



# VALUE METHODOLOGY STANDARD

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Adding Value. Enhancing Ideas.

SAVE International gratefully acknowledges the VP Education team and, in particular, Fred Kolano, (SAVE International Director of Standards and Resources), Randall Sprague, and Dr. Roy Woodhead for their contributions and additions to the original standard developed by the Paul Revere Chapter and John W. Bryant in May, 1997.

## Foreword

This Standard was originally drafted in May 1997. It has been updated periodically to address changes in the business environment and technology and to meet future integration with the International Standards Organization. The *Value Methodology Standard* is intended to provide a practical guide for applying the principles of the value methodology in a consistent manner. It may be used by both practitioners and management.

The value methodology can be applied to a wide variety of applications, including industrial or consumer products, construction projects, manufacturing processes, business procedures, services, and business plans.

The value methodology is commonly applied under the names Value Analysis (VA), Value Engineering (VE), and Value Management (VM). These terms can be used interchangeably with value methodology throughout the standard and this document. Other value improvement processes also qualify as value studies as long as they adhere to the Value Standard's Job Plan and perform Function Analysis as part of their total process.

This Standard has been prepared by the SAVE International® Standards and Resources Director, a member of the SAVE

International® Vice President of Education's team. It is approved by the SAVE International® Certification Board and the SAVE International® Board of Directors. It seeks to state the *minimum* that clients and providers should expect when the value methodology is applied to a project.

This Standard will assist managers, value program managers, practitioners, and trainers in applying value methodology in their organizations in a consistent, standard manner. It may also assist those who procure value methodology services to develop proposal requests that ensure they receive complete and useful value methodology services.

The nomenclature used throughout this Value Methodology Standard is as follows:

**Value Study** -- The overarching objective of a value study is to improve the value of the project.

**Job Plan** – Provides the structure for the Value Study which is part of a three-stage process (see Figure 1):

- Pre-Workshop preparation
- Value Workshop which applies the Six Phase Job Plan
- Post-Workshop documentation and implementation

**Value Methodology** – Provides the process and structure that is used to apply the Value Job Plan used in the Workshop.

**Value Methodology Standard** – Establishes the specific six-phase sequential Job Plan process and outlines the objectives of each of those phases. It does not standardize the specific activities that are used to accomplish each phase.

# Purpose and Scope of the Standard

The purpose of this document is to:

- 1) Define the steps and components that constitute a valid Value Study.
- 2) Document supporting information that defines a generic methodology, common terminology, and standard practice to guide practitioners and managers in effectively applying value methodology to improve the value of their projects.
- 3) Guide the practitioner and manager in determining at what point to apply value methodology to a project in order to maximize:
  - a. the benefits of team innovation skills and
  - b. implementation of alternative(s) that add value to the project.

This document may be used by both practitioners and managers as a guide for applying value methodology.

The Value Methodology Standard allows for the tailored application of value methodology and related practices to suit the intended application.

The Value Methodology Standard has not been prepared as a legal document. If the user intends to use the Value Standard for procurement purposes the user should consult expertise familiar

with contract language, including seeking legal guidance.

Users of the Value Methodology Standard should be aware that some governing bodies require that value engineering facilitator hold specific licenses or other credentials not identified by the Value Standard. If so, the user should identify such considerations when soliciting and contracting for value methodology services.

A Value Study is the formal application of a value methodology to a project in order to improve its value. This application is also referred to as value engineering, value analysis, value planning, or value management. For purposes of this standard, the subject of a Value Study whether it is a product, process, procedure, design, or service will be referred to as the "project."

# The Value Methodology Standard

The value methodology is a systematic process that follows the Job Plan. A value methodology is applied by a multidisciplinary team to improve the value of a project through the analysis of functions.

The Job Plan consists of the following sequential phases. (See Figure 1)

## 1. Information Phase

The team reviews and defines the current conditions of the project and identifies the goals of the study.

## 2. Function Analysis Phase

The team defines the project functions using a two-word active verb/ measurable noun context. The team reviews and analyzes these functions to determine which need improvement, elimination, or creation to meet the project's goals.

## 3. Creative Phase

The team employs creative techniques to identify other ways to perform the project's function(s).

## 4. Evaluation Phase

The team follows a structured evaluation process to select those ideas that offer the potential for value improvement while delivering the project's function(s) and considering

performance requirements and resource limits.

## 5. Development Phase

The team develops the selected ideas into alternatives (or proposals) with a sufficient level of documentation to allow decision makers to determine if the alternative should be implemented.

## 6. Presentation Phase

The team leader develops a report and/or presentation that documents and conveys the adequacy of the alternative(s) developed by the team and the associated value improvement opportunity.

**In order to qualify as a Value Study, the following conditions must be satisfied.**

- A. The Value Study Team follows an organized **Job Plan** that includes, at a minimum, the six phases identified in this standard. Function Analysis, as defined in this document, is performed on the project.
- B. The Value Study Team is a **multidisciplinary group** of experienced professionals and project stakeholders. Team members are chosen based on their expertise and experience with the project. Sometimes individuals who have relevant expertise; but are not directly involved with the project are added to provide a different point of view.
- C. The **Value Team Leader** is trained in value methodology techniques and is qualified to lead a study team using the Job Plan. The SAVE International® Certification Board

certifies, with the designation Certified Value Specialist® (CVS®), those individuals who have met specified training requirements and have demonstrated competency in the application of the Job Plan. The Team Facilitator shall be a CVS®, or a VMP serving under the guidance of a CVS® as defined by SAVE Certification criteria, or shall be the holder of another active certification recognized by SAVE International®.

about the project, a previous phase may be revisited.

## References

- The Value Methodology Body of Knowledge is comprised of the Value Methodology: A Pocket Guide to Reduce Cost and Improve Value through Function Analysis (ISBN 978-1-57681-105-4)
- ASTM Standard Practice E1699-13 for the Value Methodology
- SAVE International® website: <http://www.value-eng.org>
- Miles Value Foundation website: <http://www.valuefoundation.org>
- Principles of Value Analysis/Value Engineering by Lawrence D. Miles.

Figure 1 illustrates the Job Plan process flow. Each of the Job Plan phases must be performed in sequence because each phase provides information and understanding necessary for the successful execution of the next phase. As the team gains additional knowledge

