



Institute of Value Management Malaysia

NATIONAL VALUE MANAGEMENT **GUIDE**

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Foreword

National Value Management Guide is the first Value Management (VM) guide from the Institute of Value Management Malaysia (IVMM). This National VM Guide provides guidance on how to apply effective VM study on programs, projects, facilities, systems and to drive successful business outcomes. This guide provides those with an interest in and commitment to Value Management discipline.

The National VM Guide is one of the IVMM's contributions to the country towards achieving status of a developed nation in the near future. It is proven that the application of VM methodology for the Government's project above RM50 million since 2009 has saved billions of the Government's spending and promote prudent expenditure of public funds.

Even though IVMM is new and small in numbers, but that does not obstruct us to contribute to the national economic growth and stability. Instead, IVMMs' contribution is much higher and continue to contribute to nation building and growth.

I would like to congratulate all IVMM members for taking part in promoting the application of Value Management methodology at the National level. This National VM Guide is intended to encourage discussion related to areas of practice where there may not yet be consensus. The discipline of Value Management and its associated roles continue to evolve.

Dato' Ir. Abdul Nasir bin Abdul Razak, CVM, FIVMM-Life
President
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March 2018

Preface

Value Management (VM) at present is widely used in many developed countries and attracting considerable attention in certain countries including fast developing countries like Malaysia. VM application in Malaysia achieved their first major milestone after all Government's project cost more than RM 50 Million under 10th Malaysian Plan must go through VM study in order to achieve Value for Money.

The understanding of the concept of VM in the eyes of the client, stakeholders and potential customers is very important as it does not merely deal with cost but looks into the wider perspective of the relationship between value, function, cost and quality. The fundamental contribution of VM exercise is to eliminate an unnecessary cost, which does not contribute to the value of the projects, products, systems and facilities. The structured functional analysis is very significant during VM study in achieving cost optimization.

This National VM guide is published to provide better insight of the principals of VM and its application, its relation to systems approaches and life cycle costing. Major emphasis is given to construction projects, products and system studies.

This guide is relevant for all professionals and stakeholders such as Project Owners, Project Managers, Engineers, Architects, Quantity Surveyors, Manufacturers, Accountants, Academicians, tertiary education students and general public.

In truth, the National VM Guide would have not been completed without the strong commitment of the committee members with diverse disciplines and from various agencies. Many thanks to those directly and indirectly involved in the completion of this guide.

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March 2018

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List of Content

Item	Description	Page
	Foreword	(i)
	Preface	(ii)
	Acknowledgement	(iii)
1.0	Introduction	1
	1.1 Purpose of The Guide	1
	1.2 What Is VM	1
2.0	VM Applications	3
	2.1 VM Intervention	3
	2.1.1 Value Planning (VP)	3
	2.1.2 Value Engineering (VE)	3
	2.1.3 Value Analysis (VA)	4
	2.1.4 Other Value Interventions	4
	2.2 Programme and Project Phases	5
	2.3 VM Return On Investment	6
3.0	Milestone of VM Implementation Policy in Malaysia	8
4.0	Value Management Framework	10
5.0	Management Decision Tools and Value Management Integration	11
6.0	VM Study Process	12
	6.1 Pre Study Preparation	16
	6.2 VM Workshop	16
	6.2.1 Information Phase	17
	6.2.2 Function Analysis Phase	17
	6.2.3 Creativity Phase	19
	6.2.4 Evaluation Phase	20
	6.2.5 Development Phase	21
	6.2.6 Recommendation Phase	21
	6.3 Post Study	22
7.0	Successful and Effective Management of Value Management Study	23
8.0	Glossary	24
9.0	References	28