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1 Introduction

The value of the facility over time for a particular organization is considered as the driving factor of success for a construction project. Utilizing integrated process along with tools like value and risk management techniques constitute the main factors that ensure the successful delivery of a construction project (OGC 3).

The split between the value and risk management techniques is even considered as artificial and some practitioners argued that they should be combined (Fryer *et al.*, 2004, p.196).

Value management is considered as the process that determines, evaluates and delivers the Client's functional benefits and requirements in consistent with the Client's culture and objectives (Kelly, Male and Graham, 2004, p.219).

This report is prepared to advise the Client representative on the details of the approach adopted by the VRM consultant to perform the value and risk studies carried out to identify business needs and options to meet business needs in conjunction with OGC 3 Project Procurement Lifecycle for a new-build local government administrative headquarters.

2 Preparation before a study

Value and risk management terminologies may appear attractive. However, without effective utilization of suitable VRM techniques, the study will not be able to deliver the aimed results (Dallas, 2006, p.235).

Value and risk management use workshops as the core of the studies (Dallas, 2006, p.235).

Before start using any of the VRM techniques, a preparation for the workshop is essential, as starting any workshop without adequate preparation can result in a less effective study than it could have been and accordingly, it is recommended that a study should include a preparation period (pre-workshop), workshop and then followed with a report (Dallas, 2006, p.235).

3 Identify Business Needs

3.1 Orientation and diagnostic phase

In this period, before starting any exercise, the VRM consultant will make sure that all the concerned stakeholders are briefed and also ensure that the gathered information is adequate prior starting the workshop (Dallas, 2006, p.236).

As a starting point of this stage, a “pre-workshop meeting” with key stakeholders that will be chaired by the VRM consultant is required to achieve certain key purposes which are mainly to get the VRM consultant acquainted with the project and to what the stakeholder’s expect from the study and furthermore, have a consensus on the study type to be carried out to make sure that the appropriate information will be gathered and analyzed (Dallas, 2006, p.236). This meeting will also introduce the VRM concepts, habits and attitudes to the attendees.

At the “pre-workshop meeting”, implementing certain key aspects will eventually lead to a fruitful workshop. “Team Building” is essential at this stage to establish the nature of relationships within the team, which will determine how the workshop members will be selected (Dallas, 2006, p.92) and accordingly, identification of the stakeholders to be invited who will effectively contribute to a quality teamwork required in the workshop.

This study will be carried out in one day and hence, it is essential to gather all the appropriate information before conducting the workshop and accordingly, the “Client Value System” is one of the key issues that will be discussed during this meeting to determine the culture preference and objectives of the Client and help have a

preliminary understanding of the stakeholders' needs and priorities before conducting the workshop.

At this stage, a workshop agenda that includes the methods to be utilized and the manner of how it will be conducted, will be developed to serve as a guideline for the first workshop that will last for one day (Kelly, Male and Graham, 2004, p.103). (See Appendix 6.1)

3.2 Workshop

During the workshop, alternative and additional views will be discussed and agreed on to produce a report with an action plan that ensures value solutions will be implemented after the workshop phase (Kelly, Male and Graham, 2004, p.103).

“Function Analysis” technique will play a major role in determining answers to major questions at this stage e.g. “what are you we trying to achieve?” and “what must we get right if we are to achieve it?” (Dallas, 2006, p.272).

By using “time / cost/ quality analysis”, the core four parameters i.e. time, cost, quality and utility will be analyzed at an umbrella level to determine the stakeholders' needs, objectives and priorities.

“Brainstorming” will be utilized in conjunction with techniques used throughout the workshop. For the “Brainstorming” to be efficient, the VRM consultant will ensure that the ideas being presented are relevant, not redundant and not presented in a way that contradicts with original thinking (Dallas, 2006, p.298, p.299).

It is very important to operate the workshop in an efficient manner and to get the maximum benefit out of the discussions carried out. By using “Evaluation and

Development” technique, ideas brought by the workshop members will be evaluated to mark those ideas that have greater merit than the others and that will eventually lead to improvement in the project’s value (Dallas, 2006, p.300).

The workshop will also include a plan for implementation and an action plan that will ensure that the decisions set out in the workshop will be implemented (Kelly, Male and Graham, 2004, p.108).

And accordingly, the study report will be prepared and circulated and signed off by the participants to conclude a consensus on the deliverables.

3.3 Deliverables

In this section, deliverables set out in the workshop will be identified and discussed.

A study report done at this stage will essentially include a mission statement that clearly identifies the reason to invest in this particular facility and will also identify the Client value system in terms of the Client’s objectives, priorities and cultural preference as well as the overall purpose and success criteria (KPIs) of the project. The report will present alternative options that could meet the Client’s needs.

4 Options to meet business needs – Confirm project still required

4.1 Workshop 2

The report generated from the first workshop will be the backbone of the second workshop. The second workshop will use the set of deliverables previously identified and make sure that they are still applicable and furthermore, refine, optimize and develop these deliverables to match the additional details that have been newly introduced to the project since the first workshop. Adopting that advanced approach will require utilizing techniques that are appropriate in dealing with the project at that stage.

A workshop agenda that includes the methods to be utilized and the manner of how it will be conducted will be developed to serve as a guideline for the second workshop that will last for one day (Kelly, Male and Graham, 2004, p.103). (See Appendix 6.2)

“Brainstorming” technique will be used along with “Function Analysis” technique to identify whether the Client’s objectives are still the same or they should be updated or developed to be more detailed and that will eventually lead to confirm whether the project is still required or not.

“Value Drivers” technique can be used as a further illustration for the “Function Analysis”. The value drivers are those aspects that define the value of the project and are easily understood at an umbrella level (Dallas, 2006, p.288).

“Time / cost/ quality analysis”, will be used to examine the core four parameters i.e. time, cost, quality and utility with higher level of detail to confirm the stakeholders’ needs, objectives and priorities.

“SMART” methodology “value tree” concept will be utilized during this workshop to identify and evaluate alternative high-level options that can meet the Client’s needs by ranking the attributes by their importance in terms of achieving the project’s objectives (Dallas, 2006, p.286).

“Brainstorming” will be used along with high-level risk analysis of potential project options. Risk analysis at that stage will essentially concentrate on risks associated with not achieving the functions set out in the “Function Analysis” and the objectives set in the “time /cost/ quality analysis”.

“Evaluation and Development” technique will be used again to eliminate unwanted ideas and concentrate on the relevant ones.

The workshop will include a plan for implementation and an action plan that will ensure that the decisions set out in the workshop will be implemented (Kelly, Male and Graham, 2004, p.108).

And accordingly, the study report will be prepared and circulated and signed off by the participants to conclude a consensus on the deliverables.

4.2 Deliverables

A study report done at this stage will essentially include a mission statement that clearly identifies the reason to invest in this particular facility and will also identify the Client value system in terms of the Client’s objectives, priorities and cultural preference as well as the overall purpose and success criteria (KPIs) of the project. The report will present alternative options that could meet the Client’s needs along with high-level risks.

On reaching the end of this study, utilizing a simple 'go button' technique with the Senior Client's representative can be very useful to determine if the Client is really ready to proceed and commence with the project (Kelly, Male and Graham, 2004, p.107).

5 The Studies Outcome

The main aims of these studies are (Dallas, 2006, p.239):

- Develop a strategic brief, which describes in business language the reasons for investment.
- Select the best options to inform the design brief.
- Resolve identified problems.
- Establish the effectiveness of implementation plans.
- Determine high-level risks and establish risk register.

6 Appendices

(ebookbrowse 2010; Plymouth City Council 2009)

7 References

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