
The Value Times

Newsletter of the Institute of Value Management, Australia Inc

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President's Article

I recently read the following comment in an American article* *“Joining doctors, engineers, architects and lawyers, management consultants are being sued with increasing gusto. And lawsuits against consultants are growing in numbers as well as in size – both at a rapid pace.”*

This raises two issues for Value Management practices – a risk and an opportunity. Do those of us who consult ensure that our contractual arrangements with clients are set up to minimize our liability? In many ways, we are seen as “Management Consultants” and may be seen as targets for sharing the pain of poor project outcomes. What do you think? Do you carry sufficient professional indemnity insurance? On the opportunity side, if the external management consultant is being viewed with increased suspicion as a result of a growing dissatisfaction with consultants’ over promises and under delivery, surely value management offers a powerful in-house solution. Value management is not just a tool for optimising infrastructure projects, it can have a powerful role in getting stakeholder groups to improve processes, enhance organizational outcomes and deliver better value for money from existing resources.

It is interesting to note the themes of our two regional conferences this year. Our conference in August will explore *“A Balanced Scorecard - Putting the Focus on People Values in Decision Making”* and the Hong Kong Conference in May has the theme *“Turning Crises into Opportunities- VM – the Art of Innovation”*. I am sure the papers presented at these conferences will highlight a broad range of value adding opportunities for Value Management. Value

management has been around in various forms for about 60 years while other management consultancy techniques have run their course and disappeared. IVMA members are in the ideal position to take advantage of these opportunities but only if they are willing and able to translate the impressive track record with infrastructure projects and promote value management as a broader tool for participative process improvement. How better to balance the conflicting outcomes of economics, social and environment in decision-making? We have all the techniques, are we brave enough to offer them outside of the infrastructure world?

Congratulations to Tasmania and our energetic conference committee under the leadership of John Lennon. If the pre-planning that has gone into our National Conference is any indication, this is definitely an event not to be missed. Make plans now to cross to the Apple Isle for 29 and 30 August 2002. More information is included in this edition of the Value Times and updates are posted regularly on the Institute’s web site.

Behind the scenes, Secretary John Fullagar has been working with our website designer to include more features and improve navigation around the site. By now, members should have received a short survey about the website. Please visit our site at www.value-management.com.au and respond to the survey. It is the Institute’s intention to release other promotional material about value management and the Institute. It will direct readers to the website, so the site needs to create the right image and provide useful information to a variety of readers.

See you all in Hobart,

David Baguley

President

*** Maturing Profession Becomes Legal Target - Now, Sue Those Consultants**

By John N. Chapin, Jr. CMC, FIMCPast National Chair of IMC USA

2001 ANNUAL GENERAL MEETING

A small band of committed souls gathered on Federal Election Day (Sat 10 Nov 2001) for lunch in the Backpackers' Café near Sydney's Central Station and then moved across the road to the McKell Building for the afternoon's formalities. The Institute appreciates the generosity of NSW Department of Public Works and Services in making its conference room available.

Curtain Raiser

As a curtain-raiser, Associate Professor Barbara Chambers gave a presentation on some advanced facilitation skills, focussing on workshop situations where there may be a degree of hostility amongst the participants. As is often the case, the curtain-raiser was far more entertaining than the business to follow. Barbara used an example of a sensitive re-zoning situation facing a local government body in an Australian country town. What she described as a "wicked problem" involved commercial and industrial interests as well as suburban and pastoral residents and the Council. (Does this sound familiar? Can you sense the hostility brewing?) Barbara then led us through the situation as it evolved, pausing at several points in the saga to detail the setting at that time and to give us a glimpse of the intervention strategies used to free up the process and allow it to proceed. It was an interesting case study.

The Executive thanks Barbara for undertaking the perilous journey from Canberra to share her experience with us and we appreciate Alan Butler's help in making the arrangements. Barbara is the Director of the Institute for Regional Community Development within the University of Canberra. A small presentation in appreciation was sent to Barbara after the meeting.

The AGM itself proceeded through the necessary formalities without controversy, so this brief report focuses only on the points of interest.

President's Report

In his President's report, David Baguley noted the successes of the Couran Cove Conference held in October 2000: the benefits of the Institute's low-cost formula (which made a small surplus), the attractive relaxing venue, the thought-provoking papers and the excellent interaction of participants. There are some colour photos on the web site. Arising from the conference and reinforced by a largely different regional group of members in Sydney, David identified a number of key issues for the Institute's attention:

- promotion of Value Management

- maintaining standards of VM practice
- the VM Standard and Handbook
- Education and Training (including criteria for accreditation of courses)
- membership assessment
- continuing professional development

The President noted the approach being taken to produce a VM leaflet (showed some interim results from stage 1 of a design competition being held for it) and pointed out that it would be focussed on getting through to top management about the benefits that arise from VM when it is applied properly by well-equipped professionals. This needs to be well-integrated with our web site. (*Ed: A note elsewhere in this issue seeks feedback on the web site as it now stands.*) David noted the difficulty in getting input/feedback from members, including for Value Times, which nearly always comes down to a lot of effort by a few people (especially the Editor and the Secretary, to whom special thanks is due).

Other points to note from the year were:

- the death of Eric Adam, one of the pioneers of VM in Australia and its elder statesman (*Ed: the last issue of Value Times included a tribute - now on the web site*)
- the accreditation of a new course (offered by Applied Facilitation and Training)
- the commitment by Standards Australia to review the VM Standard (AS/NZS 4183)
- the undertaking by the Institute's College of Fellows to produce a companion volume (the "Handbook") for release at the same time as the revised Standard
- the initiation of development of new modular criteria for accrediting future courses
- the first meeting of a regional grouping of members (in Sydney)
- the highest-ever year-end closing balance of the Institute's funds (*see Treasurer's Report below*)

David drew attention to the enthusiasm and advance planning already well-developed for the Institute's next conference - to be in Hobart in August 2002 (*see second conference bulletin as an insert in this issue of Value Times*).

Membership Report

John Bushell reported that there were few movements during the year. Following assessment and recommendation by the Membership Committee and agreement by the Institute's full Board of Management, the Secretary was able to announce at the AGM that Peter Yeomans has been accepted as a Fellow of the Institute. Peter's attainment of that

grade is a milestone, being the first admission to that grade following the new rules adopted in December 1998, whereby people may apply for upgrading to Fellow (the previous arrangements permitted admission to Fellow only by invitation).

Education and Training Report

John Lennon's report noted that two applications were made for courses to be accredited (one was granted and the other, received just prior to the AGM, was at that stage being assessed). The E&T Committee has started development of new criteria for use in assessing courses for accreditation. It is intended that the criteria be grouped into modules, so that future programs and/or individual subjects can be assessed as satisfying requirements for one or more specific modules of learning. (*Ed: There is a separate note elsewhere in this issue detailing the programs whose accreditation is current in May 2002.*)

International Report

In lieu of a Report from him, Roy Barton asked Secretary John Fullagar to provide some feedback on the international contacts he had made in association with his visit to UK in August/September. John noted that, at very short notice, he had visited Winchester Cathedral and St George's Chapel, Windsor with his parish choir as part of the centenary celebrations for St Swithun's Church, Pymble.

Whilst in UK he had been able to meet some office bearers of the Institute of Value Management (Matthew Locke, Clive Bone and Ken Scott). Mike Dallas (a former office bearer) very kindly organised a meeting of this group in London to coincide with John's brief window of opportunity in UK. They were able to touch on many aspects of mutual interest, including international co-operation, the potential for reciprocal membership, inter-linking of web sites, Standards for VM, membership grades (and training/certification in Europe), IVM's "client group", European encouragement of VM, standards of VM practice, exchange of newsletters, difficulties getting clients' agreement to publish case studies, the UK practice of having a "Patron" in parliament, conferences (including potential for international collaboration), web sites generally and a members-only section (accessible with a PIN), promotional strategies used in UK. It is clear that IVM (ie in UK) has a larger membership but theirs is proportionally about the same as ours, given the difference in our two populations. Of course, with their much smaller land area, population densities are far higher and travel distances for professional get-togethers are much shorter.

John also visited Oxford to meet Roy Woodhead, a free thinking academic at Oxford Brookes University with an interest in VM. Like the IVM office bearers, Roy was also keen to explore the potential for

developing international linkages, because the VM community world-wide is spread fairly thinly and stands to benefit from more of a critical mass (but no one has yet dared to make an estimate of what that might be !) Roy is a strong supporter of VEAMAC and suggests that all of any web site should be kept open, presumably reflecting the difficulty faced by many academics in professional areas - that of getting access from real-world clients to case information that can be published for research and teaching purposes.

On the way back to Sydney (his flight left Heathrow just a couple of hours after the attack on the New York towers) he arranged a 24-hour stop-over in Hong Kong to meet Tony Wilson, President of HKIVM. The membership there is smaller than IVMA's. Again, it seems in about the same proportion to the population and their dramatically smaller land area means they have only local travel distances to meetings, an even better situation than in UK. Several IVMA people are well-known in HK, reflecting a degree of visitation there over the last decade for conferences and associated workshops. Much of the VM scene in HK is similar to that in Australia, reflecting the recent professional closeness. As with IVM in UK, HKIVM welcomes opportunity for closer international co-operation with IVMA through web site linkages, conferences and the possibility of reciprocal membership. Tony's work role is as chief architect with Architectural Services Dept, so a number of the local issues he outlined seem to reflect government practice rather than Institute policies. For instance, VM studies are not mandatory but his Department requires that a client agency conducts at least 3 per year on its building projects, plus a strategic functional brief up front. Tony is also developing structured feed-back sheets for use as a tool in improving VM practices and their resulting benefits. Whilst in HK, John also met some ex-pat Australians involved in VM: Ric Grosvenor and Terry Trenerry of Leightons and Malcolm Pearson of Crowe Maunsell.

In all cases, the people who made time to meet John for brief discussions were generous in their welcome. In every case, they made arrangements at very short notice and this is especially appreciated. It is hoped that some IVMA office bearers may have another opportunity to enjoy professional fellowship with them in Australia.

John noted that he has prepared a more detailed report to the Executive on his visits.

College of Fellows Report

Convenor Brian Farmer reported on the status of discussions with Standards Australia about their commitment to review the present Standard (AS/NZS 4183). It seems there has been a large level of staff movement, so the first task of appointing the review

committee is not yet completed. With regard to the companion volume (the "Handbook") a broad structure has been agreed and sections will be progressively released on the web site as drafts for comment. However, much of the volume depends on the directions taken by the revised Standard, so the timing of the Handbook's progress is at present indeterminate.

Treasurer's Report

John Fullagar noted that the year's end balance was higher than he could recall but had been achieved through very tight restraint by the Executive, which had held very few face-to-face meetings in recent years, preferring to conduct business by phone and e-message for the most part. There had also been only two issues of Value Times in the year under report. This was due to the difficulty in getting members to submit material for publication, not for budgetary reasons. At the same time, some initiatives had added to costs and some had saved costs: the web site has meant some ongoing costs for updates and hosting but the increased use of e-mail has saved some resources in administration. In the last couple of weeks, we have achieved the milestone of having e-addresses for all personal members.

Discussion

In conjunction with some of the reports, a number of points were discussed at various stages of the meeting. Some have been noted above. The other salient points are as follows:

- the need for increased participation by members generally in the Institute's affairs - opportunities include submitting material for Value Times, responding to requests for information and/or feedback or comments etc, providing opportunities for people to gain experience in workshops, organising or participating in local member activities, attendance at conferences & seminars, promoting the benefits that VM generates, recruiting members
- refreshment and development of the web site, which is still largely in the state it was released about 18 months ago (this also relates to membership development and promotion of VM)
- promotion of VM, especially to opinion leaders - needs to be benefits focussed - there needs to be consistency with the web site - effort must be directed to the top level of policy and decision makers in business and public sector (directors and chief/senior executives) - must be through high-level channels that do not give the impression that VM is a subset of a particular profession (e.g. QS, architecture or engineering) but should span the full spectrum of business, including the top strategic level - e.g. through

the Australian Institute of Company Directors.

- membership drive - especially at entry-level grades - need to identify and promote benefits of membership - provide incentives to attract people
- present benefits of IVMA accrue to Registered VM Facilitators and providers of accredited courses yet the bulk of IVMA revenue comes from personal membership subscriptions. In part, this has been redressed in recent years by the advent of the Register but a number of points can be made: the difference in benefits between a Member and a Fellow are minimal, yet Fellows pay a lot more (50 %) in subscriptions; providers of accredited courses gain much (commercially) from having their courses accredited, yet they pay nothing for the privilege; when people are completing VM training, they are at the most receptive stage in their VM development but what efforts do we make to encourage them to join?
- our healthy bank balance should permit some realignment of subscriptions, fees etc but we should not need to increase subscriptions for personal membership
- value-adding opportunities may exist e.g. if the Institute could endorse course providers certificates (accredited courses) it would add value in providers marketing courses and the Institute could levee a small fee for the service which providers could then choose to pass-on or not in their course fees
- offering a period of free membership to new members to get interested people into the Institute
- getting more benefit from organisational (Corporate) members

The President noted that the Executive has already planned a full review of subscriptions, fees etc as part of developing a strategy to promote VM and boost the membership base. He undertook that the Executive and the whole Board of Management would also take into account all the matters raised, as there is a good deal of interaction between them and the package of measures needs to be integrated and consistent. (*Ed: The outcome of some aspects of this work since the AGM is reported on pages 8 to 11.*)

Election of Office Bearers (for the coming year)

Nominations received matched the vacancies to be filled, so the President announced the names of those elected. (*See next page*)

Appointment of Auditor

The members re-appointed Mr Kevin Fennell PSM

BA FCPA as auditor to report to them on the conduct of the affairs of the Institute for the year ended 30 June 2002 and thanked him for his services in recent years. A small presentation in appreciation was sent after the meeting.

General Business

Information about the Hobart Conference in August 2002 was distributed to all those present in person, comprising a draft of the initial conference brochure (printed copy subsequently sent to all members) and some information about Tasmania.

The Secretary sought the meeting's opinion on the procedure he has adopted for handling requests for personal recommendations about courses or facilitators: he refuses to provide opinions, instead referring people to the full Register (for facilitators) or sending a full list of accredited courses. He considered it inappropriate for him, in his capacity as a representative of the Institute, to "play God" and in a sense to referee between those who have gained extra credentials in a particular area of VM activity. The Register is already on the web site and it is intended to list the accredited courses in the future. The meeting endorsed the Secretary's non-aligned approach as entirely appropriate.

Special Resolution

The meeting resolved to amend the Institute's Rules of Association by adding Rule 5.7 (Transfer of Assets) as circulated in the Notice of Motion prior to the Meeting. It makes provision for the event of the Institute being wound up or merged with another organisation. This additional provision is necessary, as a result of the new taxation system in Australia, for the Institute to retain its status as an income-tax-exempt body.

ANNUAL GENERAL MEETING

1.30 pm Friday 30 August 2002
Century Room, Bellerive Oval, Hobart

Nominations are called
from personal members of the Institute
for office bearers for the year 2002-2003.
Please contact the Hon. Secretary:

ph (02) 9498 1984 fax (02) 9498 1118
e: lbs@accsoft.com.au

Nominations should be submitted by 5 pm
Thursday 8 August 2002

OFFICE BEARERS 2002

(* Board Member # Board's Executive)

President *

Mr David Baguley FIVMA RegVMFacil

Vice-President *

Mr Rod McGregor FIVMA

Hon. Secretary * # and Hon Treasurer *

Mr John Fullagar MIVMA

Past President *

Mr Lex Clark FIVMA

Membership Committee

Chair *: Mr John Bushell MIVMA RegVMFacil
Mr Ross Prestipino MIVMA RegVMFacil
Mr Peter Davidson FIVMA
Mr Denis Sullivan MIVMA RegVMFacil
Mr Harry Gough MIVMA RegVMFacil

Education & Training Committee

Chair *: Mr John Lennon MIVMA RegVMFacil
Mr Peter Yeomans FIVMA RegVMFacil
Mr Colin Davies MIVMA RegVMFacil

Chair, International *

Professor Roy Barton FIVMA RegVMFacil

Convenor, College of Fellows *

Mr Brian Farmer FIVMA

Auditor

Mr Kevin Fennell PSM BA FCPA

Hon. Editor, "The Value Times"

Mr Alan Butler FIVMA RegVMFacil

Convenors of Regional Groups

Brisbane Mr Tom Fussell (a nominated
Corporate Affiliate)

Sydney Mr Denis Sullivan MIVMA RegVMFacil

Canberra (previous appointment lapsed)

Melbourne (previous appointment lapsed)

Hobart Mr John Lennon MIVMA RegVMFacil

Perth Mr Harry Gough MIVMA RegVMFacil

Malaysia Mr H T Ong MIVMA

Regional Representatives

New Zealand Mr Michael Vandenberg MIVMA

The Resurrection of Old Technology

A recent meeting with a long lost power industry colleague, who was in the process of instigating a major groundwater management study within the Latrobe Valley, led to a discussion of the versatility and effectiveness of Value Management to provide the base methodology for such an investigation.

We discussed how many of the concepts of VM have been absorbed into modern management and are unwittingly practised in a number of professions every day. Concepts such as function analysis form the backbone of software development, the guts of strategic planning and the essence of effective counselling.

We talked about the stunning success of Value Management during the heady 1970's and 80's when we were able to apply the process to its full extent under the stewardship and support of George Bates, Chief General Manager of the now privatised Victorian State Electricity Commission. George was one of the strongest and most effective leaders ever seen in the state, perhaps with the exception of Sir John Monash.

George was not one to mince words and if he felt that a team had not applied itself well enough to the task at hand he was not averse to sending them back to have another go. In rare cases George was known to sack the team and appoint another to take over.

George was a strong believer in the process but VM did not really reach maturity until it was moved out of the engineering realm and used in general application – something that didn't get underway until the late 1980's. Eric Adam facilitated a number of the early studies.

I well remember having to prepare two papers for the Institute's 1991 Conference, held at Clunies Ross House in Melbourne. One paper was for me to deliver and the other was to provide a basis for George Bates, our keynote speaker. Although now a little dated, I take the risk of including part of George's presentation:

“Let me also make it clear that we are doing the job of corporate reform very successfully. We have been doing it for more than two years now and I am in no doubt that we could not have achieved what we have so far, without the support provided by Value Management.

VM is an important part of our life in the SEC. What started out as an ad-hoc process way back in the late 1960s is today one of the most important tools in our SEC kit for improving the way we do things and to challenge the status quo! We started using VM as a problem-solving methodology. It took a few years, however, before we really hit our straps in using the process.

In the early 80s we were engaged in a new power station project - Loy Yang A - in the Latrobe Valley. It was one of the biggest projects in Australia at the time. It's no secret that the project was having some construction problems, which included some engineering management issues and of course, cost over-runs. We decided to use Value Management as a process to allow us to critically review all areas of the power station project without degrading performance. The end result -- and it's a much longer story than this! -- was that we got the project well and truly under control so that it came in on time and under budget.

That really sold us on Value Management. I mean with the Loy Yang project we are talking about a project costing thousands of millions of dollars. And we did it. Since then we have maintained a strong commitment to VM.

Today we have a permanent Value Management team who are full-time on VM which works in closely with our Quality Management team. Each provides back-up to the other. The VM group services the whole of the SEC. It also contracts out its services to the public and private sector. That is proof of the expertise that we have -- and it also shows that we have some business sense in making a quid! Our team has expanded out of areas of just engineering projects to encompass a wide range of activities.

However not all studies are about money! Within the SEC, we have used the VM process on issues as diverse as our bill payments system ... we have used it in developing new organisational structures, staff appointment processes, energy management, even the way we run our library and operate the canteen. VM teams change culture. Over a period of time their work emphasises cost awareness, customer requirements and the need for really hard data to make decisions. We have found the Value Management process to be an excellent device for reducing the cycle times of response to customer inquiries by analysing the delivery process and simplifying it. How important is this -- to meet customer needs in the most timely and effective way?

Outside the SEC, we have won plaudits -- and saved our clients money -- with VM consulting work on such projects as the re-cladding of the Melbourne Country Court building, re-locating the Ballarat Water Board's headquarters, and solving a long-standing wrangle over a sewerage scheme for a housing project in Albury-Wodonga. The list goes on and on.

The bottom line is that we have an excellent tool with which to work in these changing corporate business times.”

(George Bates: “Value Management - A Client's Perspective”)

George has left us with the legacy of his Vision for Value Management. George introduced Eric Adam to us and many of IVMA's present members cut their VM teeth under George's scrutiny, including Peter Filby, Bob Andrews, Leon Gardiner, Peter Davidson and Wayne Regan. Others will remember the enthusiasm of Jack Gregory and David Gaff. Dave successfully introduced VM into the Electricity Commission and Water Authorities in Queensland.

I reminisce about the above because it is clear that, without great and strong champions, there is a danger that one of the most powerful and successful management tools of our time will fade from existence.

VM has played its role in making us aware of time and cost – perhaps to its own detriment. More and more today we are experiencing situations where customer pressures are forcing organisations to reduce costs.

At Couran Cove I reported on a survey of industries in telecommunications and car manufacturing that are under pressure to achieve regular "cost downs." How are these being achieved? I found no sustainable process – just a bunch of designers, a white board and 1-2 hours to come up with a solution. VM was regarded as being 'old' technology! In other industries our facilitators are constantly facing demands from people who are seeking quick fixes for their problems. They are placing demands on facilitators to perform miracles in two days or less, when most of the key decisions driving costs are already locked down and unable to be changed.

This is barren land for Value Management.

I remember when on a major resource project in a time of difficulty, a USA based co - facilitator mused: "The success of a Process Value Analysis study (VM to us) was directly proportional to the time available for its completion." What can we do to turn the tide of demands for cut down studies and one day reviews? My view is that we all need to work on this, in conjunction with a lead taken by the Institute. On our own, each of us can have little impact but through IVMA we have the potential for a stronger voice to influence those that matter. Then all of us can gain the opportunities necessary to demonstrate the power of VM.

In short, we need to identify the future champions for VM.

The way forward is currently being developed. We need horsepower and leadership. We also need to ensure that any revision of the Australian and New Zealand Standard for VM prevents the use of one day reviews masquerading as VM studies. Anyone who wishes to help, particularly with good contacts and or good ideas, is welcome to contact me (03) 9690 4550 or

any member of the Board.

Rod McGregor, FIVMA RegVMFacil, Vice-President

Rod is Managing Director and Principal Consultant of ValueEdge Pty Ltd and has over 30 years experience in senior management and engineering roles. Previously he had primary corporate responsibility for developing and maintaining VM and Quality capability within Victoria's State Electricity Commission. In addition to his present VM practice and professional contributions in areas spanning strategic planning, re-engineering, process improvement, and risk management (most notably for public utilities, health services and resources development) Rod is heavily involved with leading the "Quality" movement in Australia through TQMI, AQC, IEAust and Standards Australia, as well as some government-endorsed committees. Ed.



CONFERENCE UPDATE

As a colourful loose insert in this issue, the organisers of the Institute's 2002 Conference have provided their second brochure, which includes registration details, the proposed program and some additional information.

If you are the second (or later) reader of this copy of Value Times and find that the insert has already been kidnapped by an earlier reader, please send a brief e-request for an extra copy and the organiser will put it in the post to you as soon as your message is received. You will also find a copy on the Institute's web site www.value-management.com.au in the section devoted to Conferences and Activities

The Conference theme is "Balancing the scorecard - putting the focus on people values in decision making". It is to be held in Hobart, Tasmania on Thursday 29th and Friday 30th August. The venue is the newly-refurbished Cricket Centre at Bellerive Oval, home of test cricket in Tasmania.

It is to be opened by Tasmania's Deputy Premier, the Hon. Paul Lennon MLA (himself a strong advocate of VM and its benefits). Well-known test batsman David Boon is also known for his ability as a spinner (of a good story !) and he will be one of the guest speakers. You cannot afford to miss this one !

Enquiries to the Conference Organiser Beth Riddiford of Convention Wise at
tel +61 3 6234 1424 fax +61 3 6231 5388 e-
address mail@conventionwise.com.au

BOARD OF MANAGEMENT ANNOUNCEMENTS

Two announcements have arisen in part as an outcome of planning that was under way by the Board's Executive (to follow up on a meeting last year of members in the Sydney Region) and the planning was subsequently reinforced and broadened by discussion at last year's Annual General Meeting (see Report elsewhere in this issue).

There has been an emerging recognition of several factors that are impacting on the Institute and the services provided to its members:

- the need to strengthen the Institute's membership base, in particular to review any perceived impediments (and perhaps to provide conscious incentives) to encourage new members
- the need to promote Value Management more consciously within the community of opinion leaders and decision makers in both public and private sectors
- the need to strengthen the commitment to high standards of VM practice, especially where some organisations appear to be using mandatory "completion of a VM study" as one of several "rubber stamps" required prior to receiving a green light for projects to proceed
- the need to redress imbalances between those groups who contribute most to the Institute's finances and those who gain the greatest commercial benefit from the Institute's services
- the need to attend to a growing collection of intended enhancements and additions to the web site, which has remained largely in its "as-released" state
- the need to add value to members' professional lives - by introduction of new services that add value and by enhancing the value provided by existing services

The Executive recognises that a number of measures are required over time to address these issues and that, because many of the issues are inter-related, some initiatives should (and will) impact on a number of the issues.

Readers will recently have received advice by e-message about a planned promotional campaign and enhancement of the Institute's web site - and, of course, they have been asked for comments and suggestions about further enhancements. It is worth noting that the Institute has recently achieved the milestone of having e-addresses for all personal members. There are still some nominated Corporate Affiliates of Corporate Members with whom we cannot make e-mail contact, despite the clear savings

of time and cost and the convenience for both parties.

The Institute has persuaded Standards Australia that the present VM Standard (AS/NZS 4183) should be reviewed and, by updating it to reflect developments in VM practice since the Standard was issued in 1994, there will be an appropriate and logical opportunity to reinforce the need for high and complying standards of VM practice, including by organisations whose present policies are putting pressures on VM service providers to deliver less than thorough VM work, so that the organisations can gain the necessary rubber stamp at minimal cost and with what they perceive as minimal bureaucratic interference.

There are two announcements by the Institute's Board that also impact these issues. One is a re-structured schedule of subscriptions, fees and related matters that will take effect from the start of the next financial year (i.e. from 1 July 2002). It reduces subscription rates for all grades of personal member and reduces the differential cost between them, in accordance with the views expressed by members at the last AGM. It also provides incentives for "retired" VM people to keep in touch with their professional colleagues, hopefully allowing the emerging generations of VM-ers to benefit from professional interchange with those who have attained a measure of "elder statesmanship". The encouragement to retired people also recognises that availability of e-mail makes it possible for the Institute to provide this encouragement at minimal marginal cost.

With the restructured schedule, we have expanded the benefits to organisational members, allowing each Corporate Member to nominate as many as ten Corporate Affiliates at any one time (previously limited to three).

We have continued the practice of providing incentives for members to pay their subscriptions on time (or penalties for lateness, depending on where you current payment practice lies). Any subscriptions currently overdue will, of course, still be payable at the late rates applicable for the year(s) concerned.

The ability to actually reduce fees in the present climate after several years without any increase is in stark contrast with the unrestrained escalation of fees by many other professional organisations and arises in part from the tight rein on expenditure that the Institute has maintained over recent years.

The second announcement is with effect from 1 January 2002 and relates to the Institute endorsing certificates issued by providers of accredited courses

to those graduating from their programs. This “Endorsement Policy” arises from the suggestion of one of the providers that the Institute could provide a value-adding service and make a small charge for so doing. It also provides for a related period of free membership for the graduates at the Associate Member grade. Whilst this issue of Value Times is the first opportunity to announce it broadly, the Policy was released to providers at the start of the year and the period of free membership was extended to graduates from two accredited courses held in neighbouring countries in the latter part of 2001.

Details of the two announcements follow:
At the time GST was introduced (July 2000), the Institute decided not to register for GST but obtained a registered ABN. At that time, it was anticipated

FEES, SUBSCRIPTIONS etc for 2002/03

that all goods and services the Institute purchased would cost 10 % more (due to the addition of GST by virtually all suppliers) and the Institute would gain no benefit from input tax credits, so it was decided to increase most annual subscriptions by 10 %. That time also coincided with the web-publication of the Facilitators Register with its advertisement costs included in an annual Registration fee. Apart from the adjustments made at that time for the 2000/01 year, there has been no increase in fees or subscriptions since at least 1997/98.

In the intervening period, the Executive of the Institute’s Board has kept an extraordinarily tight rein on expenditure. There has been a reduction in the membership base (including substantial pruning of members when there was negligible hope of the Institute receiving further subscriptions from them) two reductions (one conscious and the latter by default) in the frequency of publishing Value Times. There has also been a strict policy of pricing conferences (now held at two-yearly intervals) and structuring their costs to keep the break-even point for attendance at a very low level, thereby minimising the Institute’s downside financial risk. For local gatherings of members, a policy is in place that they be priced to recover costs, so there is no general drain on the Institute’s funds. Further, in recent years, the introduction and extraordinarily wide adoption of e-mail for correspondence has reduced communication costs. Nevertheless, the Institute has incurred costs for items such as the web site, which was not even on the horizon several years ago, and for the promotional drive currently under development.

As a consequence of all these matters, the balance in the Institute’s bank account has now climbed to a level where, at the Annual General Meeting last November, it was agreed that the Executive should undertake a review of fees and subscriptions, keeping in mind the following objectives:

- to increase the Institute’s membership base
- to promote Value Management and stimulate member activity
- to relate the Institute’s fees, subscriptions etc closely to the level of benefits derived.

The last of the above points was clearly with the intent that those members who gain the greatest commercial benefits from the Institute’s recognition should bear a proportionally greater share of the Institute’s costs. This principle is behind # 5.1 in the Institute’s Rules of Association. A specific suggestion from the meeting related to the Institute endorsing course certificates for those completing accredited courses and is behind the Endorsement Policy released for the beginning of 2002.

The Executive considered that a crucial focus point in stimulating membership growth is the entry grade of Associate Member and, further, that there is potential for growth of the membership base by allowing organisational members to nominate a greater number Corporate Affiliates.

At the same time, the Institute needs to retain a reasonable revenue base from fees, subscriptions etc to sustain itself and pursue the developments identified.

The following revised schedule of fees, subscriptions etc has been set for the next financial year commencing 1 July 2002

ORGANISATIONAL MEMBERS’ SUBSCRIPTIONS

Corporate Membership

Regular amount	\$ 380 (Previously \$ 380)
On-time renewals	\$ 330 (\$ 330)
Max. number of no. Corporate Affiliates	10 (3)
Subs discount to employees of Corp Memb who are personal members	20 % (20 %)

PERSONAL MEMBERS’ SUBSCRIPTIONS

Fellow

Regular amount	\$ 120 (Prev. \$ 185)
On-time renewals	\$ 100 (\$ 165)

Member

Regular amount	\$ 100 (\$ 130)
On-time renewals	\$ 80 (\$ 110)

Associate Member

Regular amount	\$ 60 (\$ 75)
On-time renewals	\$ 40 (\$ 55)

Eligible Retirees * with e-access
(all grades) free (\$ 40)

Eligible Retirees * without e-access

Regular amount	\$ 40 (\$ 40)
On-time renewals	\$ 20 (\$ 40)

REGISTRATION (as VM Facilitator)

Annual fee regular amount	\$ 200 (\$ 150)
On-time renewals	\$ 180 (\$ 150)
Assessment fee (initial or renewal)	\$ 110 (\$ 110)

COURSE ACCREDITATION

Annual accreditation fee	nil
Endorsement of graduation certificates	\$ 20 ea
Assessment fee (initial or renewal)	\$ 200

ADVERTISING IN VALUE TIMES

One issue: ¼ A4 page (80mm wide x 107 mm high) or part thereof \$ 120 (\$ 100)

Loose inserts provided by the advertiser are charged the same advertising rate per ¼ page of print, plus an insertion cost of \$ 120 per item per issue

** Eligible retirees are defined as those who have paid at least 10 years' membership subscriptions and who are "substantially retired" (i.e. are earning less than \$ 10 000 p.a. from paid work). They retain their pre-retirement grade of membership but, as people who have substantially retired and have therefore ceased to be fully practising professionals, they will not retain any Registration previously held. This category of membership has been structured to enable retired VM people to retain their interest in the profession.*

Courses Eligible

The Institute will consider endorsing a course-provider's certificates when (a) the certificates relate to a course that has been accredited by the Institute and (b) that accreditation is current..

POLICY FOR THE INSTITUTE'S ENDORSEMENT OF PROVIDERS' COURSE

Use of the Institute's name on Certificates

Where a provider wishes to use the Institute's name on any certificate, the use of its name and the design of the certificate will be subject to the Institute's approval, which will not unreasonably be withheld if the proposed certificate is consistent with this policy.

Course Provider's Certification

The provider's certificate should show the entire formal name of the accredited course and the certificate should include words along the following lines:

This is to certify that(full name of

student).... has satisfied all requirements (including the prescribed assessments as agreed with the Institute of Value Management Australia) for the course (formal name of course).... .

Official representatives of the course provider should then sign and date the provider's portion of the certificate.

It is important to note that the Institute does not endorse certificates for attendance at a course, only when a student has achieved a satisfactory standard in all course requirements (including assessments).

Institute's Endorsement

The Institute's endorsement will be of the course (not the student) and will use words along the following lines:

The Institute of Value Management Australia has accredited(formal name of course).... provided by(full name of provider).... as satisfying the Institute's educational requirements for admission to the grade of Member **and for Registration as a Registered Value Management Facilitator.** This accreditation is due for renewal on (date).... . **(Words in bold will be included only where appropriate and in line with the accreditation granted.)**

The endorsement will include the Institute's logo and each certificate will be hand-signed and dated by the designated representative of the Institute (usually the Hon Secretary).

The Institute will insert these words and logo on a pro-forma master copy of the proposed certificate at the time its design is submitted to the Institute for approval. The course provider will then prepare a named certificate (in accordance with the pro-forma master) for each eligible student and send it to the Secretary for signature prior to presentation to the successful student.

Explanation of Above Principles

It is inappropriate for the Institute to sign anything that certifies satisfaction of course requirements by an individual, because the Institute is not in a position to verify that matter. Similarly, it would be inappropriate for the representatives of the course provider to be signing anything relating to course accreditation by the Institute. Hence the need for the two clearly separate sections of the certificate that testify to quite different matters.

Associated Matters

The Institute is keen to attract members and, with the introduction of this Policy, has agreed to make an

offer of free membership at the grade of Associate Member in association with the issue of an Institute- endorsed certificate, the period to be from the date the certificate is awarded to the next 30 June. This is conditional upon the student completing and submitting (through the course provider) both (a) a completed application form for personal membership in the Institute and (2) the associated contact details sheet, which must include a current e-address. Where an eligible course commences between March and June, the Institute will normally extend the free membership period to 30 June of the following year.

The student will be eligible to receive an appropriate personal membership certificate from the Institute after he/she has paid the subscription for a grade of personal membership covering the year after the period of free membership.

No person will be eligible for more than one such period of free membership.

Endorsement Fee

There will be a small charge to the course provider for the Institute's endorsement, recognising the significant commercial value created for the provider by the Institute's accreditation and endorsement. It is anticipated that the provider will adjust its course fee structure to recover all of this Endorsement Fee from enrollees on the basis of the course's increased value with accreditation and endorsement and the offer of free membership. The Institute intends that its Endorsement Fee will stay below the "on-time" subscription for an Associate Member.

Initially (at January 2002) the Endorsement Fee will be \$ 20 per certificate.

Endorsement Fees are to be paid by the course provider when named certificates are sent to the Institute's Secretary for signature of its endorsement.

Implementation Date

This policy shall be available to courses that commence from the beginning of 2002.

MEMBERSHIP MOVEMENTS

The Board of Management congratulates the following member(s) on their upgrades:

Upgraded to Fellow (FIVMA)

Peter Robert YEOMANS

The Board's Executive extends a warm welcome to the following new personal members:

Admitted as Member (MIVMA)

Jennifer Jane Louise DEVINE

Bruce Edred HARVEY

Admitted as Associate Member (no post-nominal applies)

Dainna BAHARUDDIN

Raymond CHENG Swee Meh

Grace CHEW Nyuk Hong

CHONG Fook Loong

CHUA Bee Tee

FONG Chor Cheong

FOO Tee Sim

Stephen John GRIMES

HU Kar Keong

LIM Shu Ying

LOO Peng-Kuan

Jerry MAK Yew Fatt

Azlan Raofuddin NURUDDIN

ONG Say-Khim

Porhcisaliyan SANKARAN

SEAH Kim Huah

SEAH Kok Hong

SEAH Peng Siong

TAN Lai Oon

TAY Kwee Hian

TING Ik Hing

Fiona Elizabeth TREMBATH

Denis WONG Tak Ming

YIN Kam Meng

YUEN Mun Wye

The Board's Executive congratulates the following members on attainment of their additional credentials:

Registered VM Facilitator (RegVMFacil)

Bruce Edred HARVEY

ACCREDITED EDUCATIONAL PROGRAMS IN VALUE MANAGEMENT

At present there are three educational programs which the Institute has accredited as meeting the *educational* requirements for various grades of membership or extra credentials. It must be stressed that the Institute's requirements for admission to these grades/credentials include both educational and other requirements, so that educational attainments on their own are not sufficient for satisfying the admission requirements.

The accredited educational programs are:

"Value Management Training Course (comprising modules VMTA1, VMFA1, VMTB1 and VMFB1)" offered by Advanced Value Management Systems Pty Ltd of PO Box 518, MT OMMANEY QLD 5074. The AVMS contact is the company's principal consultant David Baguley who can be reached on (07) 3376 4653 or 0411 470 947. Sometimes during the day he may also be reached on (07) 3403 4805 and e-address is vmqld@ozemail.com.au

The Institute accredited this AVMS program in 1998 on the basis that a student must complete a minimum of three of the modules to satisfy the educational requirements for admission to the grade of Member and for the additional credential of Registered VM Facilitator but, at the time of accreditation, the Institute strongly recommended that students should complete all four modules.

"Value Management Training Programme (comprising Module 1 and Module 2)" offered by Applied Facilitation and Training. AFT has two principals: Peter Yeomans, managing director of Yeomans Consulting, PO Box 7058, SAFETY BAY WA 6169 who may be reached on (08) 9527 2089 or 0417 986 989 and e-address yoyo@yeomans.com.au and Brian Dawson, managing director of Value Systems Pty Ltd, 324 Pacific Highway, LINDFIELD NSW 2070 who can be reached on (02) 9415 6150 or 0418 212 496 and e-address is valsys@bigpond.com

The Institute accredited this AFT Program in Feb 2001 on the basis that a student completing both modules would meet educational requirements for admission to the grade of Member.

"Value Management Professional Programme" (comprising two courses)

offered by Australian Centre for Value Management Pty Ltd of PO Box 1598, STRAWBERRY HILLS NSW 2012.

ACVM's principal educational provider is Adjunct Professor Roy Barton who may be contacted through (02) 9699 9947 or 0411 765 001 or e-address RTBarton@aol.com

The Institute accredited this program in January 2002. It is the successor to an earlier Graduate Certificate program that was offered by the University of Canberra. A student completing both courses in this program is regarded as satisfying the Institute's educational requirements for admission to the grade of Member and for the additional credential of Registered VM Facilitator.

Each of the contact people shown above is a Fellow of the Institute and is currently a Registered VM Facilitator with substantial professional experience and therefore well placed to provide credible advice on VM educational solutions pertinent to the needs of individuals or organisations.

Institute of **Value Management** *Australia Inc.*

Contacting the Institute

Please visit the Institute's web site
www.value-management.com.au
(includes a list of the Institute's officers)

For most business, please make contact with the
Hon Secretary and Hon Treasurer: John Fullagar

ph: (02) 9498 1984 fax: (02) 9498 1118

mob: 0400 420 602 email: lbs@accsoft.com.au

postal: 24 McIntosh Street, Gordon, NSW, 2072