

VALUE IN PARTNERING (VIP): PART II

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ABSTRACT

With roots in Total Quality Management (TQM), partnering has been increasingly and beneficially utilized as a team building and dispute avoidance technique. However, because these roots have been overlooked, most current partnering models are in jeopardy because of their reduction to one or two day workshop formats. A Direct Application Method of partnering, utilizing eight Project Alignment Principles (focus, forecast, systems, authority, standards, feedback, expansion, and confrontation), introduces the partnering approach at the project management level in multiple, short, facilitated sessions to empower this core team to expand up to the executive level, down to the field level, and outward as new subcontractors come on board. The function and creativity focuses of the Value Methodology can support the Direct Application Method. In turn, the Direct Application Method of partnering may hold clues for adapting the Value Methodology to rapid project delivery methods such as design-build.

INTRODUCTION – GOOD NEWS/BAD NEWS

In October 1995, Ginger Adams and I authored a paper and conducted a forum for the AASHTO Value Engineering Conference entitled "Value Analysis Techniques in Support of Partnering: Value in Partnering (VIP)." The paper and the forum sought to demonstrate the transferability of certain aspects of the value methodology job plan to the traditional partnering workshop agenda – specifically the information phase, the function analysis phase, and the speculation or creativity phase.

The model used for characterizing the partnering concept was that presented by the Associated General Contractors of America, Inc. (AGC) in a document entitled "Partnering: A Concept for Success." Shortly after publication of our paper, AGC published a second volume entitled "Partnering: Changing Attitudes in Construction" which filled out some of the workshop agenda presented in the earlier volume and contained helpful examples, resources, and the like. Both publications basically envisioned a single event workshop of one or two days with the potential for follow-up workshops if required.

These two books endorsed and recorded traditional partnering practice (as initially developed by the U.S. Army Corps of Engineers in the late 80s and early 90s) and helped to spread the word about its substantial benefits.

However, as partnering became more widely implemented, other kinds of problems arose – largely because of the single event workshop format - a format which is quite suitable for changing the direction of or expanding an existing team – but not particularly suitable for team formation.

The objections raised to traditional partnering practice included observations like:

- Workshops – not productive.
- One and two day workshops are too long – it's a waste of time.
- The cost of hotel rooms, meeting rooms, food, etc. is too great.
- It takes valuable people away from the job at the very time we are trying to get the job going.
- Difficult to schedule executive time to attend – and with multiple jobs, and therefore workshops, per year – all I would be doing is going to workshops.
- There's no follow through after the workshop.
- I don't like the "touchy-feely" game playing stuff.
- It's too expensive. Who's paying for it?
- All this stuff sounds good but, the first time we run into a problem, it's back to the same old defensive positions.
- Words like partnering and goals are real turn me off – negative connotations.

Clearly, the workshop approach required some rethinking if the positive aspects of partnering were to grow and flourish in the design and construction industries.

In 1996, I published a paper entitled "A Proposed Model for Value Driven Dispute Resolution Design," and at the 1996 SAVE

Conference in Chicago I delivered this paper, in combination with a forum, with the assistance of Tom Brascher, an engineer and president of Team Technologies of Olympia, Washington. Though the presentation focused more upon application of the Six Hat techniques of creativity expert Edward de Bono, the working association gave me an opportunity to understand Team Technology's ongoing development of what it referred to as Project Alignment – and the Direct Application Method of Partnering that flowed from the Project Alignment Principles. Both the principles and the method were appealing – first, because they answered the objections to traditional partnering mentioned above and second, because they were intended to be introduced at the project management level

PARTNERING - OVERVIEW

Partnering is a systematic process for people to find and build upon common ground and for cooperatively creating solutions to problems, resulting in mutual benefit. By structuring good working relationships, the partnering process can help create an atmosphere of trust and open communication.

For the sake of clarity, it is equally important to emphasize what partnering is not. It is not a legal agreement nor is it a substitute for other laws or regulations. By entering into a partnering agreement, none of the parties waive any of their rights. A partnering agreement does not constitute an excuse for poor or non performance and it is certainly no guarantee that disagreements or problems won't arise. Finally, a partnering agreement is not tool for manipulation or for the extraction of free services.

PROJECT ALIGNMENT

Project Alignment is an effective, project specific, and team building strategy that takes the best from both Total Quality Management (TQM) and traditional partnering. It is a project long process (as opposed to a single event) and comprises eight alignment principles.

Align Focus:

Though perspectives may differ from field level through executive level, assure all involved in the project are aiming at the same target.

Align Forecasting:

Anticipate problems and take advantage of opportunities to improve performance.

Align Systems:

Fully coordinate and optimize contract administrative flows and cycle times.

Align Professional Standards:

Set acceptable standards for professional behavior to make environment productive, fair, open, and honest.

Align Confrontation:

Pre-determine timely methods for dispute avoidance and problem resolution from field level to executive level compatible with contractual requirements.

Align Authority:

Clearly establish differing levels of approval and direction authority.

Align Feedback Systems:

Track perceptions of the team to assure trust and open communications and reinforce positive contributions and achievements.

Align Expansion Strategies:

New individuals and organizations need to be invited to join the alignment team and to participate in and support its efforts.

These eight principles, together with exercises and tools, form the core of the instructional material presented.

DIRECT APPLICATION METHOD

Unlike traditional partnering, the Direct Application Method first injects project team building work at the project manager level – where, in fact, the success or failure of most projects is determined. Instructional sessions presenting the alignment principles are facilitated in three to four hour segments with the Project Management Core Team (typically composed of the PMs for the Owner,

Designer, and Constructor) at the job site over a four week period. Two principles are covered each session, beginning with a “theory” presentation followed by an intensive introduction and hands-on use of tools and techniques appropriate to the principles.

After the Core Team has completed instruction and application of the principles, two additional facilitated sessions are conducted (assuming buy-in by the Core Team): the first for the purpose of the Core Team expanding the Project Alignment effort upward to an Executive Team (again typically the CEOs for the Owner, Designer, and Constructor), and the second for expanding the Project Alignment effort downward to the field (abbreviated effort appropriate to more tactical field concerns).

After the conclusion of these expansions, further sessions are scheduled on an as-needed basis as the Core Team may wish assistance with lateral expansion (to add sub-contractors for example) or problem solving. Additional instructional modules beyond the eight alignment principles can be added as needed in response to unique project specific requirements (e.g., value management, VECs, creativity techniques, cost control and scheduling techniques, or other Project Management Body of Knowledge tools). Charter generation is optional.

DISCUSSION

I have previously observed that the value methodology may supplement the traditional partnering approach utilizing techniques from the value methodology information, function analysis, and creativity phases.

However, the advent of the Direct Application of Partnering raises some interesting new areas where Direct Application practice may be instructive to the value methodology.

Certainly one trend that cannot have escaped notice by most practitioners is that to substantially abbreviate value studies into time periods inappropriate to the matter under consideration. In some instances this in a misguided effort to reduce the cost of the study itself.

Still another area that may not have been fully recognized is that of the design-build project. These projects, not unlike fast track projects, move quite rapidly with a substantial overlapping of design and

construction activity. Design-build firms find it difficult to dedicate a week of staff time to value studies, generally are resistant to predominantly outside teams, and find it difficult to implement study results that, though having merit, may require undoing decisions already made in the field.

The following are a few of the lessons that may be transferred from the Direct Application Method to the value methodology.

Implement Value Early in the Project

The Seattle, Washington school district is initiating partnering (using the Direct Application Method) during the design phase - well in advance of there being a constructor on board. This permits designer and owner to work through joint concerns prior to further team expansion.

In like manner, the benefit of early value studies can hardly be questioned. Obviously, scenario planning alternatives created at the conceptual or even pre-conceptual phase meet less resistance due to redesign. Another equally important benefit is that, at this stage of even a design-build project, the pace is not so rapid as to completely preclude in-house involvement.

A particularly fruitful area for application of the value methodology (and one not likely to be rejected by design-build firms) is that of RFP (Request for Proposal) definition. Owner evaluation of submissions (and hence the value obtained from the award) is very much dependent upon the clarity of the presentation of Owner requirements and a level playing field for all submitting proposals.

Rethink Team Composition

Successful partnering demands participation of project stakeholders. Value studies often do not directly involve the executive strata of owner, designer, or constructor organizations -- much less field or subcontract levels, suppliers, users, and a number of other entities that do indeed have an interest in the outcome of the project.

Empower Project Managers

The inclusion of an instructional module or modules dealing with the value methodology has already been mentioned in connection with the Alignment Principles. The goal would be to

maximize the potential for value thinking in line with day to day project activities and decision making and to recreate the value methodology within Direct Application Method Partnering. The value methodology is, in the first instance, a problem solving technique and not merely an intervention for a troubled project.

Value Throughout the Project

This is closely related to the empowerment issue discussed above. Too often, the value study, like the partnering workshop, is viewed as (and is in fact) a single event with the results more broadcast than the methods that achieved them. Viewed as a management tool with ongoing applicability, the value methodology might overcome the abbreviated, single event problems.

CONCLUSION

The value methodology can benefit from other problem solving and team building methodologies. Indeed, it may be the case that the value methodology can substantially benefit from assuming a supporting role within another broader methodology such as the Direct Application Method of Partnering.