



IMPROVING VALUE

Welcome to Newsletter No. 2—RHA’s focus this quarter is on Improving Value. Whether this is as a leader, team member or project specific. We’d like to thank you for downloading or clicking on the email. Enjoy and don’t be afraid to contact us if you have any follow-up questions or comments. We’re always looking for feedback!

VALUE, according to Webster = **quality or worth of something that makes it valuable.** Depending on who you are and what business you are in or position in your organization, might lead you to different definitions or ideas of the meaning of VALUE. At RHA, we look at value and relate it to various improvements which add “benefits” or “value” to a project, process, organization, team and even to an individual. Things that we consider adding value include:

- Leadership/Management effectiveness
- Team member/staff effectiveness
- Project improvements
- Process improvements

Bringing about Value Improvements requires the following:

V = variables associated with improving value

A = analysis of those variables

L = leadership qualities to bring about value improvements

U = unwavering commitment

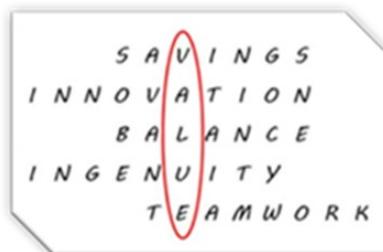
E = embracing the change that will be required through implementation

Adding Value to a Project

RHA prides ourselves on the types of things that we have been involved with that can improve projects. Two of these are defined as:

- Value Engineering/Analysis
- Risk Analysis & Management

Value Engineering/Analysis



The value methodology (Synonyms: **value analysis, value engineering and value management**) is a function-oriented, systematic, team approach to add customer value to a program, facility, system or service. Improvements like performance, quality, initial and life cycle cost are paramount in the value methodology. The value workshop is conducted in accordance with the methodology as established by SAVE International.

Value Engineering (Cont'd)

When we speak to designers, owners and contractors, we often hear, I didn't realize there was a formal process. For those of you who have not be involved, there is a formal process. It is a six step job plan as supported by SAVE International, the value society. The six step job plan is discussed below:



The information phase is used to gather, organize and analyze data; define costs and cost models; define the problem/purpose of the study; define study scope, define project goals and workshop goals; understand performance; define constraints, and analyze risks.



Function Analysis is the heart of the value process. This phase sets value engineering apart from all other improvement processes. Function Analysis is breaking the project down into its very basic functions. Asking the question "What" must this project do (Scope). Often a Function Analysis Systems Technique (FAST) is completed. (See drawing below)



The Creative Phase is the free-flowing, brainstorming effort to look for alternatives, ideas, and opportunities on how to achieve the identified functions and even looking for opportunities to eliminate a function; thus reducing cost and/or improving value.



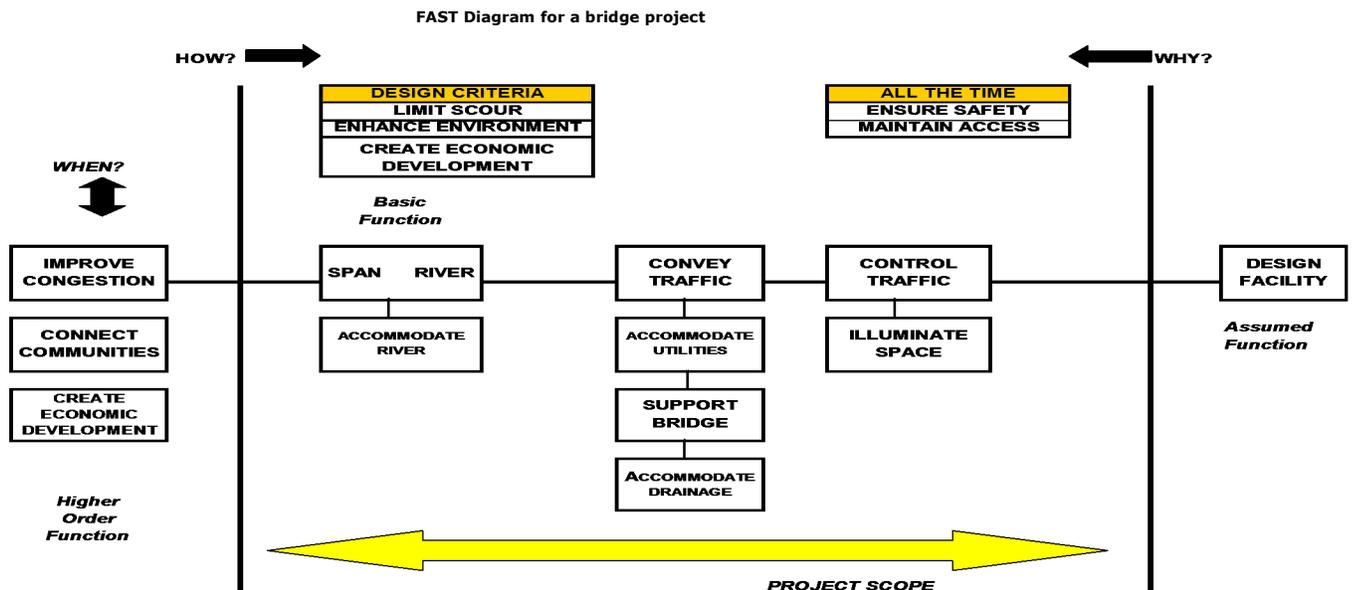
Evaluation now lets us formally evaluate each of the identified ideas. This can be accomplished in a number of ways; using a Group Nominal Technique, using a Value Index; using performance attributes, or a combination of several techniques.



The next step in the process is to take the ideas that have been evaluated and develop those that offer the best value to the project. This includes understanding the original idea, the new idea, the pros and cons, cost impacts, implementation considerations, drawings, etc. This provides all the necessary summary documentation.



The final step in the job plan is to make a formal presentation of the outcomes of the study. This is not the time for evaluation of the presented ideas, but an opportunity to educate the decision-makers on everything that was accomplished during the workshop.



Risk Analysis

Risk analysis has become very popular as of late. RHA has begun to integrate Risk into our value engineering studies, performing stand-alone workshops and facilitating risk-based partnering for construction. The question is “why” has this all of a sudden become important. After being in the construction industry for 24 years, many challenges which led to change orders or sometimes claims seem to stem from the fact that we didn’t manage the risk during design, and sometimes didn’t even discuss it. What we have often heard is “just let them deal with it during construction”. The

challenge with this statement is that the cost exponentially goes up 10x, from planning to design and then from design to construction. All of a sudden the need to manage our budgets has led us to begin looking at risk at a much earlier stage in a project’s life. At a minimum, if the risk cannot be mitigated or eliminated, owners are now seeing a need to budget adequately for the risks that we know will occur on a project. A formal risk analysis can offer an opportunity to bring these risks to the forefront and begin to try and manage them more effectively, if not eliminate from the project.

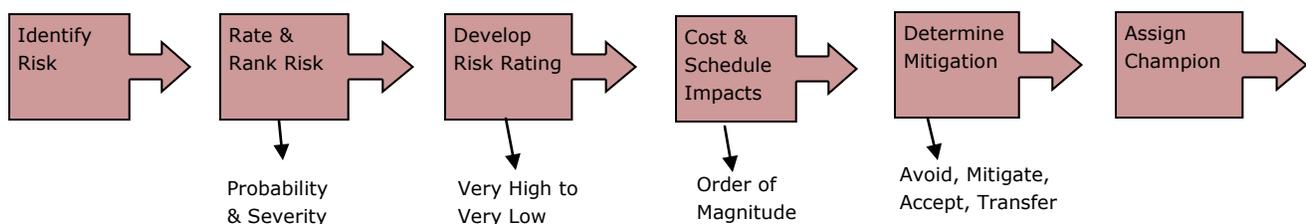
But, we must talk about them. This can happen during the design process, and should continue throughout the project life. A risk analysis can be qualitative and/or quantitative. Risks can be negative but they can also be positive. Yes I know, how can a risk be positive. By understanding the definition of risk helps us to understand:

Risk = an event that affects one or more of the project objectives.

So, a positive impact is still an impact. The team can focus on how to take advantage of the risk to improve the project.

Project and Program Managers and projects can benefit to:

- ☒ Avoid and/or minimize adverse impacts to project scope, cost, safety and schedule.
- ☒ Maximize opportunities to improve the project’s objectives with lower cost, shorter schedules, enhanced scope and higher quality.
- ☒ Avoid and/or minimize management by crisis.



Guiding Teams—Building Success

Hopefully this Newsletter has been informative and enlightening. RHA has been working with teams over the past 24 years to help build success.

This Newsletter has had a strong focus on helping to improve the value of our projects. We have outlined just two opportunities and

there are many more. If you would be interested in more information on value engineering or risk analysis, RHA provides many presentations and training for organizations.

RHA will continue to focus our future newsletters on other skill sets as well. They may include leader-

ship, communication, issue resolution, negotiation, conflict resolution, goal setting, and much more...

We look forward to hearing from you. Our information can be found on the back, look us up!



RHA, formerly known as RH & Associates, is a professional firm specializing in training and facilitation services. RH & Associates was organized in 1992 with the reorganization to RHA, LLC in 2011. We are a certified as a WBE/DBE/SBE in several states and provide services throughout the nation and abroad.

Services

- Partnering
- Project Scoping (Alternative Delivery)
- Value Engineering
- Team Building
- Strategic & Process Planning
- Community Outreach
- Training (Value Engineering, Risk, Partnering, Alternative Delivery)
- Risk Analysis

Firm Experience

- Transportation (Highway, Bridges, Rail, Bus, Airports)
- Flood Control & Drainage
- Water & Wastewater
- Buildings
- Environmental Projects
- Specialty Disciplines; fuel farms, seismic upgrades, etc.

Corporate Office
 6677 W. Thunderbird Road
 Suite K183
 Glendale, AZ 85306

Phone: (602) 493-1947
 Toll free: (800) 480-1401
 Fax: (602) 275-2972
 Renee@TeamRHA.com
 Patrice@TeamRHA.com
 Laurie@TeamRHA.com
 Barb@TeamRHA.com

We're on the Web
www.TeamRHA.com

LIKE WHAT YOU'VE READ....OR THERE IS SOMETHING YOU WOULD LIKE TO SEE

Introducing RHA Team Members

New Team Member—Welcome Barbara



Barbara has recently joined RHA as a new Associate. She comes to us with over 25 years in the public sector and she has already begun her value engineering journey. She is an Associate Value Specialist (AVS) and working towards her Certified Value Analysis (CVS). In addition, Barbara will be leading Partnering and Scoping workshops. Please drop her a line and welcome her to the team (her email is listed above).



Renee Hoekstra, CVS is a managing partnering of RHA, LLC, a company she started over 24 years ago. She provides all program development and facilitation services for partnering, scoping, value engineering and risk analysis as well as facilitating internal and process development teams.

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Patrice M. Miller, CVS is a managing partner of RHA, LLC and provides professional facilitation services for design, alternative delivery and construction projects. Her recent experience includes providing facilitation of value engineering and risk analysis workshops.

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Laurie Dennis, P.E., CVS-Life, LEED AP, has provided civil engineering design, program management, and construction management services since 1977 and specializes in value analysis services; leading studies and providing training for the VE Module I and Module II.

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