

Solutions for a New Economy

For Project Teams, delivery has become more complex in the volatile environment of demanding margins and spectra of risks to consider. Contemporary high performing teams accept the challenge not only to target project delivery "on time / on budget," furthermore the Team is charged with improving overall Project ROI.

This provides excellent opportunities for effective application of Value Improving Practices and other well proven Project Optimization techniques.

NUMBER OF VIPs?

It is generally accepted that conducting 40% - 60% of the "potentially applicable" Value Improving Practices can be expected to deliver significant positive impact to the Project Full Cycle Return on Investment.



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Exploring Value Improving Practices (VIPs).

In principle, we often take the easy way out and presume that "excellent work" will automatically result in the "best answer (solution)." Both Independent research and project management literature suggests this premise is categorically wrong.

Frequently asked Questions:

Should a project conduct Value Improving Practices (VIP's)?

Absolutely, Yes.

Industry experience has demonstrated (repeatedly) that **better** project delivery is achieved when Value Improving Practices are employed. Healthy constructive challenge is essential to achieving "improved project value." The VIPs are highly scalable to suit project constraints and requirements.

The intention of a VIP is to challenge the established "normally already excellent" jobs (procedures) to improve value. VIP's are about taking "what you have done well" and challenging those views to find a better way forward. That is why they are called value "improving" practices.

Is there a minimum project size for conducting a VIP session? No, No, No ...

The Refining and Chemical Sector uses VIP's for their maintenance programs which are typically very small efforts.

Does a project have to do all the VIP's? NO!

The "Setting Business / Project Priorities" VIP is usually the first VIP conducted by the team.

Can VIPs efforts (workshops) be combined? Absolutely!

It is not necessary to have a single workshop for each VIP selected. Very often it is appropriate to design an agenda that handles several VIPs during a given workshop. The trick is to have the right people doing the right work in the right manner. Three R's always equal a right?

Often assembling the whole team and others is difficult at best. So, it is desirable to meet as a full group as few times as possible. Some VIPs will require "evaluation work" during the VIP discussion(s).

Do VIP's always identify a "value improvement" Yup!

Project people are very clever and will always discover improved ways to modify project value during a VIP discussion. So, yes, value improvements are always identified.



How to select the right VIPs for Project Implementation?

Value Improving Practices (VIPs) are rigorous, repeatable and scalable methodologies by which an owner can discover and implement financial, project management and technology opportunities in capital projects. VIPs are very effective during early project activities, Front End Loading (FEL) to improve the project definition such that scope changes are minimized after project sanction.

VIPs are selected based on the nature and scope of the project. A knowledgeable project team with guidance of a VIP facilitator can collectively examine and determine which VIPs are appropriate to implement. Often, the Setting Business Priorities VIP is an efficient approach to understanding where unrealized value can be found, and which VIPs should be selected.

To download the

VIP Selection Dashboard go to
[VIP_SELECTION_DASHBOARD](#)

For VIP Selection Dashboard
Instructions go to
[DASHBOARD_INSTRUCTIONS](#)



Does the project team always implement all value improvement ideas identified? Maybe ...

It depends on the project status and capability to achieve the indicated value. Sometimes, the "incremental value" of some ideas is not persuasive or the project is unable to execute the work required to capture an identified potential value.

Can long distance, video VIP sessions be conducted? Yes.

However, eyeball meetings tend to be much more effective. Humans, for some reason, like to see the (physical) folks in the conversation. This is especially true when "significant others" are involved in the VIPs or effective communication is an imperative.

VIP activities are not a tick the box "☑" event. The project team members must be willing to put real effort into looking for better ways to take the project beyond the current (value) understanding. VIP's are not just about "assuring" that a job / design is well done. Again, VIP's are about taking "what you have done well" and challenging those views to find a better way forward. That is why they are called value "improving" practices. Industry has long accepted there are many good ways to develop and execute a project. Unfortunately, project teams often hide behind the phrase, "We have great contractors, super engineers so the right solution is at hand". As such, many teams are reluctant to challenge their design / plan / scope / value.

Project literature suggest that High Performing Teams will always carve out time, however painful, to test alternatives to their current project view prior to final sanction and often during execution.

It's all about planning for VIP workshops.

As soon as you know you are planning to run a VIP Workshop get the appropriate venue secured!

Often 6 weeks ahead is required.

Using this (intense) probing methodology, the team can evaluate rational improvements and potential value implications. Industry has noted over the last 20 plus years that value improvements are always discovered. Sometimes the potential (incremental) value of an idea is not sufficient to warrant a change. Either way, such learnings are very, very, valuable.

For Project efforts, we tend to be timid (actually quite slow) to use VIP's.

Currently there are 13-19 VIP's mostly used for project activities. A project team is not expected to use all VIPs. A "good" project tends to use about half of the "applicable" VIP's. Typically, we use a "setting business priorities" (SBP) event to identify potential (applicable) VIPs. Some VIPs such as technology selection, process simplification, energy optimization may not be interesting to a specific team but until that discussion takes place in a meaningful, traceable manner One just does not know the potential value improvement and can only exult opinions.

Although VIPs are spoken about as discrete practices, many can be "integrated" into a common effort that targets several respective VIPs. This does not necessarily mean "one day" or "just one meeting." Some VIPs require a natural break in the workshop to be inserted so evaluation or "homework" can be done. A requisite agenda and knowledgeable facilitator are needed to drive most VIP efforts.

Regardless of the project's stage, it is well worth the effort to conduct a setting business priorities event. An SBP discussion solidifies the project scope understanding, verifies the project



Solutions for conducting effective VIPs

boundaries & objectives, examines risk & uncertainty and codifies the project metrics. If the team cannot extemporaneously state the project values (attributes), the team categorically does not understand their project values.

Some project managers have suggested that a project team should do SBP every few months or so to keep current. Based on the SBP results (attributes), the team can consider potential VIP's that may improve project value. Presuming a funding decision is imminent, it is highly advisable to determine your VIP plan soonest.

VIPs are value additive when done correctly. The converse is simple. If you are not really serious about pursuing value, don't bother with "value" improving practices. Best of luck!

VIPs are a very effective and significant "team building" event. Every team is focused on ensuring that the "project team" and significant others are thinking alike. Conducting VIP's is a **very good way** to ensure that your project personnel are at a similar level of understanding, are fully aligned with the project scope and ... Yes, have truly been challenged to come up with the "right answers."

VIPs are an **outstanding** way to bring in contractors and partners (and regulatory guys and NGO folks) knowledge And to engage **Management**. VIPs are scalable to engage "others" in appropriate ways.

A Project Team has nothing to lose by attempting VIPs and a heck of a lot to gain. What's wrong with that gamble?

So, if this tweaks your interest Let's talk.

James McCuish & Charles Jennings

This Month's Q&A Tips

Q: Why do you routinely use Flip Charts instead of onscreen Excel or Word templates for most of the Value Improving Practices workshops?

A: This is a great question as teams often reach for "software solutions."

Many years ago, and many workshops past, we tried the approach of using on screen Value Improving Practices Facilitation. We found the approach flawed

since it really negatively impacts creativity and makes it very difficult for teams to "see the whole picture" as they are developing ideas, linking them together and sharing ideas across multiple teams and disciplines in the room. Teams tend to "focus on the screen" and potentially "wordsmithing" ideas, rather than having free-flowing ideas. So, we capture the ideas with scribes separate from the flip chat primary assignments in VIP workshops.

EYE ON IT

Current Industry Trends

We are beginning to see many companies who cut their investment budget 2-3 years ago have recently embraced a strategy that indeed opportunities do exist in what was considered a "down market" ... and are seeking ways to optimize that investment.

Further, they are proving that with coaching, strong Project Teams can deliver improvement in Project Capex, Opex and Return on Investment ... and can significantly improve Operating Expense and Production Efficiency.

SOFTWARE

Monthly Picks

We get a great deal of use out of the TechSmith application Snagit! ... for screen / image capture and mark-up.



Extremely easy to use and very inexpensive for the broad use capability



Professional Development

We conduct Coaching and Educating: From Individual Coaching for Effectiveness ... through "Lunch and Learn" mini-seminars ... to full, multi-day in-depth, hands-on training for Project Teams, Managers, Project Optimization Professionals & Facilitators.

What's Going on with Pinnacle Results Teams?

- **We conducted a Value Engineering / Integrated VIPs study for an EPC Contractor and Client Polyethylene project February/March 2018.**

After significant pre-work and the appropriate venue etc. the project team of 30 participants in 4 teams identified over \$80 Million in potential Capital Expense savings and increased potential return on investment.

- **We conducted a Value Engineering / Integrated VIPs study for an EPC Contractor and Client Chemicals project March/April 2018.**

Again with pre-work and the appropriate venue etc. the project team workshop of 23 participants in 3 teams identified over \$25 Million in potential savings in Capital Expense, and improved potential return on investment.

- **Our Recommended Practice for the efficacy of Decision & Risk Analyses in development of Stage-Gate Decision Support Packages, prepared for AACE International, is currently going through technical/public review.**

In response to their request, over the last 18 months we have developed an in-depth Recommended Practice for AACE International. It is currently progressing through first expert review and comment prior to adoption.

- **Free Instruction Videos are now on our new U-Tube channel.**

Go to: [Pinnacle Results INSTRUCTION VIDEOS](#)

Or go to our website and click the Free Instruction Videos link

Value Times Issue 07 A NEWSLETTER OF PROJECT DECISION & VALUE OPTIMIZATION THOUGHTS

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For more information

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