

How Can VM Improve Manufacturing?



“Aside from cost savings, the value methodology process fostered a greater understanding of the project goals and the need for systems integration among the team members of the design team. The inclusion of a member of the end-user group on the VM team helped them examine operational concerns for the base design and the potential alternatives, and gave the users a much clearer understanding of what they were getting.”

— Kelly A. Giblin, PE, New Jersey Department of Transportation

Enhancing Value in Manufacturing

The value methodology (VM) originated in the US industrial community in the 1940s as a way to identify alternatives to rationing during World War II. Its use has spread worldwide and it is currently applied to all kinds of intellectual and physical efforts in business and industry. VM consistently yields a large return on investment, while maintaining necessary quality and performance requirements of the product, process, or facility studied. Billions of dollars have been saved with VM.

A wide spectrum of businesses and industries embrace VM: automobile manufacturers to chemical processors, aircraft companies to electronics firms, appliance manufacturers to pharmaceutical companies. Benefits realized by companies that use VM far exceed the cost of implementing VM programs. Savings in time and cost contribute to improving an organization's competitive position in the marketplace and to increasing profitability for stockholders.

VM has traditionally been applied as a problem-solving tool to reduce unnecessary costs while improving performance. VM also may be used to set goals and performance plans at the start of a project. Rather than wait for problems to develop in poorly defined projects, VM is used to identify the owner's true functional requirements so that the project begins with a clarity of purpose. VM is used in conjunction with target costing strategies.

Initiation of your VM program requires drafting and approving a VM policy that includes statements of objectives, leadership, staffing, training, and, most



importantly, management support. SAVE International can provide you with the resources to establish and maintain a VM program in your organization.

Benefits of VM

- Clearly define project scope and budget.
- User resources more effectively.
- Increase revenue.
- Reduce product development costs and lead time.
- Reduce project construction costs.
- Reduce operation and maintenance costs.
- Simplify procedures and reduce paperwork.
- Streamline processes and reduce waste.
- Develop innovative solutions.
- Increase collaboration among stakeholders.
- Increase procurement efficiency.
- Improve quality.
- Implement lean initiative.

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