



An approach to value delivery that integrates stakeholder judgement into the design process

"The industry knows little of how it adds value to customers and society; this approach provides a new way of delivering what people most need"
Richard Saxon, BDP



the need

“Value delivery is the key goal of all projects”

This construction industry mantra is familiar but do all stakeholders in today's complex project relationships share a common vision and understanding of “value”? This is a difficult but often unanswered question, despite the many value related capabilities offered today.

We must become better able to reflect the priorities and values of our customers if value is to be meaningfully delivered. We need ways to help stakeholders understand and express value in their own terms, then share and align these expectations for value delivery by making assessments during design, construction and use. In this way we ensure customer value is improved.

the solution

VALiD (Value in Design) is a new approach to value delivery that integrates stakeholder value judgements into the project process.

It was developed by a team of collaborators in response to the construction industry's growing need to demonstrate value.

The approach comprises a suite of simple, practical methods that can be customised to engage stakeholders throughout the delivery process. It takes people's judgements and uses them to understand stakeholder value and to demonstrate project performance.

the benefits

The use of VALiD can bring a number of benefits, including:

- ▶ stakeholder values and expectations can be integrated into the project's business case
- ▶ a clear definition of value to each project stakeholder can be agreed
- ▶ design decisions are made from the perspective of stakeholder value
- ▶ understanding of stakeholder value is maintained through design, construction and use
- ▶ value delivery performance is clearly documented in project and stakeholder dashboards
- ▶ a transparent approach builds confidence and trust in stakeholders' views and focuses providers on key areas requiring attention
- ▶ value in use is predicted during delivery

VALiD has proven effective in construction projects and building management in the pharmaceutical, education and project management sectors. Case studies are available at www.valueindesign.com

imagine a problem

Consider a scale of 1 to 10 on which the value of a building or project is expressed. The architect thinks that the building offers a value of 8, while the facilities manager and client think the building's value is 5 and 6, respectively. A person walking by on the street, meanwhile, thinks that the building has 4 units of value, yet his friend alongside him considers the building's value to be 5.

Why are these opinions so different when the building is the same? Which one (if any) is right? How can the differences be explained, reconciled and used to inform project provision? How can project management accommodate these different points of view?

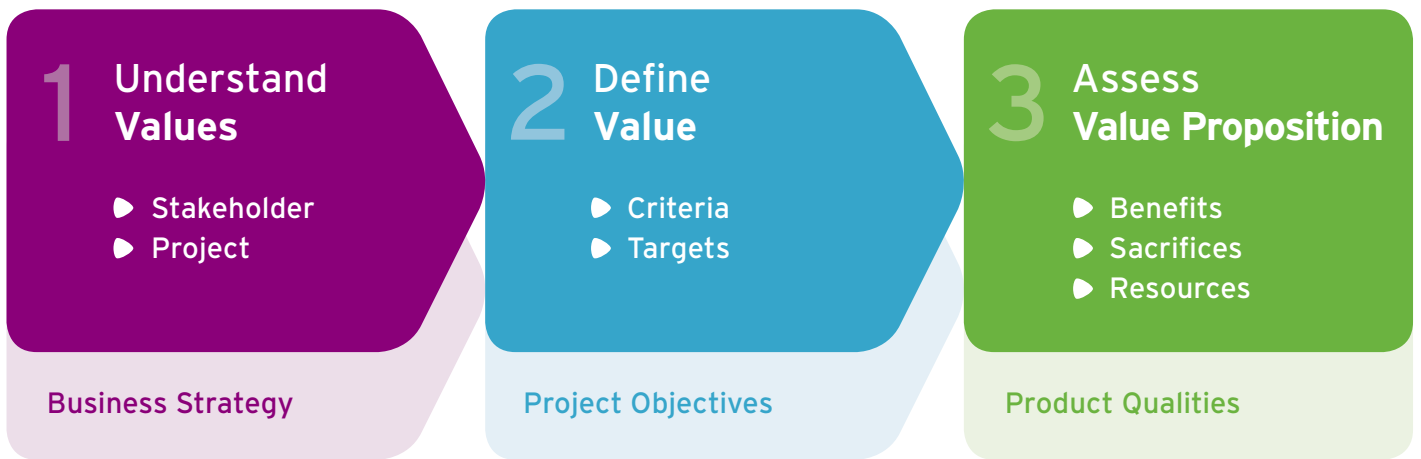
VALiD can help you answer these questions.

the VALiD framework

The framework provides a logical structure to help project teams understand the issues that must be discussed among stakeholders if value, and the drivers for its delivery, are to be fully understood. It links stakeholders' values with their definitions of value and ongoing assessment of project performance.

The framework has three elements which guide stakeholders through the discussion of their values to assessing project performance in delivering value.

VALiD helps stakeholders express the "get" and the "give" of their value as the **benefits** they seek from the project, the **sacrifices** they are willing to make to get those benefits, and the **resources** they consume in doing so.



1 Understand values

Values describe stakeholders' beliefs, attitudes and the principles that drive their actions. VALiD includes a method to help stakeholders understand, express and share their values. A project team can establish common purpose through a shared set of **project values** formed from the values of each stakeholder and influenced by the project's nature and objectives.

Each stakeholder's **business strategy** should be informed by their organisational values.

2 Define value

A representative of each stakeholder group expresses a set of **value criteria** and **targets** in a dashboard. They are responsible for what their group gets (beneficial and sacrificed outcomes) and the resources they give up.

These targets, together with traditional **project objectives**, inform the team's development of the concept design solution that defines the value proposition.

$$\text{Value} = \frac{\text{Benefits} - \text{Sacrifices}}{\text{Resources}}$$

related to

3 Assess value proposition

Stakeholders judge the value proposition offered by the emerging solution at key points in the process. They assess their own **benefit**, **sacrifice** and **resource** criteria and the results are summarised in their dashboards. These enable an informed discussion of performance so that the providers can take appropriate actions.

Judgements are based upon **product qualities** - the physical and functional characteristics of the built product and the business it facilitates. Value delivery is focused on the knock-on effects of decisions on long term operating costs and business performance.

understanding value

Value is the trade-off between what each stakeholder gets and what they have to give up. It is essential that we understand value from each stakeholder's perspective.

$$\text{Value} = \frac{\text{What you get}}{\text{What you give}} \text{ for } \frac{\text{What you get}}{\text{What you give}}$$

This view of value helps stakeholders appreciate that, while the bottom line is about improving efficiency (our traditional focus), the top line is concerned with increasing effectiveness (a tougher problem all together).

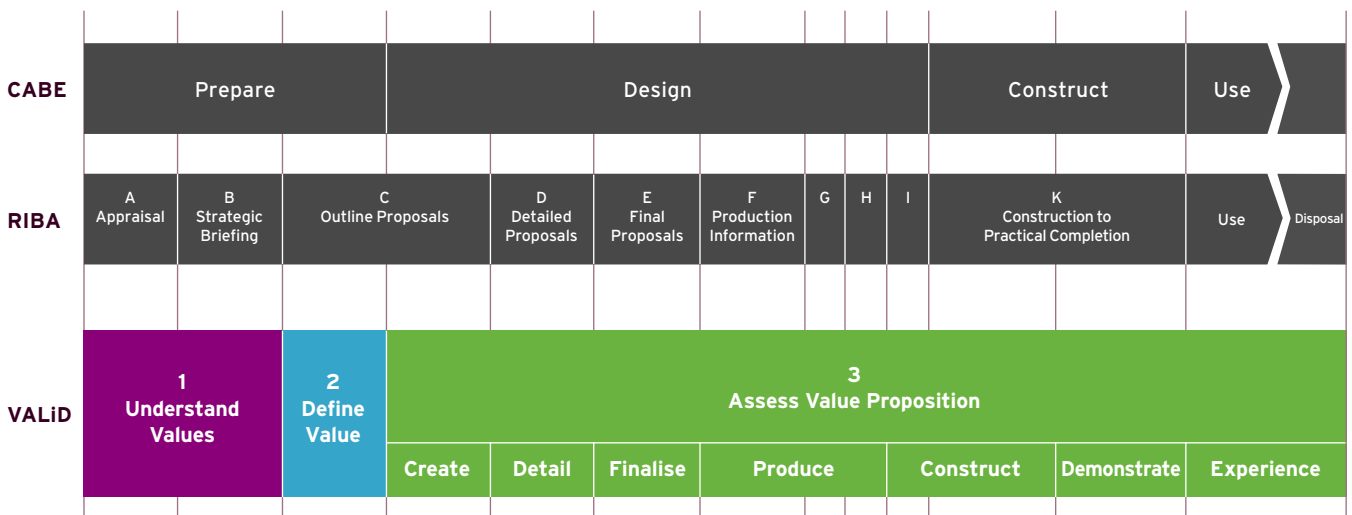
the VALiD principles

This new approach to understanding and delivering value is based on six principles:

- ▶ value delivery is the goal of all projects
- ▶ value is subjective and based upon stakeholders' underlying values
- ▶ successful projects deliver value for all stakeholders
- ▶ project teams have provider and customer stakeholders, each with their own understanding of value and expectation for its delivery
- ▶ value is judged by each stakeholder from their own perspective and aggregated to provide a project view
- ▶ effective project value delivery requires an ongoing dialogue between all stakeholders to negotiate appropriate compromises and balance stakeholder views

the process

VALiD offers a series of activities that align with relevant stages of a project. An appropriate set is selected for a particular project and linked to its delivery process. The nature of VALiD activities changes as the project progresses to reflect its shifting focus.



instruments and tools

There are a number of tools to help implement the VALiD approach and Framework. These include a technique to reveal values of individuals and groups as well as dashboards to capture stakeholder value criteria, targets and judgements.

value survey

A structured method of revealing values can help an organisation understand itself and drive their business strategy. It also helps individuals understand how their values frame their judgements of value.

Projects often bring together stakeholders who know little of each other's values. A universal values model can help organisations understand each other and find common project values. These can also be used in selecting partners. When stakeholders recognise project values consistent with their own they will identify with the project, feel a sense of belonging to it, and will acquire a stake in achieving its objectives.



the dashboard

Dashboards provide quick and simple "at-a-glance" summaries of value delivery for the team. They present information that steers the project to a successful conclusion and, in particular, give designers insight into what stakeholders seek and how well they are fulfilling those expectations.

The size of a dashboard is controlled to balance the additional insight offered by a greater number of benefits, sacrifices and resources with the increase in time and effort required to judge their delivery during the project.

VALiD helps stakeholders to **set targets** for value delivery and **judge project performance** in fulfilling them by structuring metrics for each stakeholder's benefits, sacrifices and resources in stakeholder and project **dashboards**.

VALiD - Stakeholder Dashboard	
Whitbury Nursery: Dashboard for Chris Benson (Modern Nurseries Limited) Customer	
Project Status:	
You: 1.01 The Project: 1.00 Customers: 1.08 Providers: 0.85	
Your Benefits: See below for your Sacrifices and Resources	
Easy and simple to use How simple must the building be to use?	Your current experience: 1 2 3 4 5 6 7 8 9 10 Target = 5 Comfort Zone = 4-6 Judgement = 5 Acceptable
Building is accessible to authorised people To what extent does the design solution exclude people from the building who would otherwise be expected to be able to access it?	Your current experience: 1 2 3 4 5 6 7 8 9 10 Target = 6 Comfort Zone = 5-7 Judgement = 6 Acceptable
Internal environment fulfils occupier's space requirements To what extent is the size, shape and layout of internal spaces impractical and unworkable?	Your current experience: 1 2 3 4 5 6 7 8 9 10 Target = 5 Comfort Zone = 4-6 Judgement = 5 Acceptable
Creates a safe place To what extent does the design prevent crime and antisocial behaviour?	Your current experience: 1 2 3 4 5 6 7 8 9 10 Target = 5 Comfort Zone = 4-6 Judgement = 5 Acceptable

putting VALiD into practice

Support is available to help you learn more about VALiD and how to apply it in your organisation and projects.

visit the VALiD website

Detailed information, insights from its application and a selection of tools (with instructions and proformas) are available at www.valueindesign.com

get support

The project partners can advise you on where to get support in the use of VALiD:

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Value in Design

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