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If your business is engaged on a construction project, then you should know the importance of implementing value management. This refers to a systematic and prearranged process of a team based decision making. Its primary objective is to obtain the best value for a process or project with the least possible cost by defining the functions required.

In this type of business strategy, value is always equal to your desired functions or combinations of functions. By increasing the worth of the functions related to the cost, value is likewise improved. But how is value achieved through value management? What are the basic characteristics of this process that makes it an ideal construction project solution?

Function Analysis

The achievement of value is often addressed through the process of function analysis. This refers to a segment of value management job plan, which is involved in clearly identifying the important elements of the project. In this analysis, functions are divided into primary and secondary functions.

Primary functions are those that are significant to success, while secondary functions serve as reinforcement. Through rigorous analysis of functions, it is easier to identify the necessary expenditure from wastage and duplication, thus increasing the chance for value to be improved. It also aids clarity of thought and allows team members to consider a vast range of solutions.

According to the British and European Standard on value management, this strategic approach is distinct from any other managerial strategies since it concurrently includes characteristics that are not usually found in any other system.

Value management is so far the only system that brings together within a single framework the following: management style, positive human dynamics and consideration of external and internal environment. To put this managerial strategy into action, however, you would need to hire an experienced value manager. This is a professional that has an absolute knowledge and expertise on implementing the different strategic approaches of value management.

Ideally, a value manager must be systematic and must be able to analyse complex problems without losing track of the customer requirements. He must also be able to work out issues from a project background using highly efficient methods and tools.

He must also know how to organise and manage workshops; provide conditions to challenge project hypotheses about needs and approaches; motivate people find innovative solutions in attaining the project's needs; communicate with both technical and lay project participants; as well as establish multi-disciplinary team effort.

Why Hire an External Value Management Consultant?

Today, there is still an ongoing debate on whether it is better to hire an internal facilitator or an external value manager both in the construction and business industries. On my personal opinion, it is by far more essential to hire an external value management consultant to work on the project or process under review than assign one of the members of your construction team to the position. It is

because independent facilitators have better understanding on this particular approach and are neutral when it comes to making decisions and implementing strategies.

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