

THE EUROPEAN TRAINING AND CERTIFICATION SYSTEM IN VALUE MANAGEMENT

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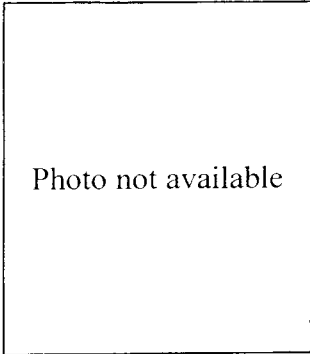


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Ken Scott is an executive member of the UK Institute of Value Management, Chairman of its Certification Board and their representative on the Governing Board of the European Training and Certification System. His background is in manufacturing, specifically the automotive component supply industry, where he has worked in an unusually wide variety of functions. He has been applying Value Management for the last 5 years, with an emphasis on supply chain integration with both components and capital equipment..

ABSTRACT

This paper examines the background to the introduction of the new European Training and Certification System. It outlines its assumptions about Value Management, and goes on to describe the systems proposals. It finally looks forward to future developments, and the relationship between the European system and other approaches.

BACKGROUND

During the late eighties the European Commission became increasingly concerned with European competitiveness. Studies such as the International Motor Vehicle Program, subsequently popularised in 'The Machine That changed The World' had identified the huge gap that existed between world class performers and the rest. They had also identified the application of value techniques as a significant element in achieving competitive advantage. As a consequence the European Commission sought to encourage the application of Value Management through the European Community Strategic Programme for Innovation and Technology transfer (SPRINT). This support has led to five

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major activities, of which the Training and Certification system is arguably the most important.

The approach was first to establish data on the level of activity in Europe through two studies. These studies were reported in SPRINT reports on 'The European market for value analysis' and the 'Survey on training activities in value analysis'. These reports highlighted considerable differences in practice in Europe and led to the development of a Value Management Handbook. This is a first attempt to codify and define Value Management practices. It is interesting to note that between the first reports issued in 1992 and the handbook in 1994, the emphasis had moved from VA to VM. This is a significant change which will be developed later. Following on from the VM handbook were the final project activities to establish a European standard for Value Management and a Training and Certification system based on that standard. Interestingly the Training and Certification project group has completed their programme before the standard has been finally agreed. This underlines the difficulty in achieving harmonisation where real and semantic differences in value approaches are complicated by multiple languages.

The early SPRINT reports outlined considerable variations in standards, and the level and application of value approaches between European countries. Almost 90% of VA activity in Europe came from Germany, France and UK in that order. There was some activity in Italy but little elsewhere. Not only was there substantial differences in activity rates, with an expected concentration in the most industrialised countries, but within those areas there were differences in standards and the application of VA. France, Germany and Austria had standards but they were different and in France and Germany there was certification in VA techniques. These standards were supported by regulated and well established training in France and Germany and to a lesser extent in Spain - the training reflecting the differing standards and certification requirements. Structures within the national value associations were also very different. In Germany The Verien Deutscher Ingenieure (VDI) is an umbrella organisation representing 120,000 professional engineers, with 20 different departments, only one of which the Zentrum Wertanalyse represents VA professionals. By comparison Spain has three separate value associations representing their different sub cultures.

While the reports identified significant differences, they also identified a clear and growing market for VA. It was against this background that a project was launched in 1994 to introduce a Training and Certification system that would result in a common approach for Europe that would lead to harmonisation of approaches and a general increase in standards of performance

PROJECT APPROACH

The European Commission commissioned the UK's Institute of Value Management to lead a team of six other countries to develop the system. The team comprised active representatives from value associations from Belgium, France, Germany, Italy, Portugal, Spain and the UK. In addition Austria, Holland and Ireland acted as observers at key meetings. Although the team was accomplished in English which was the official language, the difficulty of working with six mother tongues should not be underestimated. The room for misunderstanding when dealing with concepts such as value, worth and management is difficult enough in a single ,

language, without the complications of genuine differences in practices and nuances in national objectives. Working processes were therefore important.

The project was organised in six phases, each of about six months duration. Phase 1 was for research, phase 2 the development of a basic structure, phase 3 the development of the curriculum, phase 4 the development of a certification procedure, phase 5 preparing for Training of Trainers, and phase 6 review and launch.

The principal activity was undertaken by a working group consisting of France, Germany and Spain. These were chosen because of their experience with their national training and certification systems. This working party reported back to the rest of the project team, who also undertook more limited development work, at each phase gate review. This had the great advantage that the rest of Europe could learn from the greater training experience in VA in France, Germany and Spain. There were however some downsides. There was the concern from the countries less developed in VA that the overheads associated with the well established French and German systems would be impossible to accommodate. In addition all three focused solely on VA, while opinion in Europe was moving on to a broader definition of Value Management. It followed that their experience while valuable was not definitive.

Inevitably the areas of greatest difficulty revolved around achieving a common understanding of Value Management, its application and the consequential training needs or learning objectives.

THE EUROPEAN STANDARD

The starting point for the Training and Certification system was the development of the European Standard in Value Management (EN 12793). The standard, which is 68 pages, is currently in its final draft stage, and has been the subject of lively debate. In essence the standard defines the concept of value as achieving a balance between the satisfaction of many differing needs and the resources used in so doing. Stakeholders, internal and external customers may all hold differing views of what constitutes value. The aim of Value Management is to reconcile these differences and to enable an organisation to achieve the greatest progress

toward its stated goals with the use of minimum resources. Value Management is therefore seen as a style of management which is dedicated to mobilise people, develop skills and promote synergy and innovation, with the aim of maximising the overall performance of an organisation. VM is seen to be unique in that it is the only approach that simultaneously addresses management goals, encourages positive human dynamics, respects both internal and external environmental conditions and positively provides the methods and tools for achieving results. The VM approach involves three root principles - a continuous awareness of value for the organisation, a focus on objectives and targets before seeking solutions, and a focus on function to provide the key to maximise innovative and practical outcomes.

Value Management is a style of management that has evolved out of methods based on the concepts of value and function. Initially pioneered as VA by Miles, other methods and management techniques based on the concepts of value and function have been developed such as Design to Cost and Functional Performance Specification..

Value Management brings these and other methods together within a common framework thus ensuring that each is applied, not in isolation, but in a holistic approach consistent with an organisation's goals. The framework comprises a VM policy, a VM programme, training, and the application of methods and tools within specific projects

With many different ways of working within Europe it is important that the standard avoids divisive inflexibility. That is especially important when dealing with tools and methods as practices vary from country to country and within business sectors. The solution has been to identify specific value methods and tools which include VA, Function analysis, Function Performance Specification and Design to Cost, and additional methods. The standard lists some 23 additional methods, including benchmarking, BPR, Kaizen, and QFD. The list is not meant to be exhaustive as different supporting tools will need to be applied in different situations and new tools will emerge over time.

CUSTOMERS AND THEIR NEEDS

Work in phase 1 and 2 of the project clarified customer needs and the most appropriate

structure to meet those needs. This was undertaken via a users survey. Users were very clear as to their general needs. They required first and foremost a system that delivered business benefits, and they were very disinterested in fine arguments about what did or did not properly constitute Value Management. It was this focus on results that encouraged the project team to develop a pragmatic and flexible approach that was concerned with application competence. They wanted a system that would open up communications within their organisations, disseminating information and limiting the dysfunctional impact of functional bureaucracies. They wanted a means of defining value for money, and they wanted an audit trail that would enable them to demonstrate that they had indeed achieved value for money. They also identified a number of attributes of a desired system. They wanted it to be accessible, without a prior requirement to join any particular organisation. They wanted an effective development of skills, so that individuals could progress gaining both knowledge and experience. Finally they wanted a reliable measure of individual competence.

It became clear that there were three groups of customers with specific requirements, teachers, managers, and practitioners. Teachers were not seasoned professionals who happen to work in Universities, but people teaching in colleges and high schools with VA or VM forming a small part of their curriculum Managers wanted to know what it was, what it can do for their organisation and how they can contribute to and support a VM initiative. Practitioners were segmented into three groups, those who wish to participate effectively in a VM study, those who wished to lead studies and perhaps ultimately develop VM programmes and policies, and those who wished to train study leaders in acquiring VM knowledge and skills.

The T&CS project team decided not to develop detailed proposals for managers and teachers, although their report does address issues of training for these groups. Instead they focused their energies on practitioners, who they believed were the critical group if standards were to be established and improved. They created a structured training and certification system for these groups

STRUCTURE AND CURRICULUM

A major task facing the project team was to

el establish a level of training, expressed in terms of training days, that was compatible with good practice as established within Europe, and elsewhere (SAVE), and yet acceptable to countries where VM training was non-existent. This task was made more difficult by seeking to establish an approach based on VM rather than the more narrow VA. The solution has been to assume and require a level of personal development that reduces the knowledge content of courses, allowing limited time to be used for knowledge refinement and skill development. In order to achieve this, there is a mandatory pre-reading list for practitioners wishing to become value study leaders and value managers. In addition mentoring and experiential needs are recognised, as an integral part of the training process. This solution has the happy consequence of limiting the formal time on courses without limiting the scope of activities and their underlying knowledge bases which need to be mastered.

The actual structure is simple. As a minimum, there is a three day BASIC course, a six day ADVANCED course, and a further three day course for TRAINERS. These lengths are as stated minimums, and may be exceeded. In Spain for example their Trainer's course will be between 3-6 days depending on the prior training experience of delegates

The Basic course covers an introduction to VM and a good understanding of VA tools, which is achieved through an intensive case or real study. Course delegates will then be able to fully participate in a value study, conduct a simple analysis of the processes in which they are involved and actively support the study leader. They will not be able to lead or even co-lead any value activity.

There are no entry requirements for the Basic course. There are however a number of pre-qualifications for the Advanced course. Delegates must have at least one year's general professional experience, they must have attended the Basic course or an equivalent, they must have participated in at least one full value study as a team member and be able to present their analysis of the study and they are expected to have completed pre-reading which will be tested on the course. It will be of at least six days duration, and may be split into modules. The course will cover application of value techniques, the skills of leading a value study, diagnostic methods, the

development and implementation of VM strategies and programmes, their integration within the business and the promotion of VM and a Value Culture. As an expected outcome delegates should be able to lead value studies and begin to formulate VM strategies and programmes.

The TRAINER course is only open to qualified value practitioners with at least two years experience. The course lasts a minimum of three days and covers the skills of course design, development and delivery. The ability to develop and deliver material is tested as an integral part of the course. In the UK for example, the course is of three days initial duration and is then followed at an interval of about three weeks with a single assessment day when delegates present a micro lesson to their colleagues.

It is established practice in both France and Germany that formal value training is offered through approved trainers who operate on a private, commercial basis. That model underpins the European approach, and it is unlikely that any value association will be offering practitioner training, apart from the Trainer course. The consequence of this is that there will be a number of potentially different course offerings available. This has the benefit that the approach can cater for customers with specific needs but there is the risk that focus and consistency could be sacrificed. A critical element of the system has therefore been the approach to the curriculum.

No attempt has been made to define a specific curriculum. Instead considerable effort has been expended on developing learning objectives which must be achieved by a combination of training and experience. The learning objectives were initially developed using function diagramming and were refined and evaluated using a derivative of Bloom's taxonomy. Learning objectives could then be categorised to differentiate between knowledge, skill or attitude acquisition which has clear implications for training methods. Within each category levels were identified and defined verbs allocated. For instance the lowest level of knowledge is defined as 'be aware of', an intermediate level is 'know' and the highest level is 'understand'. The result is some detailed 80 learning objectives covering both theory and practice.

It is this definition of the learning objectives that provides for a consistent approach while retaining and experience that is related to VM. Most

necessary degree of flexibility. The structure assumes that skill cannot be developed without some underpinning knowledge. It is expected therefore that some 75% of the learning objectives are associated with knowledge. That balance is not however to be reflected in the course structure where 75% of the time is expected to be devoted to skills application. It is in this context that pre-reading and personal responsibility for knowledge development assumes considerable importance, as it enables us to get more than a pint into a pint pot.

CERTIFICATION AND THE PROVISION OF TRAINING

It is intended that practitioner training will be provided by commercial organisations. In order to be able to offer such training, trainers will need to be qualified and their courses approved. To become qualified a potential trainer must achieve the TRAINER IN VALUE MANAGEMENT qualification (TVM). This qualification can only be achieved by successfully attending the TRAINER course, and subsequently submitting a dossier for approval which will contain an outline of the proposed Advanced course, the course and learning objective matrix which demonstrates how the learning objectives will be achieved, and the full contents of a developed micro-lesson demonstrating material development competence. Once qualified a TVM may develop and submit courses that conform to the appropriate learning objectives for approval. A certification jury comprising an experienced and impartial VM expert, and two independent training experts will assess submissions against pre-determined criteria. Once approved, trainers will be able to offer courses that will lead to the Professional In Value Management (PVM)

PROFESSIONAL IN VALUE MANAGEMENT

The principal qualification proposed under the European T&CS is PVM. Certification requires candidates to have completed both Basic and Advanced courses, successfully lead a minimum of two significant value studies, submitted a log book, and most critically convince a certification jury that they meet the system's learning objectives. There was great debate about the level of minimum experience. This requirement will only be adequate in the most exceptional cases where an individual already has a wealth of skill

candidates will need considerably more than two experiences of leading value studies to convince a certification jury that their level of competence is sufficient to become certified.

In order to help the relatively inexperienced candidates, a system of mentoring will be introduced to supplement the training provided on the formal courses. They will be experienced VM practitioners who will be familiar with the requirements of the certification system. Their role therefore will not only be to assist in the personal development of their junior colleagues, but also to advise them when they are ready to apply for certification. As such they will play an important role in reducing the workload of the certification jury, by weeding out unwarranted submissions.

The certification jury will comprise three people, an experienced VM practitioner, an experienced VM trainer and a client/user. The latter will be particularly important in determining whether a candidate demonstrates sufficient capability to instil confidence in a real customer.

IMPLEMENTATION

The report of the project team has been approved by the European Commission and was issued in November. That report will become more significant when the European Standard on VM is finally enacted.

In order to promote and develop the European T&CS, all parties to the project have agreed to work together and have formed the Governing Board of the European Training and Certification System. The Governing Board has agreed a 12 point remit which is essentially about setting standards, auditing performance, determining reciprocal relationships, and future developments. Implementation is now being undertaken in all European countries, albeit at very different paces. The UK is perhaps the most advanced in implementation. They have the advantage of a new national certification system that is sufficiently well developed to provide a useful foundation but not so successful that there are vested interests. In addition they have no formal training system, and therefore have a strong incentive to move forward rapidly. The first TRAINER course has been held, dossiers have been submitted and the first nine TVMs will become qualified on 16 March. It is a sign of the strength of VM that of ten course members, six.

had obtained higher degrees. These nine TVMs are expecting to offer Basic and Advanced courses within the next few months. It is anticipated that the first Euro PVM will become certified during the latter part of 1998 in the UK.

In the rest of Europe progress is a little slower. France and Germany need move with care as they already have well developed systems which cannot be placed in jeopardy. They therefore anticipate that the Euro system will not become fully operational for a further two years. Spain and Portugal are making progress. In Spain for example they have first to unite the three value associations under a federation, and this is well developed.

The most likely scenario is that the new system will be fully operational in 2-3 years throughout Europe, and the formalisation of the new European Standard will provide valuable motivation.

THE FUTURE ?

At the moment most countries are pre-occupied with the challenge of implementing the new system and draft standard. It is clear however that there are two big issues to be addressed - 'How does the European approach compare with others- SAVE for example, and what are the implications for each other?' and 'What provisions are to be made for progress beyond PVM, which cannot be seen as the pinnacle of VM achievement?'

I hope to explore the former during this conference, and will be preparing some thoughts with my Governing Board colleagues.

SUMMARY

The twin activities of the European Standard and the European Training and Certification System mark an acceleration in interest in and maturity of VM in Europe. The approach by focussing on the broader aspect of VM rather than a narrow definition of VA is indicative of changing attitudes to value. Such changes will not be achieved overnight and demand a persistent but flexible approach to implementation. That implementation will achieve a great degree of harmonisation, and therefore an increase in standards which will be of benefit to the community as a whole and the profession in particular.