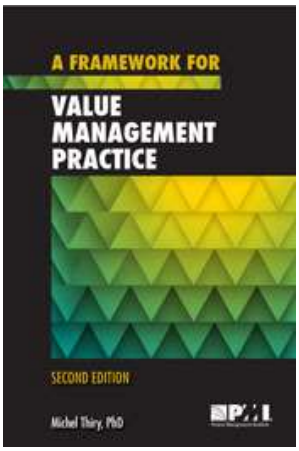
PM WORLD BOOK REVIEW



Book Title: ***A Framework for Value Management Practice***

Author: **Michel Thiry, PhD**

Publisher: **Project Management Institute, Inc.**

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Reviewer: ***Johnny Gan***

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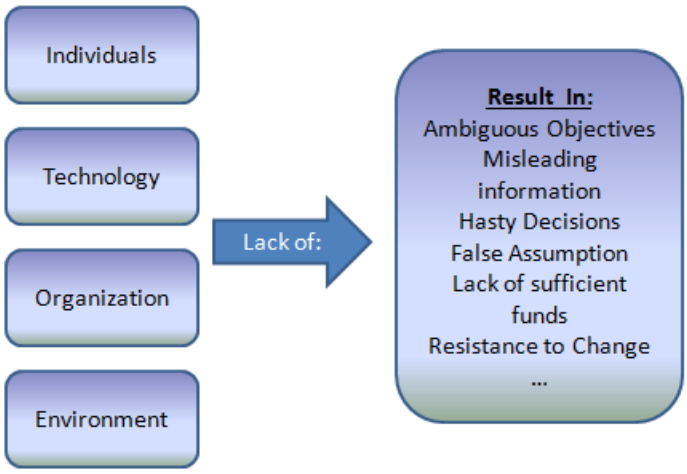
Introduction to the Book

When we assign a job to the project team, mostly, the team member will ask us the same question: is that worth to do that? Exactly, if we did not find out this answer, the team morale will be effected, and during the project, they will ask this question again and again, because the team do not feel comfortable if they think the job is no value or low value, or meaningless.

Actually, failure to realize value is usually caused by a lack of an adequate level of performance in many areas:



(Note: all figures if not specify the source are from this book.)

So if we did not show the value of the project at the beginning, your project may be failed with high possibility. *A Framework for Value Management Practice* is the right book to help us to dig out the value of the project, and when and where to use value management.

The first edition of this book was published in 1997, and because Value Management (VM) practice has evolved into many different areas since the first edition was written, the author, Michel Thiry, PhD re-wrote this book and which is the second edition of this book with newest value management practice.

Overview of Book's Structure

The new version is organized very straightforward:

- Chapter I: History of Value Management, introduces the evolution of value management practice.
- Chapter II: Theory, introduces the framework of VM, definitions, structures, and how VM applied into job Plan.
- Chapter III: The Management of Value, the VM practice, how to measure the value, how to manage it with value analysis, value control (validation), and many other value techniques.
- Chapter IV: Value Management as an Organizational Project Management (OPM) Governance Process; this is a complete new chapter to reflect the emergence of program management and the current thrust of the project management community towards agile and organizational management like the author points out in the preface.

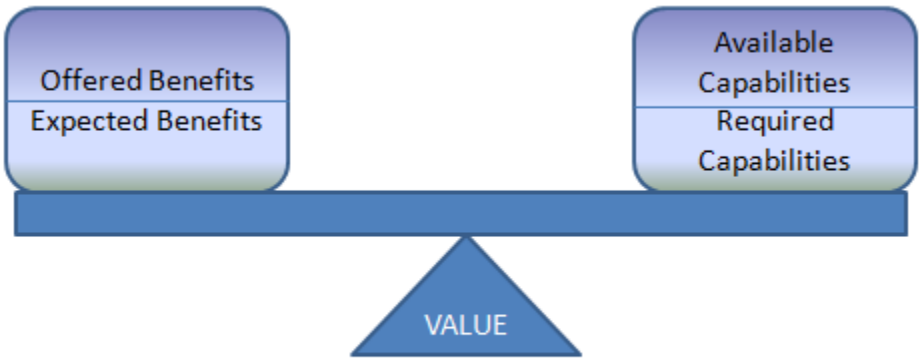


Figure: The Value Concept

The book answers what the value is, depends on your project, it may be a ration between quality and cost, or function and cost, or satisfaction of needs and user of

resources. In a short word, the value can let you know if you will earn value from the project or not. The earning value may take a short term or a long term.

Value management consists of the combination of value methodologies and the purpose is to improve organizational effectiveness, so you can earn the most value, and get benefit from value management.

So you can see the goal in value management is not merely to reduce costs but to balance outcome with resources. In another words: the greater the positive outcome, like satisfaction of needs, quality, performance, benefits) and the smaller the resources used to achieve it, the greater the value.

Highlights: What's New in this Book?

Value Management itself is not new, from the Chapter 1 of this book, we can see the theory and techniques can be found as early as 1731, but in the last 15 years, Value Management are evolving into project management and even more in strategic and program management. Compare to its first edition, the second edition brings new Value Analysis (VA) and Value Engineering (VE) as specific value methodologies aimed to improve or develop better practices.

Another new update in the second edition is the Value Management is not just focus on customer-oriented value, it's discussed at the organizational level which is associated with business benefits. Market is changed day by day, so the value manage does. One typical example is from Apple iPhone, in Steve Job's era, Apple thought bigger screen was an unnecessary function, because the customer cannot use that with one hand. But in Tim Cook's era, Apple reconsidered the definition of customer need as well as their business benefits.

Highlights: What I liked!

The book discussed the job plan, which is the framework against which all value management actions are taken.

The author demoed the following basic steps of the value management process works:

1. Clarification of situation, including stakeholder analysis (information/Preparation of team);
2. Elicitation of needs and agreement on objectives (sense-making and function analysis);
3. Development of alternative solutions (creative ideation);
4. Prioritization/selection of options (feasibility analysis and options appraisal);
5. Agreeing on measures of success and implementation of solutions (recommendation/follow-up).

In a good job plan, it should answered all questions the team concerned, like is that worth to do, and what should be done, and when it should be done, how it can be done.

Ideally, value management should be implemented in the very early stage of development when a commitment has not yet been made. This enables value to be used to its greatest potential: to clearly identify the expected performance and functions of the business initiative, product, or project.

Shortfalls: What was missing!

Because the book is titled as a Framework, so it covers many of the tools techniques and concepts that a good VM practitioner should be aware of. The book can help you quickly set up the value management concept, but it's not enough to solve your practical issues.

Value management is not working alone, in an organization, it works with finance or portfolio management and follow programs and projects on an ongoing basis. Therefore I think this book is a guide, not a manual. You need to develop your own value management practices.

Who might benefit from the Book?

If you are going to study VM, this book is very good introduction book, and it provides readers with historical background, and all kinds of tools and techniques that can be used to achieve the objectives of a value study, including the latest integrative techniques. The readers can be project manager, program manager and even senior management members like CIO, CTO, CFO and COO.

Conclusion

The author, Michel Thiry, PhD is a globally recognized value management expert with over 35 years of experience working around the world, so in this book, you will learn value management with many value study tools and techniques, all these will help you to make decision or recommendation in the plan phase on your product or project.

Overall, you will find this book is an invaluable addition to your library.

More about the book can be found at
http://marketplace.pmi.org/Pages/ProductDetail.aspx?GMProduct=00101470001

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Johnny Gan had many years of software R&D experience at HRsmart.com (http://www.hrsmart.com/), and now is working as consultant at Yoh (http://www.yoh.com/) Company. Mr. Gan received his MS degree from Southern Methodist University in Dallas, Texas, USA, and is also certified by the Project Management Institute as a Project Management Professional (PMP®). He has been an active member of PMI for several years. Johnny can be contacted at qianggan@gmail.com .

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