

Forward to the Basics: Have The Team Write the Report

(Fourth of a series)

Theodore C. Fowler, CVS, SAVE Fellow
Fowler & Whitestone
Dayton, Ohio



Theodore C. Fowler is the Managing Principal of Fowler & Whitestone of Dayton, Ohio. He has practiced value analysis (VA) since being introduced to the process through an LD Miles-directed Seminar Workshop in 1955.

ABSTRACT

During its 50-year life, value analysis (VA) and the identical process of value engineering (VE) have undergone much significant change. Most change has been good. Some change has been bad. The first paper in this series discussed the increasing tendency to ignore the essential technique, *Create-by-Function*. The second discussed the increasing failure to require that the responsible Project Engineer be the key-person on any VA or VE team and that the remainder of the team consist of presently assigned internal experts. This tendency was called *Second Guessing the Expert*. The third discussed the implications of *Second Guessing the Customer* through failure to consider, or even to effectively measure the User/Customer Attitude toward the object under study. This paper discusses another regrettable tendency: The shifting of responsibility for performance of Value Analysis from the expert team members to the Value Analysis Team Leader.

TEAMS, REPORTS AND COMMITMENT

Our leader — the fount from which we all spring — Lawrence D. Miles — did not use *Teams*. Neither did he emphasize *Final Reports*. For that matter, Miles did not use FAST

Diagramming, although he did acknowledge in his writings an early FAST system.¹

You see, Miles left GE and any active involvement with further development of the Value Analysis process in 1964, one-third of a century ago. The process of Value Analysis has since been transformed — by us — by you — by SAVE International and its members.

Today's Value Analysis is not your father's Value Analysis.

- It uses TEAMS
- It has WORTH ALLOCATION
- It focuses on COMPLETE PRODUCTS
- It tackles IMPLEMENTATION as step one
- It gathers and uses CUSTOMER DATA
- It FOCUSES CREATIVITY
- It applies the CHAMPION PRINCIPLE
- It GANTT CHARTs the proposals
- It closes the loop with a FINAL REPORT and a FINAL PRESENTATION

As VA moved out into the world beyond GE, *teams* and *final reports* became essential elements of the standard method. Carlos Fallon was specific about the essentiality of the team and of the final presentation and final report prepared *by the team*.²

Why teams? Fallon said:

"Whenever the key specialists are brought together, they can be induced to work together because:

1. Each has information the others need.
2. Each has been assigned a task jointly with the others.
3. Each will benefit personally if the task is successful."

Why final reports? Very simply, to establish in the minds and the souls of the players a commitment to their task through the establishment of a goal toward which their every effort is directed. The motivation resulting from this commitment is an essential dynamic throughout the VA workshop study.

EVOLUTION

Since the mid-1980s an unfortunate tendency has developed in the practice of Value Engineering, chiefly in the construction industry. The responsibility for the preparation and presentation of the final report has been shifted from the team to the value specialist. This tendency tracks another trend which was discussed in the second paper in this series: In some quarters it has become accepted practice that the value team be made up of outside experts who then second-guess the design.

As discussed in the earlier paper, one of the reasons for this move toward the use of a "blue ribbon" group of outsiders was a desire to conform to historical ethical and contractual constraints in the construction industry. Unfortunately, it also reflected a failure to understand the dynamics of the VA process. It also typically failed to accomplish VA's objective of significantly improving value and reducing cost. While a typical VA effort will result in significant value improvement including a cost reduction of 25 to 35 percent, the "blue ribbon" approach often degraded the product and resulted in cost reduction proposals of 5% to 10%, of which only a portion was ultimately implemented.

This failure to realize the promise of VA is the basis for much of the recent management disillusionment with the process. An all-too-common reaction is: "If simply given the opportunity for a second look at a design, *anyone* can take 10% out of anything."

TEAM CONTROL

The Value Specialist leading the Modern VA Workshop Study is responsible for:

Maintaining his or her position of expertise in all matters concerning Value Analysis while leaving to the team members their position of expertise in all matters concerning the project under study

The Value Specialist leading some construction VA Workshop Studies has been given a further responsibility, that of:

Preparing, in advance of the Workshop Study, potential solutions for the project under study. Team members are led to propose these changes in addition to other suggestions.

This authoritarian mode of leadership was originally based upon the fear that the team would be unable to create acceptable results using just VA. The unfortunate result of this approach has been a weakly focused and poorly motivated team.

CONCLUSION

Value Analysis is the most powerful problem-solving system ever devised. Take full advantage of its power.

- Assign team members who are experts on the project-under-study and *who are presently assigned to the project.*
- Take advantage of the powerful dynamic of the final presentation by having the *team members write the report and make the presentation.*

REFERENCES

1 *Techniques of Value Analysis and Engineering*,
Lawrence D. Miles, McGraw-Hill, NYC, 1961

2 *Value Analysis to Improve Productivity*, Carlos
Fallon, Wiley-Interscience, NYC, 1973