

Cost Innovations, LLC TM

VAVE Overview

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Purpose of Presentation

- **Provide Introduction VAVE**
 - **Process**
- **Develop Awareness**
 - **Capabilities, Availability**
- **Achieve Understanding**
 - **Expectations**



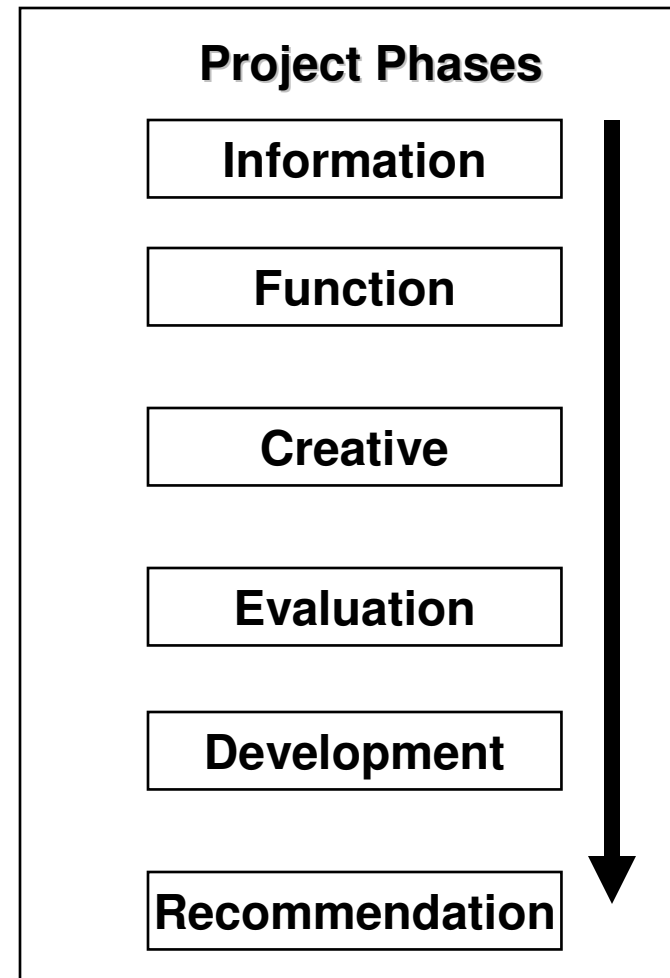
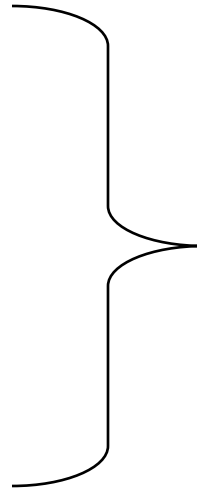
VAVE Process

- **Understand business case**
- **Conduct pre-workshop**
- **Conduct workshop**
- **Post workshop follow up**



VAVE Workshop Flow

- Pre-Workshop
 - **Project scope/objectives; team defined**
 - **Data preparation**
 - **Workshop logistics**
 - **Secure basic information**
- Workshop
 - **Review information**
 - **Understand/appreciate function**
 - **Identify function to work on**
 - **Brainstorming**
 - **Categorize brainstorming ideas**
 - **Prepare T charts**
 - **Apply value ratio techniques**
 - **Finalize proposal summary charts**
 - **Develop action and timing plans**
 - **Present recommendation(s) to management**
 - **Obtain approval**
- Post Workshop
 - **Implement validation plan**
 - **Monitor project and congratulate team**
 - **Verify results**



Team Selection

• This is a guideline for team selection; meanwhile the scope of the project will ultimately determine team composition.

Team members should be:

- **Stakeholders in the project**
- **Experts and knowledgeable in functional area**
- **Cooperative**
- **Empowered**
- **Enthusiastic**
- **Creative**

TEAM

Client Functional Areas

- Purchasing
 - Supplier Development
 - Commodity & Product Line Buyer
- Engineering
 - Product, Materials, Process
- Costing
- Industrial/manufacturing Engineering
- Quality Engineering
- Sales
- Operations

Supplier Functional Areas

- Customer Liaison
 - Technical, Commercial
- Engineering
 - Product, Materials, Process
- Industrial Engineering
- Costing



Value Management Process

- **Pre-Study**
 - **Gather Information and Identify Candidates**
 - **Gather, in one place, all information that is needed to assess the need for a Value Study and identify the high potential candidates**
 - **Select Project(s)**
 - **Using standard criteria / expert opinion**
 - **Gather Data**
 - **Organize team, call meeting, make assignments**
 - **Drawings, process flows, BOMs, etc.**



Value Management Process

- **Pre-Study**
 - **Establish Criteria** (may not complete until beginning of Value Study)
 - **How will alternative ideas be compared**
 - **Define Scope**
 - **What will and won't be worked on**
 - **Identify Models** (may create models until middle of Value Study)
 - **What will be used for analyzing ideas**
 - **Cost, FEA, etc.**
 - **Finalize Planning**
 - **Team commitments**
 - **Timing, location**



Value Management Process

- **Value Study**
 - **Information Phase**
 - **Thoroughly orient team to project subject**
 - **Function Phase**
 - **Model the subject**
 - **Identify functions for further analysis**
 - **Creative**
 - **Brainstorm alternatives to the identified function**
 - **Analysis**
 - **Analyze using models**
 - **Compare to criteria**



Value Management Process

- **Value Study**
 - **Development**
 - **Narrow down to top ideas**
 - **Add detail**
 - **Finalize recommendation(s)**
 - **Presentation**
 - **Obtain concurrence from management**



Value Management Process

- **Post-Study**
 - **Implementation**
 - **Follow Engineering Change Process**
 - **Program management of changes**
 - **Track progress**
 - **Verification**
 - **Confirm objectives achieved**
 - **Notify team**
 - **Close project**

