



Newsletter No. 2013-01

Dear Members and Readers,

Our Council

We are pleased to advise that the composition of our current Council is as follows:

- President: **Mr. Bryan Clifford** (JCP Consultancy International Ltd.)
- Deputy President: **Dr. Mei-yung Leung** (City University of Hong Kong)
- Treasurer: **Mr. Thomas Wong** (Beria Consultants Ltd.)
- Secretaries:
 - **Dr. Ann Yu** (Hong Kong Polytechnic University)
 - **Ms. Lillian Chan** (JCP Consultancy International Ltd.)
- Council Members:
 - **Mr. Anthony K C Leung** (Icontext Consultants Ltd.) (Membership)
 - **Mr. K T Chau** (Qualification + Training)
 - **Dr. Jacky Chung** (Hong Kong Polytechnic University) (CPD Events)
 - **Mr. Paco Tsang** (Jacobs China Limited) (Promotion)
 - **Mr. K C Tang** (K C Tang Consultants Ltd.) (Publication)
- Immediate Past President: **Prof. Geoffrey Shen** (Hong Kong Polytechnic University) (ambassador of HKIVM)

Our Vision

We have slightly refined our Vision as follows:

- To become *recognized* as the focal point for knowledge and expertise in enhancing the value of projects, products, processes & services.

The words "recognized as" have been added.

Challenges and Opportunities

Based on the refined Vision, the Council has considered our challenges and opportunities in the following areas:

- Promotion
- Membership
- Council members
- Facilitation
- Industry
- Process & practices

Strategy Going Forward

The Council has further developed the following strategies:

- Strategy 1 – Convince Development Bureau (DevB) to apply Value Management (VM) prior to the preparation of project definition statements
- Review the stages to conduct VM
 - Review qualifications of facilitators
 - Review workshop duration and arrangement
 - Apply VM in Public Engagement
 - Prepare a 1-page leaflet explaining the values of VM
- Strategy 2 – Make HKIVM exclusive or recommended provider of VM services
- Strategy 3 – Publish newsletters
 - Publish more frequently
 - Include one article from past conferences
 - Encourage contribution of articles
- Strategy 4 – Value engineer the construction processes
 - Look for speaker opportunities on VE the construction processes
 - Write articles on reducing construction wastes (tangible and intangible)

New Facilitators

We are pleased to announce that the following persons have been approved by the Council as our List B Facilitators:

- **Mr. Paco Tsang** (Jacobs China Limited) - approved on 17 September, 2012
- **Mr. K C Tang** (K C Tang Consultants Ltd.) - approved on 11 March 2013

Formal VM Training this Summer

In this present day, construction professionals should not only acquire technical knowledge, they must also develop various management skills for setting the primary goals. **To enhance the innovative team decision-making management techniques in construction industry, two full VM training workshops (modules I and II) will be arranged by the Hong Kong Institute of Value Management in summer 2013.**

VM module I 27, 28, 30 June & 5–7 July

VM module II 14-16 June

Please send the form and cheque by post to **'Hong Kong Institute of Value Management Ltd.'**, PO Box 1358, G.P.O., Hong Kong. Fax: 3442-0427. before **Saturday, 8th June 2013**. Should you have any query, please feel free to contact *Miss Yu* (by phone no. 2788-8193 ; email: jingyuyu-c@my.cityu.edu.hk) or *Mr. Chai* (by phone no. 6074-2620; E-mail: mata760109@yahoo.com).

Please refer to the attached leaflet for the full details.

2013 SAVE Value Summit

The 2013 SAVE Value Summit will be held on **24-27 June, 2013** at the Crystal Gateway Marriott in Arlington, VA. For more details, please visit: www.value-eng-conference.org

SAVE International Asia VE Conference

The 3rd SAVE International Asia VE Conference will be held on **21 - 22 October, 2013** in Tokyo. For more details, please visit: <http://veasiaconf2013.jp/?lang=en> or Facebook page: <https://www.facebook.com/veasiaconf2013>

Reviewing the Value Management Practices in Hong Kong

by Mei-yung Leung and Brian Clifford, Hong Kong Institute of Value Management

Pursuant to Strategy 1, our President and Deputy President have submitted the following paper to the Development Bureau this month:

Value Management (VM) emphasises a logical and systematic decision-making process for problem solving in a team. To encourage its application, two technical circulars (WBTC 16/98 and WBTC 35/2002) have been issued by the Environment, Transport and Works Bureau for setting out the requirements and guidelines on the application of VM to public works programmes. The technical circular in 2002 (WBTC 35/2002) concluded that there were benefits in conducting VM studies and encouraged works departments to employ qualified VM facilitators from List A or B of the Hong Kong Institute of Value Management (HKIVM) for public works programmes with an estimated project sum exceeding \$200 million. Over the past 10 years, VM studies have increased by leaps and bounds, and VM practices have also evolved to best serve the needs of project teams. It is now an appropriate time to review the guidelines for VM applications in the industry. As the local professional institution on VM, the HKIVM dedicates to promote the adoption of VM in Hong Kong. Based on the experiences and knowledge of its members practicing VM in both public and private projects, the HKIVM proposes the following review.

1. Stages for VM Application

Construction projects are particularly complex entities involving an ever increasing number of impact factors, such as social, technical, physical, aesthetic and environmental. It is critical to define the project and its issues, and identify the client's requirements in the very beginning. The project definition process is important to the successful delivery of construction projects, but is problematic in practice (McGeorge and Palmer 2002). Proper representation of the real wishes and needs of the client/user departments in the project definition statement is very crucial. In order to solve the problems

and identify the requirements of the client, VM is recommended *to be applied at the project definition stage* (Leung 2009a).

Flexibility and incentive to adopt value-enhancement changes would be lost after the project definition stage, particularly when funding has been approved for a particular chosen design scheme. Thus, the project definition stage would be the best time and opportunity to apply VM. However, it does not mean that VM workshop is only a one time process. While it would give the best value at the project definition stage to help define the project strategy, scheme and detailed brief, its adoption during the design development stage as well as the construction stage would also help find the best-valued design solutions and construction methods.

To facilitate VM application at the project definition stage of public works programmes, *it is suggested to conduct a VM workshop with the client/user department, works department, and outside stakeholders*. This could enable the relevant parties to comprehensively understand the wishes and needs of the client/user departments as well as the relevant public users, systematically clarify stakeholder requirements, represent these requirements logically, verify the desirability of the proposed project or its components, and prepare the project briefing to facilitate future project planning and design stages. As the *attitude of the user departments* is important for the success of VM application, they are *expected to be more open-minded to consult with the potential stakeholders and integrate their opinions into the project briefing document*.

2. Qualification of VM Facilitators

In order to successfully facilitate participants in a VM workshop, it is essential to select a qualified facilitator for the project. Hence, we recommend the following rules for the qualification of VM facilitators:

- 1) Facilitator: *be required to be selected from the Lists of Facilitators provided by the HKIVM* (HKIVM 2013). VM facilitators on Lists A and B are recognized as competent facilitators who have achieved certification under other VM institutes and standards (Leung 2008, 2009b). Facilitators on List A have substantial experience, while those on List B are also qualified persons.
- 2) Co-facilitator: *be suggested to have at least completed the VM Module 1 training*, and understand basic VM knowledge and the logical workshop process.

We would expect that facilitators should be well equipped with sufficient facilitation competences including both hard VM techniques (e.g., problem definition, specific information; function analysis, FAST; brainstorming, TRIZ; paired comparison, evaluation matrix, star diagram; cost-benefit analysis, risk analysis and presentation skill) and soft human skills (stakeholder identification, communication, conflict management, goal setting, social learning and consensus building) (Leung 2002a, 2002b). If possible, the works departments are recommended to *provide adequate VM training to*

their officers to ensure firstly that the project teams can organize and run workshops effectively and secondly that there are adequate trained officers to act as co-facilitators or internal facilitators (WTBC 35/2002).

3. Arrangement of VM Workshops

The 40-hour VM workshop with six systematic phases is recommended by SAVE International and used widely in the United States (SAVE 2007), whilst VM workshop lasts for 24 hours in Australia (Standards Australia 2007). However, a VM workshop in Hong Kong is often conducted in a short period of 1 day or even half a day. Such shortened duration is far from enough for the application of a full VM workshop and might influence the VM performance and the final project outcomes. Therefore, we strongly recommend *adopting 1-day workshop at least, while 2-day workshop would be preferable* for any public works.

Both the pre-workshop stage and the workshop stage itself play an important role in any VM workshop. The *pre-workshop stage* aims to specify project issues, identify representative stakeholders, prepare sufficient information, and design the workshop program for solving the particular issues (Kelly et al. 2004). In order to make sure those participants can identify client requirements, participate in team discussions, specify objectives, generate the best solution and commit to the decisions for implementations (Liu and Leung 2002); facilitators should design the *VM job plan systematically* with appropriate VM techniques to address the specific project issues and stakeholder needs. For Example:

- 1) Information phase: allocate enough time to share sufficient information, ensure better understanding of the project;
- 2) Analysis phase : allow sufficient time to adopt function analysis techniques, and analyze the project problems from the functional perspective;
- 3) Creativity phase : establish comfortable environment for stimulation, adopt creativity techniques, and generate ideas as many as possible;
- 4) Evaluation phase: apply evaluation techniques to select the preferred ideas by all participants; and
- 5) Development and Presentation phases: summarize all of the discussed information and submit a formal report to the project team within a certain period (say, 2 weeks).

4. VM in Public Engagement

Based on the principle mentioned in item 3 above, VM is not only a management process but also a value methodology for solving complicated problems by team effort. In recent years, Public Engagement (PE) has increasingly been encouraged by the Hong Kong Government, especially in the areas of urban planning and policy making (HKSAR Policy Address 2007, 2011). However, there is still rarely an ideal solution to conduct PE logically and systematically in Hong Kong. To positively respond to all the challenges,

it is proposed to adopt VM, as a logical and neutral team decision making process, within a transparent and egalitarian PE process to integrate public views, analyse their interests logically, and meet the various expectations of representative stakeholders (Leung and Yu 2013).

In the application of VM in PE projects, we suggest to pay attention to (1) providing sufficient resources and support for the preparation of PEs; (2) selecting representative stakeholders in the pre-workshop stage; (3) designing the workshop logically systematically; (4) ensuring transparency and encouraging actively participation; (5) sharing specific and sufficient project information for establishing effective communication amongst all participants; (6) analyzing project information and stakeholder opinions logically; (7) encouraging creative thinking; (8) resolving conflict and avoiding intense struggle; (9) facilitating stakeholder to evaluate the proposed solutions; (10) integrating stakeholder opinions into the proposed design and drawings which are committed by stakeholders; and (11) and publishing the PE report and final project proposal to inform the wider public transparently (Leung and Wong 2008).

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