



ATKINS

Member of the SNC-Lavalin Group



Value Based Decision Making:

Learning from the Value Toolkit Journey

Ron Lang

Technical Director DfMA - Atkins

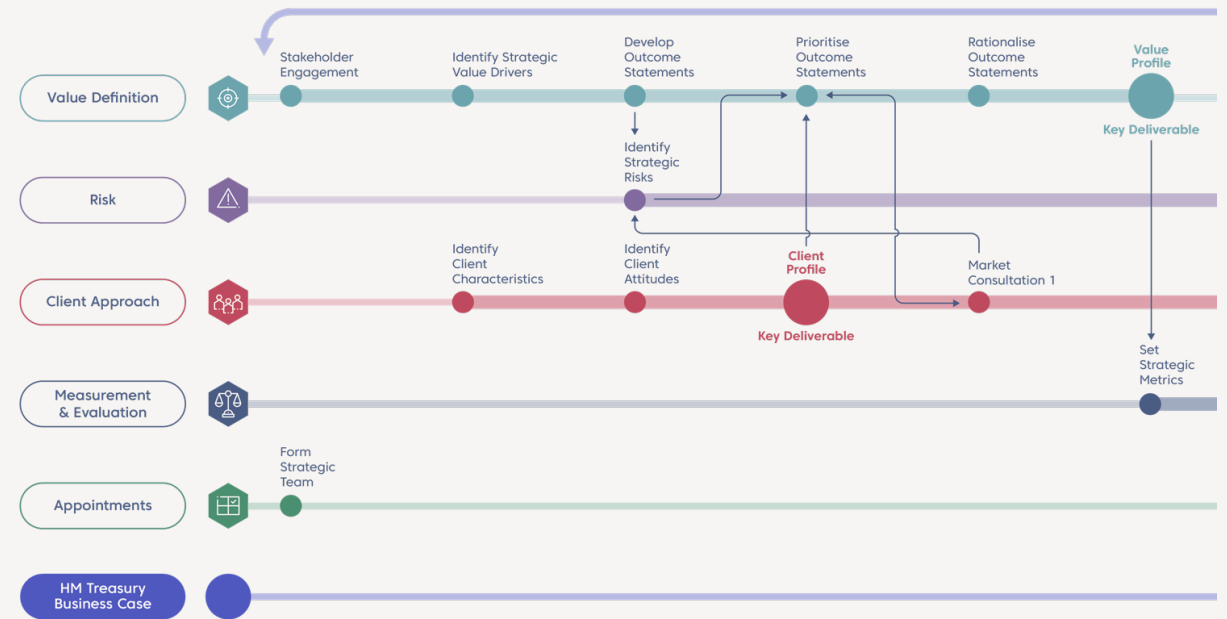
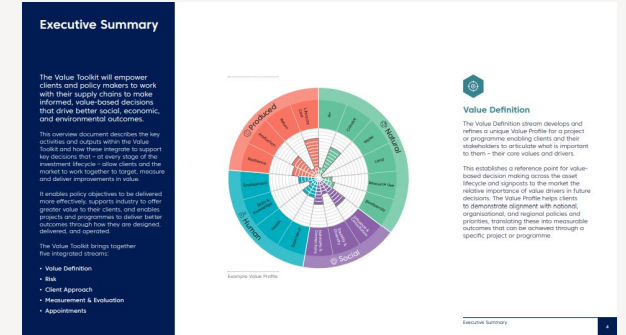
Chief Technical Officer – Construction Innovation Hub

Value Toolkit Overview

The Value Toolkit aims to drive better social, environmental and economic outcomes through value-based decision-making.

This means better outcomes from **what we deliver** and **how we deliver it**, leading to a more sustainable built environment and a more sustainable model for our industry.

The Value Toolkit provides clients and industry with a more consistent approach to communicating, measuring and realising value within projects and programmes and portfolios.

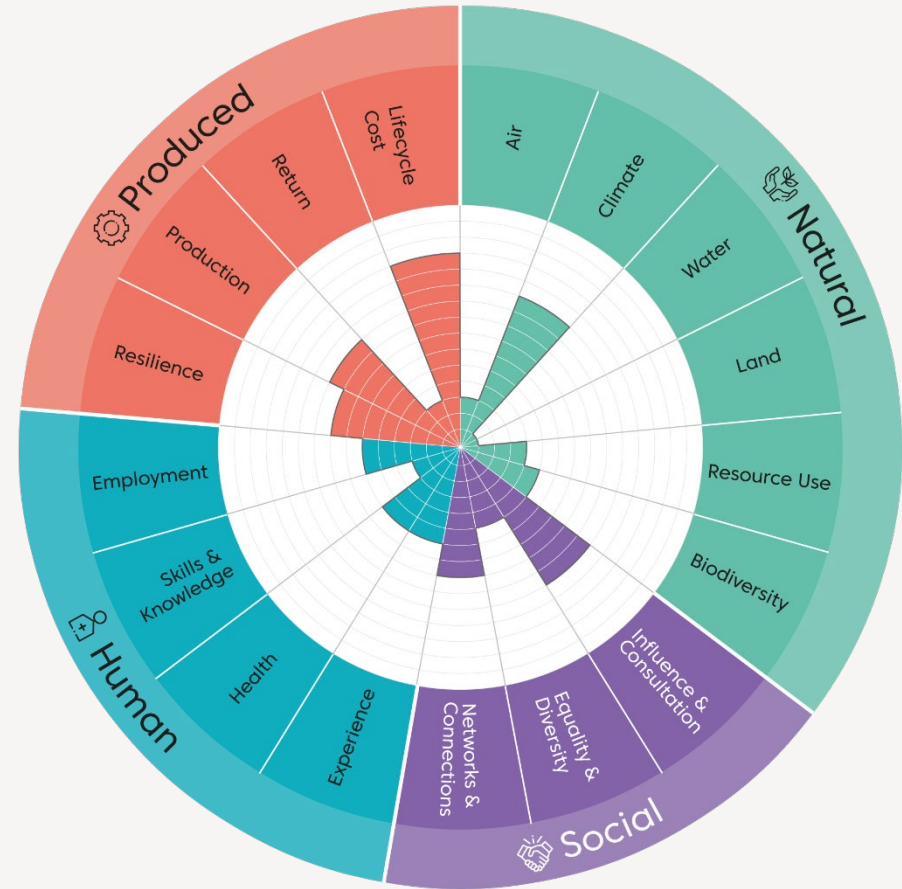


Why is it needed?

Clients are operating in an increasingly complex decision-making environment.

For public sector clients, there is need to demonstrate that policy is being translated into meaningful action in projects, programmes and across portfolios.

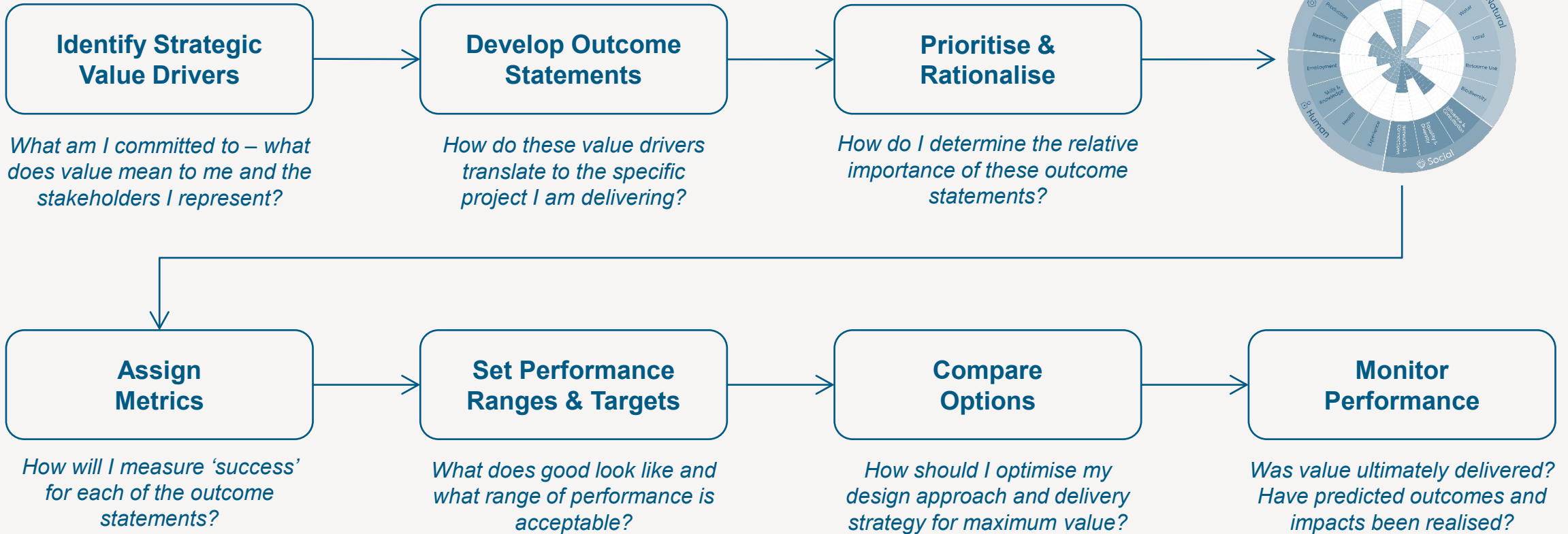
For private sector, the increasing role of ESG is driving the need to demonstrate the delivery of broader outcomes beyond traditional cost, time and quality.



Process Outline

(Value Definition, Measurement and Evaluation)

Value Profile



Lessons Learnt

Strategic Value Drivers

- ❑ Clients find it difficult to identify their strategic value drivers and many have not explicitly stated their organizational values
- ❑ There is often tension between value drivers at a policy level and regional level
- ❑ National clients do not have full sight of the way in which value drivers change across the UK

What am I committed to – what does value mean to me and the stakeholders I represent?

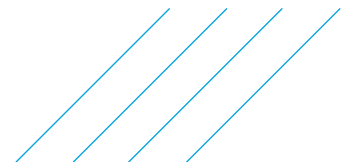


Lessons Learnt

Outcome Statements

- ❑ Clients find it difficult *not* to pre-empt the solution and think in outcome terms
- ❑ The transition to whole life value is challenging - different teams often represent delivery and operation – the two are intrinsically linked!
- ❑ Having the right people in the room is critical if all value categories are to be fully represented and project specific context is to be understood
- ❑ Time spent refining and interrogating outcome statements pays dividends through the rest of the process, but insufficient time is traditionally spent on this aspect.

How do these value drivers translate to the specific project I am delivering?



Lessons Learnt

Prioritisation and Rationalisation

- ❑ It is extremely challenging to prioritise competing value drivers in a fully objective manner. This is critical for transparency and scrutiny.
- ❑ Rationalisation requires an understanding of how different value drivers or outcomes relate to each other to avoid conflicting requirements or double counting. This knowledge is not commonplace on many projects, and we do not yet have the right feedback loops to support this.

How do I determine the relative importance of these outcome statements?



Lessons Learnt

Metrics Selection

- ❑ Language around metrics, measures, KPI's, etc continues to cause confusion.
- ❑ As definition of value is context specific, it is difficult to drive a common set of metrics. This makes industry improvement and benchmarking difficult

How will I measure 'success' for each of the outcome statements?



Lessons Learnt

Performance Ranges and Targets

- ❑ In the absence of robust benchmarking data, clients struggle to articulate *'what good looks like'*
- ❑ Insufficient time is spent on this aspect at the front-end meaning design/delivery teams are often not clear on what is expected.
- ❑ Appointment of design and construction teams with expertise across the value categories is critical for success but this leads to debate about whether targets should be set before or after their appointment

What does good look like and what range of performance is acceptable?



Lessons Learnt

Comparing Options

- ❑ Rarely are the design team or the delivery team solely responsible for performance against a given outcome statement. **Each team must acknowledge the role they play** and how decisions they make may affect the ability for the other to have impact (e.g. the link between OSM and employment)
- ❑ Similarly, whilst an outcome may not be directly predicted or measured prior to delivery or operation, it is important to **find ways to ensure things are going in the right direction** (e.g. through proxies)

How should I optimise my design approach and delivery strategy for maximum value?



Lessons Learnt

Monitoring Performance

- ❑ Finally, predictions made in design and commitments made at tender stage should be brought together to inform 'as-built' monitoring to ensure the teams are held to account and/or rewarded accordingly
- ❑ The VT should encourage shared responsibility (and shared risk/reward) for eventual outcomes (hence this approach aligns well with an alliancing type delivery model).

Was value ultimately delivered? Have predicted outcomes and impacts been realised?



Final Thought

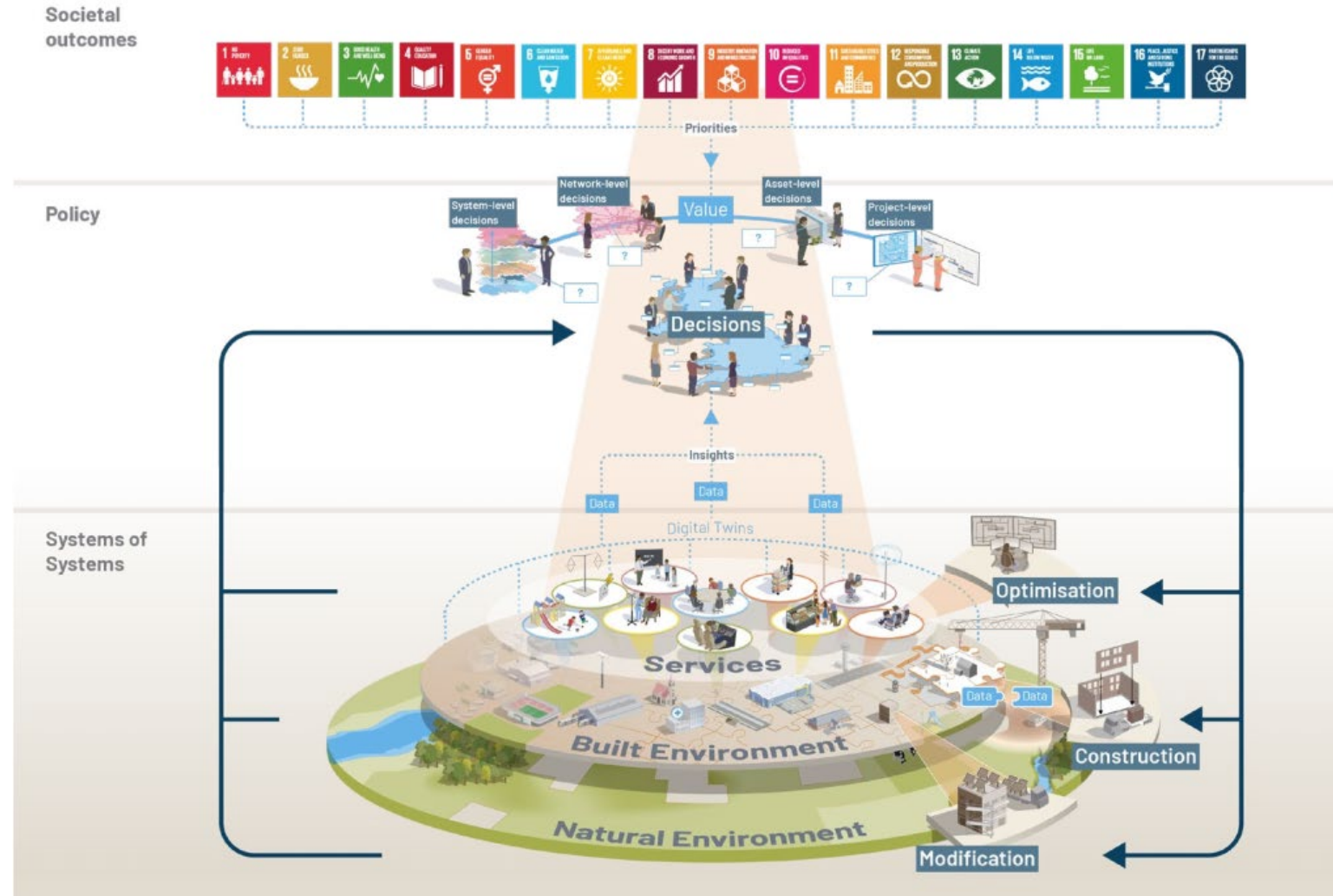
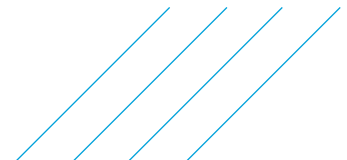


Figure 1: The Built Environment Model (IPA - Transforming Infrastructure Performance Roadmap to 2030)



Thanks for listening

Ron Lang

ron.lang@atkinsglobal.com

