Section 7
Implementation and Follow-up

To assure that study results are being implemented and maximized and that Value Management is being effectively applied, an Implementation Plan customized to the management style of the organization is necessary. The implementation of VM focuses on: (1) the recommendation of the potential cost and quality improvements through the application of the function-oriented methodology; (2) the establishment of a procedure to realize the timely implementation of these improvements; and (3) the development of a capability to reapply the value methodology on a continuous basis. In other words, "to manage change and manage costs on purpose".

While each industry is different, experience tells us that there are some basic guidelines an organization should consider when implementing a value activity. The bottom line financial results, a pool of trained personnel, a Value Manager, and the long-term commitment and involvement of management, are the key elements of successfully implementing VM in any company. The following summarizes a "typical model" for implementing VM.

To develop and maintain a results-oriented VM activity, the following have been found to be the key to long-term success:

1. The development and implementation of a formal but customized follow-on activity is mandatory to ensure that VM reaches its maximum potential.

2. The effective application of VM requires the understanding, support, and involvement of all functional organizations within the company, and must be properly organized and structured to blend smoothly with the operating philosophy of management.

3. A significant percentage of key personnel from all line end staff functions within the organization must be trained in the techniques of VA. It is the base of trained people around which VM is structured and developed.

TRAINING

One of the keys to initiating VM successfully is the training of key people in the techniques of VM. The approach uses the multi-discipline team concept to study such areas as product designs, manufacturing processes, and paperwork systems.

In addition to the benefits derived from the project study, a VM Workshop provides the team members with formal; training in the value methodology. This allows the members knowledge of the VM methodology that can be reapplied on future studies under the guidance of qualified VA/VE professionals. The workshop must, therefore, deal with two major aspects: methodology and people.

People enter project studies with preconceived opinions and expectations. When the program has been announced as product/process improvement oriented, those persons who had a major input to existing products/processes may be highly defensive. Therefore, one of the keys to success is to create an atmosphere of no fault-finding, eliminating fear of embarrassment, and recognizing past efforts.
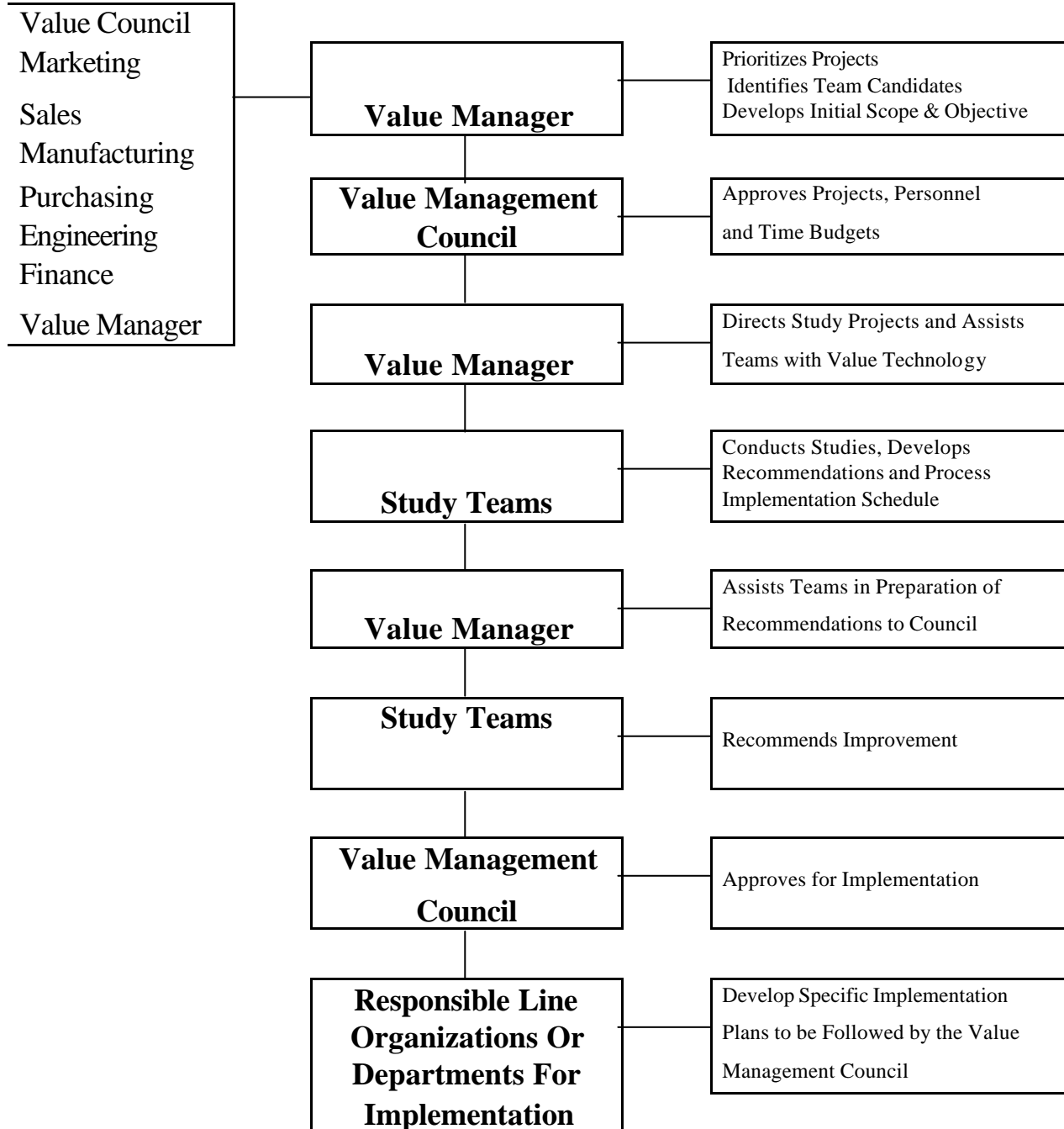
IMPLEMENTATION

Once a pool of value-oriented people is in place, they can be managed and guided by a Value Manager with the "active" support and involvement of a top management team. The combination of a pool of trained employees, a Value Manager, and a management team committed to VM decision-making, is recognized by many in VM and is the model from which they have patterned their value activities.

Therefore, the essential operational components in developing VM are the Value Management Council, the Value Manager, and the Study Teams. The following describes the how management, the value manager and the teams interact throughout the VM process and the responsibilities of each of these individuals or groups.

VALUE MANAGEMENT
PROJECT FLOW CHART

Sources of
Project Inputs

| Value Council |
| Marketing |
| Sales |
| Manufacturing |
| Purchasing |
| Engineering |
| Finance |
| Value Manager |

Value Manager
— Prioritizes Projects
Identifies Team Candidates
Develops Initial Scope & Objective

Value Management Council
— Approves Projects, Personnel
and Time Budgets

Value Manager
— Directs Study Projects and Assists
Teams with Value Technology

Study Teams
— Conducts Studies, Develops
Recommendations and Process
Implementation Schedule

Value Manager
— Assists Teams in Preparation of
Recommendations to Council

Study Teams
— Recommends Improvement

Value Management Council
— Approves for Implementation

Responsible Line Organizations Or Departments For Implementation
— Develop Specific Implementation
Plans to be Followed by the Value
Management Council

THE VALUE MANAGEMENT COUNCIL

The primary responsibility of this group is to provide the necessary guidance and direction to achieve the overall objectives of VM. The authority for decisions in planning, approving and implementing projects rests with the Value Management Council. Typically this is the President or General Manager and his staff.

Responsibilities:

1.   To establish and/or approve an active project list.

2.   To approve the scope of the projects.

3.   To approve priorities of projects.

4.   To approve new study projects and teams.

5.   To approve the time budgets for new study projects.

6.   To review the reports and recommendations of the Study Teams and approve projects for implementation.

7.   To assign the implementation responsibility for approved recommendations to the appropriate department(s).

8.   To review the overall status of VM.

THE VALUE MANAGER

The Value Manager typically reports to one of the members of the Value Management Council administratively, but also reports monthly to the total Value Management Council on matters relating to VM. This person is responsible for developing and maintaining VM in his company.

Duties:

1.   Prepare monthly progress reports on the status of VM and all projects.

2.   Develop, for approval, budget forecasts of manpower and operating expenses for Study Team projects.

3.   Recommend to the Value Management Council changes, additions, or deletions to the Study Teams.

4. Review product lines for tentative projects and serves as a clearing house for value projects for all sources. Make recommendations to the Value Management Council for new projects.

5. Act as an advisor to each Study Team to facilitate the application of value techniques.

6. Give assistance to the appropriate departments during development of new systems, system designs, and/or products, on approved study recommendations.

7. Aid in overcoming roadblocks. Follow projects until discontinued or implemented, making appropriate reports to the Value Management Council.

8. Participate in professional societies in VA/VE and others relating to the Value Manager's own professional background.

9. Attend seminars to keep current on new and improved value techniques. Arrange attendance at VA/VE meetings, seminars, conferences, etc., for other management personnel. Responsible for the continuing education of the "cost creators" within the company.

10. Coordinate VM efforts with any other improvement program within the company.

11. Provide the appropriate communication concerning the efforts and accomplishments of VM.

VALUE ANALYSIS/VALUE ENGINEERING STUDY TEAMS

Members of a typical Value Management team may include personnel from Engineering, Purchasing, Reliability, Production Engineering, Manufacturing, or Finance.

Study Team Personnel
1. Members are selected to best suit the individual projects and to make the best possible use of available personnel.

2. Normally, a minimum of half of the members of the Study Team should have had formal VM training.

3. Chairmanship of a Study Team may be rotated upon recommendation of the Value Manager and with the approval of the Value Management Council.

Study Team Responsibilities

1.   Study Teams commissioned by the Value Management Council should meet to discuss the specifics of their assignment with the Value Manager. They should review the scope of the project, the time budget allocated, and have a clear understanding of their objectives.

2.   Study Teams should develop a plan to meet the objectives and time budget allocated. The plan should include a specific time and place for weekly meetings and the appointment of a secretary to record progress, assignments, and attendance. This plan should be posted with the Value Manager.

3.   The teams are expected to meet according to an approved schedule, maintain minutes of meetings, and complete their assignments within approved time budgets.

4.   Teams will present final recommendations directly to the Value Management Council.