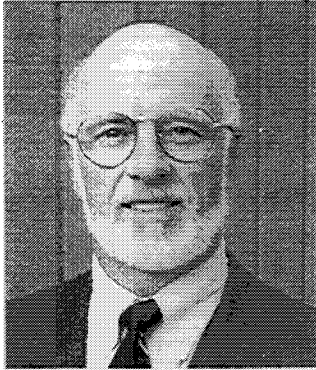


# Joys and Challenges of an Internal Value Engineering Facilitator

James D. McCuish  
BP Amoco Corporation,  
Houston Texas



James McCuish, is a member of BP Amoco's Integrated Business Modeling Team. He has served in Worldwide Operations in both Management & Supervisory roles, for 29 years, in Energy Related Businesses. As an Internal Business Consultant he practices Value Engineering / Analysis, Decision Management / Analyses and Project Management. Mr. McCuish has conducted VE Studies in Oil, Chemicals and Exploration & Production Sectors. He read Mechanical Engineering at The Queen's University of Belfast, Northern Ireland. He holds a Dual degree in Management & in Business Administration; Summa Cum Laude, with University Honors in Management, from Syracuse University, New York.

## ABSTRACT

One of the most exciting elements and greatest joys in facilitating Value Engineering (VE) / Value Management (VM), is in the actual unfolding and nurturing the oft-times hidden talents found within the teams engaged. As an Internal Value Engineering Facilitator there are both joys and challenges in the work.

This paper will discuss some of those joys and challenges of working in the Internal VE consulting milieu. The material is presented in the spirit of sharing, and of a quest to develop more effective methods, to optimize results for our clients, using the Value Methodology.

Additionally, I will touch upon some of the distinct differences between VE / VM facilitation, and some of the other rigorous analyses methods and General Facilitation (GF)<sup>1</sup>.

We'll examine the importance of conducting an objective "needs assessment" as an internal consultant. The potential ramifications of doing such influence selection of the appropriate process for the clients' scenario, which may or may not be the Value Method.

## INTRODUCTION

While External Value Engineering (EVE) Facilitators certainly have significant challenges, an Internal Value Engineering (IVE) Facilitator is oft-times required to be a very broad-based "Professional Consultant." One is challenged with a different set of performance measures and of marketing options.

Additionally the IVE facilitator may be expected to recommend against application of VE and of the Job Plan, if the situation warrants it. On such occasions the IVE facilitator is expected to either deliver or suggest an appropriate analyses method as the prescriptive process. While balancing these challenges; there are several joys, discoveries and rewards experienced in delivery of the Value Method from an Internal Consultant perspective!

The Job Plan, which was originally developed in five steps by Miles, is still the key to the VM methodology. It is a disciplined approach of sequenced steps that guide the VE team through the problem solving, or opportunity capture, process.<sup>2</sup>

Since the subject of this paper is clearly facilitation of the Value Methodology perhaps it would be superfluous to present the Job Plan in detail in this paper. However all comments on Internal and on External VE Facilitation presume the Job Plan is applied in VE/VM studies!

## THE INTERNAL VE/VM CONSULTANT / FACILITATOR MILIEU

The tangible expectations which are generally placed upon an Internal Value Engineering (IVE) facilitator are often somewhat different from those placed upon an External Value Engineering (EVE) Facilitator. Primarily, due to the fact that the IVE facilitator's performance goals, career opportunities and salary administration may be directly linked to the delivery of the VE Methodology.

One could remark that essentially the success or failure of EVE is effectively similar. However the EVE facilitator has the ability to change clients and to search for a broad base of informed and/or willing clients. Additionally, it is not unusual for part of the assessment of IVE Facilitator to be based upon random feedback by team members to upper management as to how well they "enjoyed" the VE Study experience!

It is not unusual for the IVE facilitator to be engaged by the project team as a result of requirements of an "Internally Mandated Program," rather than an understood need. Many major companies or agencies have developed a "benchmarking," or "score-carding" program, and have a prescriptive approach to application of "Value Improving Practices," of which Value Engineering is just one VIP. Such teams have a mandate or a perception that a requirement exists "to perform" a VE study rather than having established a clear need for VE!

In such cases the IVE facilitator should challenge the request and conduct a "Needs-Assessment." We discuss the needs-assessment later.

In many organizations, pressures upon the IVE facilitator are quite direct from the "Decision Makers." Also cultures of organizations differ and may place undue pressures upon the IVE facilitator. These pressures may be effectively addressed with the power of the VE Methodology and reason, rather than accepted by the IVE facilitator with acquiescence and dilution of the VE Methodology!

In neither the short or long term does it fulfill a Value proposition to "change the Job Plan" in a VE engagement to meet pressures of time allotments or personnel budget. The key is in the Pre-Event or Discovery Phase.

Some brief examples of these pressures may be, the following:

- **Preordained solutions strongly suggested.** *Presented with such a position in the discovery phase, the IVE facilitator may focus the efforts of the team and decision maker in clearly stating and documenting the areas of the project which are indeed open to challenge. If too tight a bounding is placed on the team, the discovery phase will reveal a lack of opportunity to engineer value. The decision-maker, and the team may then be re-engaged as to their willingness to consider alternatives.*

- **Pressure to deliver in too short a time frame.** *Response to the "not enough time is available" can often be engaged by breaking down the engagement into parts, rather than delivering a complete job plan at a "high level" or "light cut." In this respect IVE facilitators may have some advantage since they may more readily engage the project in two or three day sections over an extended period. of time*
- **Supervisory focus on % of time charged out rather than results achieved by the VE teams.** *This is one of the challenges faced by the IVE facilitator and has no "panacea" for guaranteed resolution. However timely documentation of results from the teams engaged certainly goes a long way in mollifying % charge-out concern.*
- **Teams desiring "benchmarking checkmarks" rather than real value improvement.** *Again the power of the Pre-Event or Discovery Phase will unfold the real potential for the Value Methodology. Rather than stated directly, the "check mark" syndrome is usually characterized by pressure to assign a significantly shorter time frame to the Value Study, then is judged appropriate by the IVE facilitator. In response the IVE facilitator should stand firm with respect to the commitment it takes to perform the Job Plan necessary to deliver the projected value. ... Then he or she must be prepared to recommend against any "VE light" approach.*
- **A general pushback on perceived "team processes," perhaps due to a previous less than stellar experience with other forms of "facilitated workshops."** *This may be understandable in a culture focused on results, perhaps with limited exposure to the Value Method. This places a significant load on the IVE facilitator since there is an adverse halo effect to be overcome. However, the IVE may have an advantage here! Sharing examples of others' successes in the form of reviewing VE studies from elsewhere in the company can be used as lever. The IVE facilitator often can gain previous teams' permission to share internally without concern over confidentiality.*

On the other hand the IVE consultant has some particular joys in delivery of the Value Method! One may have the information available on the status of the entire major and minor project portfolio in the corporation and have the opportunity to engage the

project teams in timely fashion with an intervention with targeted potential VE success opportunities.

In some cases one can shepherd a project from inception through to economic fruition. The results of one's work with VE teams can be reasonably freely shared with little concern for compromising competitive advantage or breaching confidentiality. Generally one is not concerned on a day to day basis about a paycheck.

**INTERNAL VALUE METHOD FACILITATION**

There has been much written on the role of the "facilitator" in any team activity. Clearly the role of the facilitator is to enable the team / group to reach a conclusion they would have difficulty reaching on their own.

Given the absolute necessity for skill in the Value Methodology, additionally an effective internal VE facilitator must possess some other skills and traits. Some are:

- The ability to swiftly make the Job Plan live for the team in the context of their problem or opportunity. Since one may be routinely dealing with teams comprised of individuals who have never seen the VE Method.
- Curiosity and burning desire to learn since, in an internal engagement, one is rarely expected to be ignorant of "content." ... And the ability to gain permission to suggest content opportunities.
- A certain level of positional and/or experiential credibility internally within the organization.

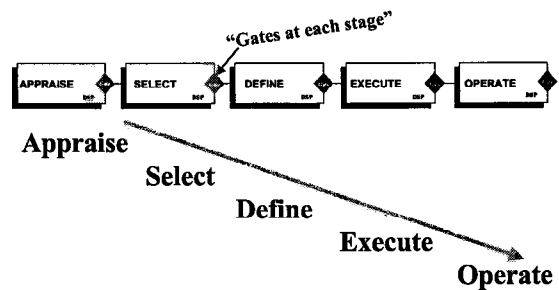
This question of whether or not a Value Engineering facilitator should, engage in content is not of significant concern in internal opportunities. Most teams expect the IVE facilitator to remark upon content throughout the workshop. Not from a point of influencing the team directly; rather from the very broad technically, organizational and business process experience an IVE facilitator accrues.

In a major multi-national company there are many different technologies in different divisions. In conducting many workshops and studies, the IVE facilitator sees alternate method and technologies across operational and business streams. Consequently the IVE facilitator is oft-times expected to serve a secondary role as a "technology, or business process, wildcard."

**ASSESSING THE INTERNAL CLIENTS' NEEDS**

When the IVE Facilitator embarks upon a "needs assessment" It is simply not enough to ask of the internal client "Would you like a Value engineering intervention?" Rather the IVE has to place the impact of Value engineering and other methods in the context of the company's internal business process.

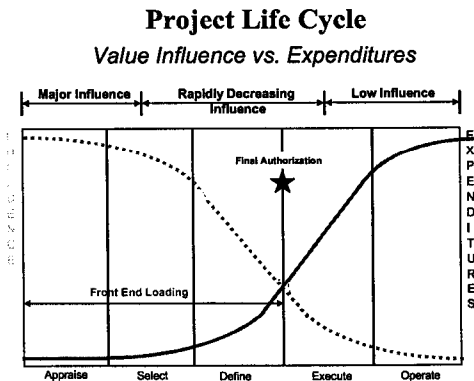
Many clients have business processes to enable some clarity of thought in using "Thinking Methodologies" to improve their likelihood of achieving their goals. Figure 1 depicts one such process.



As we Monetize an Asset from "Ideation" to "Revenue Generation" ... we do so in a series of definable Stages ... associated with Major Funding decisions.

**FIGURE 1**

In the process of stages and gates, shown the company gradually invests resources in a series of Stages and Decision "gates." The company's teams use various value improvement methods including Value Engineering. The rationale for such a progression, can be seen from the classical Influence vs. Expenditures curves shown in Figure 2 below.



**FIGURE 2**

As we move further into investing in a capital project we lose the ability to influence / change direction of the project. Some of the various Value Improving practices used in advancing a capital project are shown in Figure 3.

In such companies, the IVE Facilitator is expected to be familiar with all of the various Value Improving Practices and is expected to recommend as appropriate ... and in many instances, is expected to deliver the methodology selected to meet the project team's needs

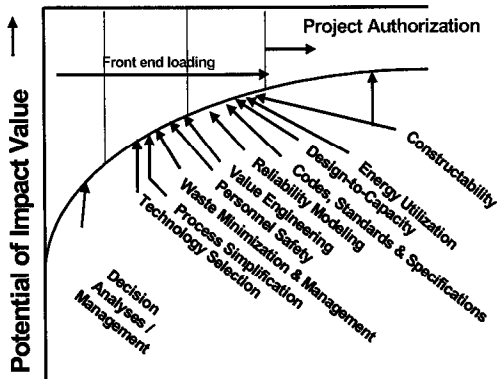


FIGURE 3

From an aspect of assurance of quality in progression of a Capital Investment, strategically managed companies will focus on different value measures to improve as the potential idea is brought to fruition

Strategically managed companies will generally focus on 3 "Quality areas."

Quality Areas	Strategic	Execution	Operations
Value Creation:	Determine Value Potential	Create / Capture opportunity	Convert the Resource to revenue
Quality Focus:	Decisions	Project Management	Operations Functionality
Example Metrics:	• PV / I • Capital Efficiency	• Schedule • Budget • Fulfill Strategy	• OPEX • ROA/ROCE

FIGURE 4

As we may see in Figure 4, the "improvement in quality" focus will require different types of facilitated intervention. Without question, Value Engineering can, and does, play a major part in delivering that quality / value improvement. However it is not the only methodology used. The IVE Facilitator is well counseled to be aware of, and competent in, the others.

Carlos Fallon writes, "The only essential is to ensure the client is clear on what he or she wants."

To go further, I believe the client may be engaged by the Professional consultant to develop "clarity of what they want." (In doing so as IVE facilitators, we must take care not to try to find ways to make VE/VM "the Holy Grail" to all clients problems / opportunities.)

We do have good "Pre-Event" or "Discovery" methodologies available to us to set up a VE/VM study AFTER we have ascertained that VE/VM is appropriate. In fact, these methods can be effectively used to uncover the appropriate Value Improving Practice ... even if it is not Value Engineering

We must listen carefully, probe definitively, and if required, we must be comfortable in recommending an intervention / analyses process far removed from the VE job plan. However one has to be prepared to tell a client, who may have "asked for Value Engineering" ... perhaps because they didn't understand the method and outcomes in depth, ... that they really need a different analytical process!

This can mean having either the capability to deliver the different, appropriate process ... or being willing to recommend an expert and STEPPING AWAY from the work. ... Potentially a tough thing to do if faced with no other income source! VE/VM is not always the key to improvement in the clients' needs. ("Ownership of a hammer doesn't mean all problems are nails")

**CONCLUSION**

The Internal Value Engineering facilitator has both a harder, and an easier, task than the External Value Engineering practitioner.

The IVE facilitator has a close relationship with the client base. However that client base is "exclusive" and can be very "unforgiving" of deviations from the expectations of the internal consulting practice.

The IVE facilitator has access to information on many projects. However, those are the only projects the IVE facilitator can potentially engage.

The IVE can speak of other projects freely with concern over "confidentiality," However the IVE is expected to have significant content experience while conducting the Value Methodology workshops and Studies.

The IVE is expected to be capable of delivering a broad range of analysis processes. However the IVE facilitator never has the "option" to "walk away" from the study if the team has become dysfunctional. Rather the IVE is expected to get them through the process and is also judged upon the teams' assessment of the IVE facilitator's interpersonal skills.

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