

- ✓ Collect project info.
- ✓ Identify VM team members
- ✓ Determine the agenda
- Develop clear scope
- Identify and prioritize strategic issues of concern
- Identify key issues
- Understand project info.

VM

Analysis

- Analyze project functions
- Establish function model
- Identify value-mismatched functions
- Specify project objectives

VM

Generating ideas

- ✓ Raise creative ideas /alternatives
- ✓ Use brainstorming techniques

Creativity

- ✓ Generate creative ideas
- ✓ Apply brainstorming

- Ideas are function-based
- Ideas can improve value
- Conflict can be stimulated and used constructively

VM

Evaluating ideas

- ✓ Multiple criteria
- ✓ Assess the proposed ideas
- ✓ Consider resource/risk

Evaluation

- ✓ Identify criteria
- ✓ Evaluate ideas
- ✓ Consider project limitation

- Ideas are function-based
- Develop a shared understanding
- Conflict resolution by initial consensus on selected ideas

VM

Developing ideas

- ✓ Develop feasible proposal
- ✓ Develop action plan

Development

- ✓ Develop feasible action plan
- ✓ Develop implementation proposal

-
- Compare select ideas to project obj. /functions
 - Commit to the final decision
 - Specify project goals

VM

Presenting ideas

- ✓ Present proposal
- ✓ Exhibit the feasible proposal
- ✓ Prepare formal report

Presentation

- ✓ Present report /proposal
- ✓ Prepare formal report

-
- Seek support from top management
 - Commit to the project goals

VM

Post-decision making

- ✓ Proposal implementation
- ✓ Follow-up and monitor
- ✓ Feedback

Post-workshop

- ✓ Conduct an implementation meetings
- ✓ Feedback
- ✓ Follow-up

-
- ✗ Lack of commitment
 - ✗ Lack of public support
- High commitment

VM

- Conduct for the purpose of solving team issues in construction development projects.
- Divide into three stages: pre-decision-making, decision-making and post-decision-making.
- Logical processes : sharing and analysing of information and the proposing, evaluating, developing and presenting of ideas.
- Activities and techniques, such as the preparation of a venue, the selection of stakeholders, and the brainstorming and evaluation of ideas.

SUGGESTIONS

VM Process		Suggestions
Pre-DM		Develop VM guidelines Appropriate VM planning VM Publicity by multimedia
Share info.		Prepare info. with lay people language Specific project issues
Analyze info.		Encourage interaction & participation Specific project objectives
Generate ideas		Sufficient time for discussion Encourage creativity
Evaluate ideas		Public involvement in the evaluation Evaluation methods
Develop ideas		Consider public opinions Specific action plan
Present ideas		Use multimedia to distribute VM report
Post-DM		Allow public to monitor Update project progress to the public

- In conclusion, the application of VM in decision-making process is expected to improve project performance, obtain consensus and commitment on the final decision and promote the project outcomes.

Practising Time



Exercise - Practising VM

- 3 people form 1 team
- Each person proposes 1 problem / issue
- In team:
 - Discuss by asking
 - What is the issue?
 - Why do you consider the issue?
 - What is the consequence of NOT resolving the issue?



Exercise - Practising VM

- Select & agree a topic for practice
- Define the objective
 - What would you like to get?
- Roles of members:



Information Phase

Understand the characteristic of the issue

Internal	Strength / Well	Weakness / Not Well
External	Opportunities	Threats

Information Phase

Identify the areas need to explore creative alternatives

- Rate the items in SWOT

1 = Must be addressed

2 = Can be resolved later

3 = Plan for future

Function Analysis

Define, classify and evaluate the functions of the issue

- Discuss & write on worksheet

– What does it do?

– What does it HAVE to do?

ACTION - Verb

What are you going to do?

TARGET- Noun

What are you going to do it to?

Make
Friends

Function Analysis

Construct a FAST diagram

- Select a function against the objective
- Choose other functions to form FAST diagram



HOW →

← WHY

Creativity Phase

Problem solving by brainstorming

- Rules
 - No judging
 - Quantities NOT quality
 - Wild ideas are welcome
 - Build on others ideas
- In team, brainstorm 10 ideas



Evaluation Phase

Screening the useful ideas

- Here you can be judgmental :-
 - 1 - Worth further consideration
 - 2 - Maybe worth further consideration
 - X - Practically impossible
 - ↳ Insignificant improvement
 - ↳ Violates constraints / objective



Development Phase

Planning for actions

- Prioritize the No. 1 ideas
- Work out key actions for top 3 ideas

Re-define creative idea	
Key action	When
1.	
2.	
3.	

Implementation Phase

Monitor the outcome meets the expectation



THE HONG KONG INSTITUTE OF
VALUE MANAGEMENT
香港價值管理學會

Thank you



THE HONG KONG INSTITUTE OF
VALUE MANAGEMENT
香港價值管理學會

Practising VM

Proposed problem / Issue	
Information Phase - SWOT	
<u>Strength / Well</u>	<u>Weakness / Not Well</u>
<u>Opportunities</u>	<u>Threats</u>

Practising VM

Function Analysis Phase – Identify Functions	

Practising VM

Function Analysis Phase - FAST Diagram

Practising VM

Creativity Phase - Brainstorming

1 - Worth further consideration

2 - Maybe worth further consideration

X - Practically impossible

↳ **Insignificant improvement**

↳ **Violates constraints**

Practising VM

Implementation Phase – Action Planning	
<u>Creative Idea:</u>	
Key Action	When
1.	
2.	
3.	