

**PASS Project**  
Promoting and Extending Value Management Professional Services in Belt and Road Regions

**International Conference**  
Project Creation and Survival via Value Management

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**Using Value Methodology**  
**for Partnering, Quality and Risks Management**

Presented by

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Sr. Tang is a Fellow Member, a council member and a List B Facilitator of HKIVM.  
He has conducted over 30 VM and partnering workshops.

# Abstract

The **Housing Department** in Hong Kong requires its projects to conduct **partnering workshops**

while

the **Architectural Services Department and other government works department** in Hong Kong require their projects to conduct VM workshops or integrated workshops covering **VM, partnering, quality, risks, and integrity managements**.

Partnering, quality and risks managements all adopt a **cyclical series of processes** for **continual improvement**.

The processes are **very similar to** that adopted by **VM**.

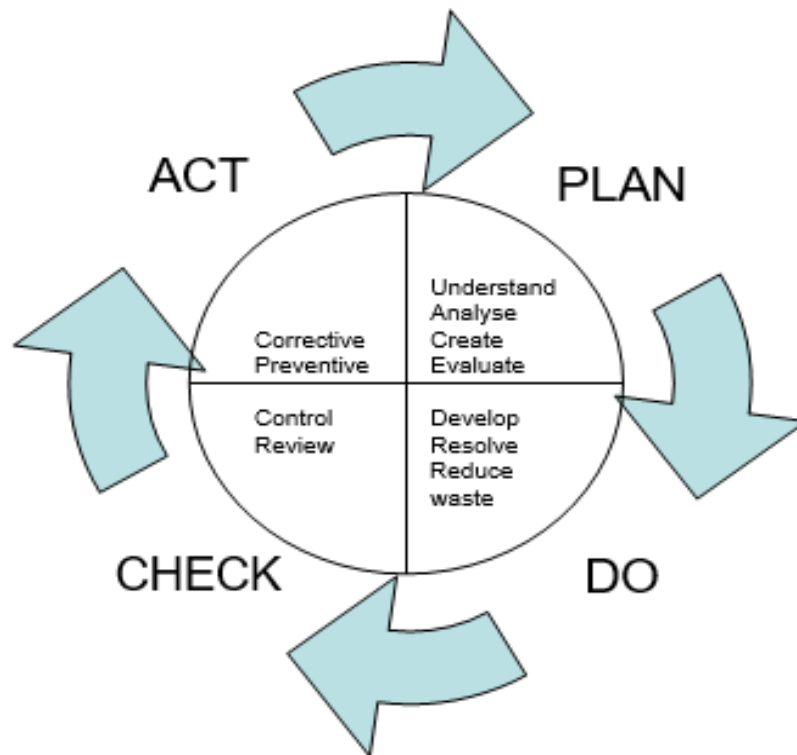
The **systematic value methodology** can be **effectively applied** to conduct the integrated workshops.

Sr. Tang would share the **similarities**, the **workshop agenda**, and **some observations** about the outcomes of the past workshops conducted.

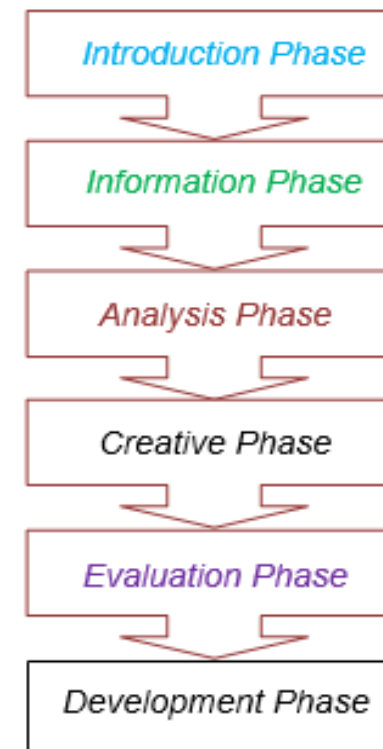
This should be useful for likely project team members wanting to **positively contribute to and gain something** from these integrated workshops.

# Similarities

## Quality Management Model:



## Value Management Model:



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# Similarities (Cont'd)

	QUALITY MANAGEMENT MODEL	HEALTH & SAFETY MANAGEMENT MODEL	RISK MANAGEMENT MODEL	VALUE MANAGEMENT MODEL	
	Quality Policy	Safety Policy	Mandate and Commitment		
→          ← Cycle	Plan	Plan	Establish context	Prepare Introduce	
				Understand	
				Identify • Goals / Objectives	
			Identify • Risks	Identify • Issues / Concerns / Risks	
				Create • Value options	
			Evaluate • Risks	Evaluate • Value options	
				Develop • Solutions • Action plan	
				Present findings	
				Develop Organize	
				Do	Implement
	Check • Control • Review	Measure	• Monitor, Review and Report • Communicate and Consult		
	Act • Corrective • Preventive	Audit / Review	Continual Improvement		

# Similarities (Cont'd)

- **Similar** sequential processes – **analyse and improve**.
- All call for **cyclical and continual** review and improvements.
- An **integration** of the various management systems for project delivery:

Success	Backbone	Tools		Lubricant
Value added	Integrity management	Value management		Non-contractual partnering
Success		Risk management		
Basic		Quality Management	Health & Safety Management	

- **Integrity management** is the **backbone** throughout, and can be considered as part of the risk management
- **Quality, health and safety** should be the **basic minima** that a project should achieve. They are only a sub-set of all the risks which may be encountered
- **Risk management** is about **preventing or mitigating risks** in order to make a project successful
- **Value management** is about **adding value** to the project **on top of mere success**
- **Non-contractual partnering** helps people **work easier and smoothly**.

# Focus of the Workshop

## Enhancing values:

$$\text{Value} \propto \frac{\text{Functions}}{\text{Resources}}$$

**“Functions”** includes  
prices, benefits, uses, worth, relationship, etc.  
of ALL parties

**“Resources”** includes  
costs, time, labour, materials, plant, effort, waste, etc.  
of ALL parties

# Workshop – whole scheme

- Pre-workshop meeting to understand the project
- Pre-workshop survey of initial expectations, major objectives and issues
- Workshop (one day for integrated or half day for partnering)
  - Introduction phase
  - Information phase
  - Analysis phase
  - Drafting partnering charter (partnering attitudes, goals, objectives)
  - Creative phase
  - Evaluation phase
  - Development phase
- Post workshop report
- Regular reviews

# Introduction phase

- Introduction by facilitators
- Workshop objectives
- Ground rules
  - Trust
  - Respect
  - Equal votes
  - No pre-judgement
  - Non-adversarial
  - Better value
- Opening speeches by senior management
- Self-introduction of participants
- House-warming games
- Group photos



# Information phase

- Presentation by Consultants
  - Project background
  - Major design features
  - Expectations
- Presentation by Contractor
  - Site set-up
  - Programme
  - Special measures
  - Expectations

# Analysis phase

- Surveying partnering attitudes
- Identifying goals and objectives (**Why**)
- Identifying issues, concerns and risks (**negating Why**)
- Both through:
  - **Group discussions**
    - Each group for different aspects
    - Identify as much items as possible
    - Each member writes down a few before group sharing
    - Register all items on a chart before discussion
    - Discuss to expand registered items
    - Do not jump to solutions
  - **Presentation by group representatives**
  - **Voting for the most important items**

# Creative phase

- Creatively proposing actions for priority issues, corporate social responsibilities, safety pledge to achieve the same functions, with action plan (How, By Whom and When)
- Through:
  - Group discussions
  - Presentation by group representatives

# Creative phase (Cont'd)

- Open our mindset
- Brainstorming rules
  - State ideas quickly
  - Quantity more important
  - “Free-wheeling” welcome
  - OK to state the obvious, to repeat, to think out of the box
  - OK to add upon, combine, improve on others’
  - OK to twist or turn around others’
  - No explanation required
  - No criticism, doubting, judgement

# Evaluation phase

- Cost information not usually available
- Monetary evaluation difficult
- Pair-wise comparison time consuming
- Scoring of marking scheme by groups may be denominated by vocal group members
- Open floor voting is the most expedient method
- Through:
  - Vote by sticking adhesive dots on displayed charts
  - Each member has more than one vote to build up enough votes for priority items
  - Each voting dot may score from 1 to 5
  - Vote in one colour for the most important/serious items
  - Vote in another colour for the most feasible/probable items
  - Seriousness x probability score = usual risk scoring method
  - Importance x feasibility scores = also a good indicator

# Development phase

- Reviewing results of evaluation
- Adopting action plan
- Presenting results of survey of partnering attitudes
- Agreeing issue resolution matrix
- Agreeing champion team
- Agreeing regular review meetings (structures, representatives, frequency)
- Closing address by senior management
- Closing by facilitator
- Exchanging signed partnering charter
- Photo taking

# Some partnering principles

## Partnering *is*:

- Working **TOGETHER** instead of against each other
- A **PROCESS** for relationship building
- A **PHILOSOPHY** of teamwork and understanding the other parties' needs
- A **COMMITMENT** to cooperate and communicate
- An **ATTITUDE** of goodwill and trust
- **SHARING RISKS** with a "win-win-win" attitude

## Partnering *isn't*:

- Relaxing contract terms
- Circumventing the processes
- Expecting extra work for free
- An excuse for poor performance
- A cure-all
- Easy!

(Source: <http://www.allanlowe.com/partnering.htm#jump1>)

# Some workshop objectives

- understand **project objectives** better
- incorporate **core values** and **corporate social responsibilities** in project implementation
- promote awareness of the importance and good practice of planning and design for **safety** in project construction
- focus on **creative co-operation** and **avoid adversarial confrontation**
- build working relationships based on **mutual respect, trust and integrity**
- establish a more **dynamic** project organizational **structure** and clear line of **communication**
- develop a formal **problem solving action plan** and **dispute avoidance mechanism**
- develop a mechanism for conducting the partnering **review regularly**



# Some project objectives

- achieve **better project value** through mutual recognition and development of improvement opportunities;
- enhance **effectiveness** by preventing unnecessary **cost** and **time escalations, delays, or unresolved issues**;
- reduce the project time and improve **quality** and **buildability**;
- clarify **common objectives**;
- clarify **project requirements**; and
- identify opportunities for **simplifying procedures** and potential savings in time or costs

# Cultural shift required

## Cultural shift required for Total Quality Management

From	To
Meeting specification	Continuous improvement
Complete on time	Satisfy customer
Focus on final product	Focus on process
Short-term view	Long-term view
Inspection-based quality	Prevention-based
People as cost burdens	People as assets
Minimum cost suppliers	Quality suppliers
Compartmentalised organisation	Integration
Top-down management	Employee participation

*(Source: Construction Management – New Directions by Denny McGeorge & Angela Palmer)*

# Some tips on goals and objectives

Project	Process	Attitude
<ul style="list-style-type: none"><li>• <b>Of good quality</b></li><li>• <b>On time</b></li><li>• <b>Within respective budgets</b></li><li>• <b>By minimum resources</b></li><li>• <b>Without fatal accidents</b></li><li>• <b>With few public complaints</b></li><li>• <b>Better than expected</b></li><li>• <b>With added value</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Plan ahead</b></li><li>• <b>Identify problems in advance</b></li><li>• <b>Exchange knowledge</b></li><li>• <b>Warn proactively</b></li><li>• <b>Adopt best practice</b></li><li>• <b>Adopt proven practice</b></li><li>• <b>Reduce wastes</b></li><li>• <b>Simplify tasks</b></li><li>• <b>Cut red-tape</b></li><li>• <b>Improve buildability</b></li><li>• <b>Find better alternatives</b></li><li>• <b>Resolve quickly</b></li><li>• <b>Rectify immediately</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Co-operative</b></li><li>• <b>Honest</b></li><li>• <b>Frank</b></li><li>• <b>Trusting</b></li><li>• <b>Trustworthy</b></li><li>• <b>Teamwork</b></li><li>• <b>Empathic</b></li><li>• <b>Sharing</b></li><li>• <b>No blame</b></li><li>• <b>No cheating</b></li><li>• <b>Fair</b></li><li>• <b>Wins for all</b></li></ul>

# Aligning partnering attitudes

(Note: 35 participants.)

Are these partnering attitudes?		Number of votes saying		
		Positive	Neutral	Negative
守望相助	Looking after each other	33	2	0
一人計短、二人計長	Two thinking heads are better than one	33	2	0
同舟共濟	Sharing when on the same boat	32	3	0
搭埋一條船	We are on the same boat	32	3	0
互惠互利	Mutual benefits	31	4	0
設身處地	Empathy	31	4	0
三個臭皮匠，勝過諸葛亮	Three shoemakers are better than a Plato	31	2	2
有福同享，有難同當	Fortune we share, misfortune we bear	27	6	2
施比受更為有福	Giving is more blessed than receiving	24	8	3
施恩莫望報	Giving without expecting return	24	8	3
合同包個嗰	It's included in the Contract	3	17	15
照本子辦事	Working according to the	2	17	16

# Aligning partnering attitudes (Cont'd)

⊕ (Note: 35 participants.)

Are these partnering attitudes?		Number of votes saying		
		Positive	Neutral	Negative
合同包個嗰	It's included in the Contract	3	17	15
照本子辦事	Working according to the book	2	17	16
規矩係咁	The rules say so	4	11	20
你負責架嘛	It's your responsibility	3	9	23
有著數，無回報	Taking without giving	0	7	28
有事鍾無豔，無事夏迎春	Wife when in trouble, mistress otherwise	0	4	31
各家自掃門前雪	Sweep the snow at one's own door	0	4	31
袖手旁觀	Watching with folded arms	0	3	32
同流合污	Collusion	1	1	33
見死不救	Your death is not my business	0	2	33
落井下石	Stoning into the well after he is down	0	2	33
狼狽為奸	Wolf and fox working together	0	1	34
你諗你	It's your own matter	0	1	34
關佬攞理	None of my business	0	1	34

1. Items highlighted in green are negative partnering attitudes to be avoided.
2. Items highlighted in blue are attitudes which are not absolutely wrong literally, but a better partnering attitude should be like 'It's your responsibility, but let's find ways to help you make your task easier.'



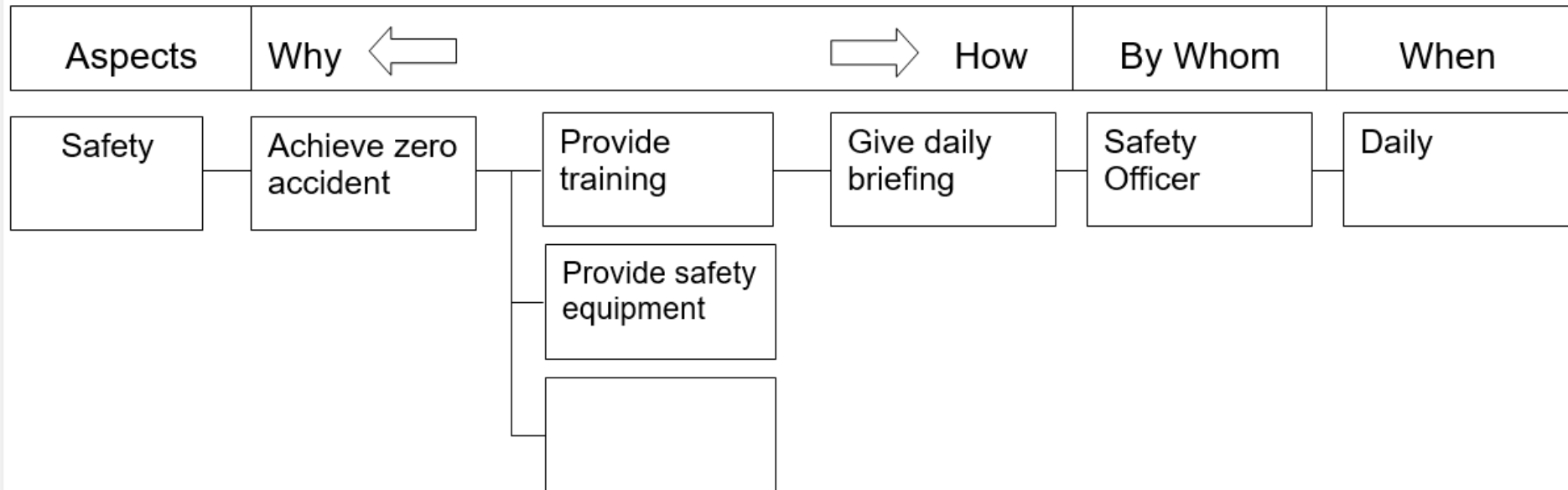
# Aligning partnering attitudes (Cont'd)

(Note: 22 participants.)

	Positive	Neutral	Negative
<b>Partnering mindset (daily expressions):</b>			
Partnering is required by the senior management	8	7	7
Partnering is a box-ticking exercise	4	6	12
Partnering means you help me for the work	3	3	16
Only applying partnering during final account stage after completion of the Works	2	3	17
Partnering is useless	1	3	18
According to the book, one step can't change. (照足本子，一步都不能變)	0	6	16

**Items highlighted in green are negative partnering mindsets to be avoided.**

# Bear in mind Why-How Diagram



Similar to How-Why logic.

Useful questions:

- Why do this?
- What obstructions?
- Why not that?
- What can be done?
- What else can be done?

# Goals and objectives scoring

Note: 5 Votes for importance per participant. Each of Client representative's vote scores 2 points, while each of the consultant representative's vote scores 1 point.

	<b>Goals and Objectives</b>	<b>Scores</b>
1	<b>Provide a friendly and home-like facility</b> <ul style="list-style-type: none"> <li>• User-friendly</li> <li>• Community-friendly</li> <li>• Homely / home-like environment</li> <li>• De-institutionalized</li> </ul>	38
2	<b>Complete on time</b>	25
3	<b>Facilitate efficient and cost effective maintenance and management</b> <ul style="list-style-type: none"> <li>• Effective / efficient maintenance and management</li> <li>• Good facility for building management</li> <li>• Low operating cost</li> </ul>	20
4	<b>Foster integration and welcoming design</b>	16
5	<b>Minimize disturbances to community / neighbour</b>	15
6	<b>Represent Client's first initiative for NGOs' involvement</b>	14
7	<b>Encourage community engagement</b>	12
8	<b>Facilitate NGOs' needs collaboratively</b> <ul style="list-style-type: none"> <li>• NGOs' needs interpreted</li> <li>• NGOs' fitting out facilitated</li> <li>• NGOs' operations collaborated</li> </ul>	12
9	<b>Obtain public acceptance</b> <ul style="list-style-type: none"> <li>• Good community acceptance</li> <li>• Public acceptance</li> </ul>	11



# Issues, concerns and risks scoring

Note:

- Each participant has the following votes:

	Importance	Probability
3 points	4 votes	4 votes
2 points	4 votes	4 votes
1 point	4 votes	4 votes

- The final score is based on number of points of importance x number of points of probability.

Issues, Concerns and Risks		Scores
<b>Aspect: Design and sustainability</b>		
1	<b>Vehicle circulation</b> <ul style="list-style-type: none"> <li>Limited space on G/F for loading / unloading</li> <li>Traffic jam</li> </ul>	1,628
2	Gender separation for hostels	112
3	Fulfilling needs for de-institutionalization, home environment, user-friendly, way-finding	96
4	<b>Maximization of opportunity of recreation</b> <ul style="list-style-type: none"> <li>roof garden (e.g. camping)</li> </ul>	40
5	Difficulty in controlling NGOs to fulfill the requirements of sustainability	32
6	Site constraints prohibiting environment sustainability measures	30
7	Additional SOA required for community / social enterprises + involvement resource centres	20
8	Hygiene problem in disposal of personal wastage	18
9	Need to provide environment to promote residents' movement and activities (not staying in bed)	15
10	<b>Kitchen operational and management problems</b> <ul style="list-style-type: none"> <li>Consuming spaces</li> <li>Not core business</li> </ul>	6
11	Duplication of spaces which can be commonly shared	2
<b>Aspect: Client's requirements and expectations</b>		
12	Lack of space for community participation	1,590

# Action plan

Aspects (Where)					
Goals and Objectives (Where to / Why)	Issues, Concerns and Risks (What)	Actions (How)	By Whom	When	Score
<b>DESIGN AND SUSTAINABILITY</b>					
<ul style="list-style-type: none"> <li>Facilitate efficient and cost effective maintenance and management</li> <li>Minimize disturbances to community / neighbour</li> </ul>	Vehicle circulation <ul style="list-style-type: none"> <li>Limited space on G/F for loading / unloading</li> <li>Traffic jam</li> </ul>	<ul style="list-style-type: none"> <li>Provide traffic management</li> </ul>	Designer	Now	58
		<ul style="list-style-type: none"> <li>Provide turn table and omit column</li> </ul>	Designer	Now	50
		<ul style="list-style-type: none"> <li>Provide lay-by outside</li> </ul>	Client / Designer	Now	23
		<ul style="list-style-type: none"> <li>Provide outside parking</li> </ul>	Client	Later	20
		<ul style="list-style-type: none"> <li>Provide loading / unloading but no parking</li> </ul>	Client	Completed	11
Provide safe and comfortable environment to users	Gender separation for hostels	<ul style="list-style-type: none"> <li>Provide:               <ul style="list-style-type: none"> <li>Electronic tracking device e.g. 手鐲</li> <li>CCTV</li> <li>Signage</li> <li>Colour zoning of interior</li> <li>Service user restriction management</li> </ul> </li> </ul>	NGO	Fitting out stage	58
<ul style="list-style-type: none"> <li>Provide a friendly and home-like facility</li> <li>Provide safe and comfortable environment to users</li> </ul>	Fulfilling needs for de-institutionalization, home environment, user-friendly, way-finding	<ul style="list-style-type: none"> <li>Use more colour</li> </ul>	Designer	Now	68
		<ul style="list-style-type: none"> <li>Articulate hierarchy of elevation to provide more natural light</li> </ul>	Designer	Now	67
		<ul style="list-style-type: none"> <li>Use composite wood to elevation</li> </ul>	Designer	Now	65
		<ul style="list-style-type: none"> <li>Provide more space for personalization</li> </ul>	NGO	Fitting out stage	0
<ul style="list-style-type: none"> <li>Provide a friendly and home-like facility</li> <li>Provide safe and comfortable environment to users</li> </ul>	<ul style="list-style-type: none"> <li>Maximization of opportunity of recreation</li> <li>Need to provide environment to promote residents' movement and activities (not staying in bed)</li> </ul>	<ul style="list-style-type: none"> <li>Provide:               <ul style="list-style-type: none"> <li>Roof garden</li> <li>Roof café / kiosk</li> <li>Sports / fitness amenities</li> <li>Self gardening area</li> </ul> </li> </ul>	Designer	Now	58

# Issue resolution matrix

Employer	Contractor	Issue Type	Max. Resolution Time	Resource
<b>~ Very Senior Management ~</b>				
<Position> – <Name>	<Position> – <Name>	<ul style="list-style-type: none"> <li>• Major EOT, variations</li> <li>• supplementary agreement</li> <li>• solutions of major disputes</li> </ul>	3 months for each issue	<ul style="list-style-type: none"> <li>• Legal advisor</li> <li>• Contract advisor</li> <li>• DRAd</li> </ul>
<b>~ Contract Administration ~</b>				
<Position> – <Name>	<Position> – <Name>	<ul style="list-style-type: none"> <li>• Site progress</li> <li>• Design change</li> <li>• Drawing details</li> <li>• Payment issue</li> <li>• Quality policy</li> <li>• Submission / approval</li> <li>• Preparation of EOT</li> </ul>	<ul style="list-style-type: none"> <li>• 2 weeks</li> <li>• 1 week</li> <li>• 2 days</li> <li>• 1 week</li> <li>• 1 week</li> <li>• 2 weeks</li> <li>• 1 month</li> </ul>	<ul style="list-style-type: none"> <li>• Contract doc</li> <li>• SE / CE / GE / PSPs</li> <li>• Laboratory</li> <li>• Design team</li> <li>• TO / Drawing Office</li> <li>• IOW</li> <li>• DRAd</li> </ul>
<b>~ Site Management ~</b>				
<Position> – <Name>	<Position> – <Name>	<ul style="list-style-type: none"> <li>• Material submission</li> <li>• Co-ordination</li> <li>• Non-conforming material / installation</li> <li>• Safety policy</li> <li>• Abortive work</li> <li>• Progress</li> <li>• Quality of work</li> </ul>	2 days for each issue	<ul style="list-style-type: none"> <li>• Drawing</li> <li>• Specification</li> <li>• Schedule of rates</li> <li>• Contract doc</li> </ul>
<b>~ Site Supervision ~</b>				
<Position> – <Name>	<Position> – <Name>	<ul style="list-style-type: none"> <li>• Workmanship</li> <li>• Non-conforming product</li> <li>• Safety (site)</li> <li>• Site records</li> <li>• Procedures</li> </ul>	½ day for each issue	<ul style="list-style-type: none"> <li>• Drawing</li> <li>• Specification</li> </ul>

# Simpler issue resolution matrix

<b>Level of Authority</b>	<b>Issue Type</b>	<b>Max. Resolution Time</b>
Directors' level	All aspects of the Contract	3 months
Senior head office level	All aspects of the Contract	2 months
Head office front line	Contract Administration (aspects handled by the head office)	1 month
Senior site level	Site management (all aspects on site)	1 week
Site level	Site supervision (quality, health, safety and records)	1 day

# Champion team

Employer	Contractor
<ul style="list-style-type: none"><li>• &lt;Three senior representatives&gt;</li><li>•</li><li>•</li></ul>	<ul style="list-style-type: none"><li>• &lt;Three senior representatives&gt;</li><li>•</li><li>•</li></ul>

- Constantly review the progress of the **Partnering Action Plan**, the achievement of the **project goals and objectives** identified in the Workshop, the resolution of the **issues and concerns** identified in the Workshop and such other new issues which may arise during the project implementation and the implementation of the **Partnering Charter**
- Formulate actions for new issues arising
- Meet at monthly intervals to discuss and rate the performance of the partnering effort
- Suggest areas for improvements

# Partnering action plan

Partnering goals and objectives	1 Poor	2 Marginal	3 Good	4 Very Good	5 Excellent
1.					
2.					
3.					
4.					
5.					
<b>Overall Rating:</b>					

- Each side evaluates and both sides compare

# Problems with partnering or integrated workshops

- Too late to do value management workshop (usually well after commencement of construction works)
- Do it because the contract says so
- Do it because the technical circulars (rules) say so
- People always too busy
- Difficult to gather all stakeholders at the same time slot
- Busy watching smartphones during workshops
- Busy talking about more important issues of the same project
- Impatient of step by step process
- Treating participation as a routine
- Non-contractual partnering not much financial incentive
- Government officers bound by the books
- Not much flexibility
- Not enough time for integrated workshops
- No cost information for evaluation
- Less-action-items-the-better attitudes

End. Thank you!