



Management of Value (MoVTM) Toolbox

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This web document provides the active links to the information provided in Appendix B of the MoV guide and additional information for international value management standards.

International Standards

| Tool/technique | Outline of techniques(s) | Benefits, implementation points and signposts |
|---|--|---|
| International Standards in Value Management | MoV includes the commonly applied elements of the following International Standards and is broadly consistent with each of the Standards. It uses some terms, specific to MoV, to address some of the differences between these standards: | There are numerous national standards related to Value Management. Those listed below are recognised internationally. |
| | <p>(BS) EN 12973: 2000 - the European Standard, adopted by various European nations including the British Standards Institution. (BS) EN 1325, Glossary to above standard.</p> <p>Society of American Value Engineers (SAVE) Value Standard and Body of Knowledge, June 2007</p> <p>Australian Value Management Standard, AS 4183-2007</p> | <p>The European Standards, http://www.bsigroup.com/ define Value Management services, provide specifications for procurement and provide the basis for the European Value Management Training and Certification System.</p> <p>Basis of the Value Methodology, used in USA and numerous other countries worldwide. http://www.value-eng.org/</p> <p>Widely accepted in South East Asia and Asia Pacific regions. http://www.standards.org.au</p> |

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Tools and Techniques

This document offers a guide to the many tools and techniques that may be used with MoV. Those that are exclusive to MoV, such as function analysis, are explained in the guide rather than here, together with those that are very commonly used in MoV interventions.

The contents have been structured in alphabetical order and may be useful on several occasions within a study. This list is not exhaustive and the seasoned MoV practitioner may wish to include other techniques, particularly if these are sector specific.

| Tool/technique | Outline of technique(s) |
|---------------------------------|--|
| Business process re-engineering | <p>Business process re-engineering takes a 'clean-slate' approach to processes and redesigns them for greater effectiveness. Its strength and its weakness both lie in its single focus on process: interfaces with other factors need to be explored for this technique to allow costs to be reduced, or quality, service and speed to be increased without reducing the organization's overall value.</p> <p>Web link: www.training-management.info/BPR.htm</p> |
| Conjoint analysis | <p>Offers customers choices of different combinations of features or service levels to compile preferences.</p> <p><i>Useful in situations demanding a prediction of respondent choices, it is usually conducted on the basis of a questionnaire.</i></p> |
| Cost estimation | <p>Methods of estimating capital and whole-life costs.</p> <p>Web link: www.dfpni.gov.uk/eag_principles_of_cost_measurement</p> |
| De Bono P/M/I | <p>The 'P/M/I' in this technique stands for 'Plus/Minus/Interesting'. Put each of these headings at the top of a column, then for each idea, put all the positive effects its implementation will have (the pluses), in the next the negatives (the minuses) and any other effects whose impact is uncertain in the third column.</p> <p><i>A technique to ensure that the idea being proposed is actually likely to lead to improvement.</i></p> <p>Web link: www.mindtools.com</p> |
| Delphi | <p>A method of getting groups of individuals to arrive at consensus without face-to-face discussion. A panel of contributors is asked for their opinions in a series of questionnaires by the study leader, but none of them knows the opinions of the others.</p> <p><i>Avoids groupthink (where dissent is suppressed by peer pressure), although this method can suffer from poor questioning or analysis. Can also be used to gain consensus from a set of disparate data.</i></p> <p>Web link: www.unido.org/fileadmin/import/16959_DelphiMethod.pdf</p> |

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|-------------------------------------|--|
| Dots | <p>A simple method to get the team to gauge relative importance is for the study leader to specify the number of favourite ideas that each team member can select (ideally, this will be about 20–30% of the total) and give them sticky dots to put against each of these ideas. The number of dots against each idea selected is totalled, with the one with the most dots being ranked most important and so on.</p> <p><i>Whilst hardly scientific, this can be a very effective method to assign relative importance. It can be used to select ideas for further development.</i></p> |
| Earned value analysis or management | <p>Method of assessing whether a project is on track for completion within agreed time and cost targets. Despite its name, it is not a specific MoV technique, but a project control method.</p> <p>Web link: www.apmg-international.com/home/Qualifications/EVMQuals.asp</p> <p>www.projectsmart.co.uk/earned-value-management-explained.html</p> |
| Elementary skills gap analysis | <p>Comparing the skills that are needed for a task with those available in the project or study team with a view to filling any gaps by training or inviting additional members.</p> <p>This can be detailed and costly on an organizational level. However, for the purposes of an MoV study or programme thereof, it should be sufficient for the study leader to consider, with the steering group, what skills are required. Then, as each individual team member is recommended, ask how their skills fit with this. Alternatively, ask the team member. Eventually, a list of weaknesses that need to be addressed will be formed.</p> <p><i>It is worth noting that training only addresses lack of knowledge. Mentoring and coaching may be preferable for improving competence and attitude.</i></p> <p>Web link: http://skill-assessment.suite101.com/article.cfm/skill_gap_analysis</p> <p>www.ehow.co.uk/business/</p> |
| Excursions and metaphors | <p>Taking delegates offsite (excursion) to an area where creativity flourishes. The return journey often generates a great many ideas.</p> <p><i>Can be very effective, especially as a precursor to brainstorming or idea generation tools.</i></p> |

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|---|---|
| Facilitation | <p>Application of skills which help others to undertake a task and improve the way they work together. It requires an understanding of the process to be applied, group dynamics and the impact of the facilitator's actions on the group.</p> <p>Web link www.executivebrief.com/blogs/10-tips-to-boost-your-facilitation-skills</p> <p>www.iaf-world.org/</p> |
| Five Ws and an H | <p>Extends the depth of questioning when exploring a problem. Simply asks a series of questions for each process, starting with:</p> <ul style="list-style-type: none"> • Who? • Why? • What? • When? • Where? • How? <p><i>Deceptively simple, this technique forces a more organized challenge to existing processes and product designs and can generate much innovation. It also has the great virtue of being readily understood.</i></p> <p>Web link: www.scribd.com/doc/3666200/5W1H-Who-What-Where-When-Why-How has other comments about this technique, which are useful for further exploration.</p> |
| Function Analysis System Technique (FAST) | <p>A diagrammatic representation of functions and their hierarchy, FAST works by asking how the functions relate to each other. There are three main forms:</p> <ul style="list-style-type: none"> • Traditional: designed to describe what the component parts of the study subject must do. It can be applied at any level. • Technical: similar to traditional FAST, aimed mainly at products and widely used in manufacturing. It is generally used at subsystem or component levels. • Customer: focuses on customer requirements. Functions describe what the customer expects to get, rather than exactly what it does. <p>Web link: http://www.value-eng.org/pdf_docs/monographs/FAbasics.pdf</p> <p>http://www.pretiumllc.com/fast/</p> |

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| Function priority matrix | <p>Method of keeping the simplicity of conventional function analysis, whilst minimizing the time it takes, by sorting functions according to whether they are strategic or tactical and how essential they are to the organization.</p> <p>Web link: www.value-solutions.co.uk/Function%20Priority%20Matrix%20v2.pdf</p> |
| HM Treasury's <i>Green Book</i> | <p>MoV provides the means to maximize benefits and minimize waste and resources needed to deliver to expectations. MoV utilizes many of the methods described in the Green Book and thus provides consistency of approach.</p> <p>Web link: www.hm-treasury.gov.uk/data_greenbook_guidance.htm</p> |
| Information-gathering methods | <p>There will always be large volumes of data available to a study, but time will be at a premium. Therefore, you need to understand the purpose of the study before you start, and this is normally set by the briefing meeting. It is useful to correlate some information from this important source (as with others) against other sources to ensure a full picture for the study team.</p> <p>When consulting, the best way is generally to talk to people one-to-one, or in groups. Questionnaires are also extremely useful if large numbers of people are involved.</p> <p><i>A checklist of questions for use at the strategic briefing meeting is held in Appendix A of MoV.</i></p> <p>Web link: www.lboro.ac.uk/service/lt/campus/infouser.pdf Useful (if rather thorough) lists of considerations aimed predominantly at students, but the principles contained are equally applicable to other settings.</p> <p>www.eastdevon.gov.uk/plg-pp-consultation.pdf for a neat paper that describes methods of consultation with the general public, if this is relevant to your study.</p> <p>www.statpac.com/surveys gives a good deal of information about compiling questionnaires and surveys.</p> |
| Issues generation and analysis | <p>Team members write down their issues on sticky notes and display them on a wall grouped under appropriate headings, e.g. Assumptions, Constraints, or Opportunities. Team members then vote for their top 10 and can explore ways to address these issues.</p> <p><i>This has the virtue of narrowing focus to a relatively small area, but the consequence is potentially to overlook a major opportunity elsewhere.</i></p> |

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| Kano quality model | <p>An improvement philosophy showing continuous evolution of performance and quality, whereby yesterday's innovations become today's performance differentiators and tomorrow's essential attributes.</p> <p>May be used in conjunction with the MoV knowledge database.</p> <p>Web link: www.isixsigma.com/index.php?option=com_k2&view=item&id=1116:&Itemid=206</p> |
| Knowledge capture and dissemination | <p>Data is a collection of words or numbers. Information is data placed in context. Knowledge is using information and applying it to your organization. Knowledge capture involves recording information (following an MoV study or programme of studies) that can inform future learning and performance improvement. Methods of dissemination will vary according to the organization.</p> <p><i>This is an enormous topic with many web and book sources.</i></p> <p>Web link http://eprints.aktors.org/44/01/valuation-methods.pdf</p> <p>http://www2.warwick.ac.uk/fac/soc/wbs/conf/olkc/archive/oklc4/papers/oklc2003_wickes.pdf For application of Nonaka's Socialization, Externalization, Combination and Internalization (SECI Model (separating explicit and tacit knowledge by tacit and explicit methods of acquiring it) to programme management</p> <p>http://trendwatching.com/tips Provides guidance on assessing trends although its focus is on external consumer data and some tailoring is required.</p> <p>www.jiscinfonet.ac.uk/tools/scenario-planning/trend-analysis Provides additional information on PEST (political, economic, social and technological) analysis (and related ideas)</p> <p>Reading: <i>Information Technology for Knowledge Management</i> by Uwe M Borghoff and Remo Pareschi (Springer, 1998) Provides a more advanced understanding and assumes familiarity with the basics.</p> |
| Lean principles and Lean Sigma | <p>Lean methodologies have become very popular, owing to the inherent attractiveness of their focus on the customer. However, they do require total commitment from an organization, as they cannot be implemented effectively at a local level owing to the need to interface with other areas. This makes them high risk in comparison with MoV, although they deliver high reward if they pay off.</p> <p>Web link: www.valuestreamguru.com/?p=108</p> |

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| Managing difficult people | <p>This is a large topic to cover here, so a list of texts is offered. Key points to remember are:</p> <ul style="list-style-type: none"> • Behaviours are sometimes driven by a desire to get the job done. This isn't necessarily bad. • Understand the effects of this behaviour, good and bad, and the personalities that manifest as a result. • Recognize when what you do triggers adverse behaviour in another. <p>Web link: www.cipd.co.uk/Bookstore/_catalogue/Training/9781843981756.htm</p> <p>Reading: <i>Dealing with Difficult People</i> by Dr Rick Brinkman and Dr Rick Kirschner (McGraw-Hill, 2006). <i>Handling Difficult People and Difficult Situations</i> by Greg Whitear and Geoff Ribbens (CIPD),</p> |
| Net present value | <p>The final output of a discounted cash flow analysis.</p> <p>Details of calculation can be found from many sources, including HM Treasury's <i>Green Book</i> (see above)</p> |
| Pareto | <p>Method of selecting the areas of a subject with most potential for value enhancement. Often called the 80/20 rule, where 80% of the impact is made by the top 20% of ideas.</p> <p><i>Maximizes return on time where it is scarce. It has the drawback of sometimes operating on incomplete information, so sometimes missing significant opportunities.</i></p> |
| Peer review | <p>Process of seeking objective inputs or comments from similarly qualified individuals who are impartial to the subject or project under study.</p> <p><i>This can be an excellent method of gaining feedback on strengths and weaknesses for the subject under study, allowing for constructive challenge and recommended solutions to be made.</i></p> |
| Presentation techniques | <p>Hints and tips for preparing and giving presentations (signposts).</p> <p>Web link: www.presentationmagazine.com/presentationtips.htm - contains a massive amount of information.</p> |
| Report writing | <p>An outline for an MoV study report is given in Appendix A of the MoV guide.</p> <p>Web link: www.samples-help.org.uk/report-writing/index.htm provides a basic list of things to remember (albeit surrounded by adverts), based on use of MSWord</p> |

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| Risk management | <p>The systematic application of principles, approaches and processes to the tasks of identifying and assessing risks and then planning and implementing risk responses.</p> <p>Web link: www.hm-treasury.gov.uk/orange_book.htm</p> <p>www.iso.org/iso/catalogue_detail.htm?csnumber=43170</p> <p>Reading: <i>Management of Risk (M_o_R)</i>, published by TSO/Cabinet Office</p> |
| SCAMPER | <p>This is a mnemonic to aid idea generation:</p> <p>Substitute Combine Amend Modify Put to other use Expand Reverse/reduce</p> <p><i>This can help with crossing the bridge from a creative thought to a practicable idea, or to expand the concept behind an idea. It also encourages different ways of expressing the same idea, which can provoke new ones</i></p> <p>Web link: www.mindtools.com/pages/article/newCT_02.htm</p> |
| Scenario building | <p>Analysing the relative effectiveness of value enhancement of various combinations of proposals according to a specified view of future conditions.</p> <p>Web link: www.jiscifonet.ac.uk/tools/scenario-planning/scenario-planning.pdf</p> |
| SMART – Simple Multi-Attribute Rating Technique | <p>A technique for use during the briefing and outline design stages of building developments.</p> <p>Reading: <i>A SMART Methodology for Value Management</i>, Chartered Institute of Building, Occasional Paper No 53, 1992</p> |
| Soft systems methodology (SSM) | <p>Compares the current situation with the ideal situation to generate acceptable actions for change. It has gained a large following in information systems and is very useful for managing conflicting stakeholder objectives, although its use of jargon is a barrier.</p> <p>Reading: <i>Soft Systems Methodology in Action</i> by Peter Checkland (John Wiley & Sons, 1999)</p> |

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| Stakeholder analysis | <p>Identification of those people or organizations with a vested interest in a project, product, service or process and their attitudes towards it. This analysis also indicates their levels of interest and the influence they may exert.</p> <p><i>Explains how best to engage with these people or organizations. It can assist in focusing attention on satisfying key stakeholder interests.</i></p> <p>Reading: <i>Managing Successful Programmes (MSP)</i>, Cabinet Office (The Stationery Office, 2011)</p> |
| Stakeholder identification | <p>Whilst in many cases the stakeholders are clearly visible, this is not always the case. Some guidance is offered in Chapter 4 of MoV.</p> <p><i>MSP is the leading guide on this subject</i></p> |
| Strategic choice approach | <p>Works through four stages (shaping, designing, comparing and choosing), focusing on the uncertainties inherent in the decision under review. As it is a framework, it works well with MoV. It uses three stages (or modes): shaping a problem, designing alternative responses and comparing these responses to select the best.</p> <p>Reading: <i>Planning Under Pressure</i> (Urban and Regional Planning series) by John Friend and Alan Hickling (Elsevier Butterworth Heinemann, 2005).</p> |
| Strategic options development and analysis (SODA) | <p>A cognitive and causal mapping tool to aid understanding of strategic options and their consequences; it is especially helpful for messy, complex problems.</p> <p>Web link: http://people.brunel.ac.uk/~mastjib/jeb/or/softor.html for an explanation of operational research and SODA's role in it</p> |
| Sustainability and triple bottom line | <p>A term coined by John Elkington, the triple bottom line approach ensures that the economic, environmental and social impacts of proposals are taken into account. Methods of doing this will inevitably vary, as do accounting policies themselves. The most important feature of whatever methods are selected is that, like the comment under value metrics, they must be seen to be transparent and objective.</p> <p>Web link: www.johnelkington.com/TBL-elkington-chapter.pdf for the original article</p> <p>www.censa.org.uk/docs/Wiedmann_Lenzen_2006_SDRRC_paper.pdf gives some insights into reporting methods</p> <p>Reading: <i>The Durable Corporation: strategies for sustainable development</i> by G Aras and D Crowther (Gower, 2009).</p> |

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|-----------------------|---|
| SWOT analysis | <p>SWOT stands for strengths, weaknesses, opportunities and threats. It is an aid to developing MoV plans.</p> <p><i>A commonplace tool to focus activities on areas with growth potential and minimize any shortcomings in an organization.</i></p> |
| Systems thinking | <p>Most methodologies involve analysing a problem into its constituent parts and their properties to extend understanding. Systems thinking focuses on the relationships between these constituents formed by their combination. It has been used very effectively and works well with MoV.</p> <p>Web link: www.reallylearning.com/Free_Resources/Systems_Thinking/systems_thinking.html</p> |
| Target costing | <p>Sets target costs based on what the market will pay for something, rather than how much it costs to produce it.</p> <p>Web link: www.cimaglobal.com/Documents/ImportedDocuments/ReformingtheNHSfromwithin.pdf</p> |
| T charts | <p>A simple technique which places positive outcomes on one side of a sheet and negative on the other. A statement of the idea forms the top of the T.</p> |
| Team-building | <p>Much material is available for further study, although it can be difficult to separate the information from the plethora of training courses and team-building games that are publicized. Reference to the material cited will signpost many other resources.</p> <p>Web link: http://www.tms.com.au/tms12-1i.html presents a research article bringing together work from other professionals.</p> <p>http://hbr.org/product/managing-teams-for-high-performance/an/2304-PDF-ENG offers a series of articles on this subject.</p> <p>Reading: <i>Team Building: Proven Strategies for Improving Team Performance</i> by E Schein and W Dyer (Wiley, 2007).</p> |
| Theory of constraints | <p>The theory of constraints contends that any manageable system is limited in achieving more of its goal by a very small number of constraints, and that there is always at least one constraint.</p> <p>Web link: www.answers.com/topic/theory-of-constraints has a considerable amount of information</p> |

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|--------------------------------|---|
| Tracking benefits realization | <p>Benefits arising from MoV proposals may need to be monitored during or after project completion, or as a change to business as usual. Methods need to be able to span a considerable period of time (often years) in order that individual benefits can be tracked, quantified and promulgated within an organization. A plan needs to be constructed to show what is expected, where and when, with a named person responsible for making it happen. Whatever method is used must be sufficiently objective to stand up to independent review.</p> <p>Sections 7.8, 7.9 and 7.10 in <i>Managing Successful Programmes</i> are very relevant.</p> <p>Web link: www.cimaglobal.com/Thought-leadership/Newsletters/Insight-e-magazine/Insight-2010/Insight-March-2010/Realising-benefits-of-business-change--challenge-1 has guidance regarding potential pitfalls</p> <p>Reading: <i>Fundamentals of Benefit Realization</i> by Gerald Bradley (The Stationery Office, 2010)</p> |
| Value metrics | <p>Methods of measuring monetary and non-monetary value enhancements. When setting metrics, it is preferable that they should be as objective as possible and essential that existing reporting systems are capable of producing them regularly.</p> <p>Web link: www.businessballs.com/dtiresources/performance_measurement_management.pdf gives a breakdown of performance management, which is closely allied</p> |
| Warm-up exercises/ice breakers | <p>Ways to relax participants and encourage collaboration and a sense of 'team'.</p> <p>Web link: www.mindtools.com/pages/article/newLDR_76.htm</p> |
| Workshop/study toolkit | See Management of Value, Appendix A for a checklist to support studies and/or their workshops. |