

28 September 2009

NEWSLETTER

from the Executive
of the Institute's Board of Management

Dear Members,

The last couple of years have, for me, been associated with establishment of a large high-profile public project in south-east Queensland. To an extent that was not foreshadowed when the project was initiated, the early establishment phases (to the point where others could take over some of the project reins) have taken far longer than anticipated and this has diverted my attention from the responsibilities as your President. For that I apologise, especially as it has occurred in the period after release of the new Australian VM Standard (AS 4183:2007) when a great deal of consequential work was identified as appropriate and a priority.

That situation has now been substantially relieved, with the effect that a number of the long-awaited flow-ons from the 2007 Standard are now under way. This special Newsletter aims to provide you information from the Board's Executive about what is now happening. The Newsletter includes no journalistic articles or editorials, so it has not been issued under the banner of The Value Times. All material is issued on behalf of the Executive and its working parties.

This newsletter covers a wide range of material about VM and how we go about things in the Institute. Although it covers an extensive range of issues, please read it carefully.

As you will see from what follows, opportunities are now being arranged for face-to-face meetings with members throughout Australia, when we will have opportunity to explore these matters in more depth. I hope it will be possible to catch up with you at one of those meetings and I look forward to that prospect.



Brian Farmer,
President

This Newsletter addresses the following:

1. Flow-ons from the 2007 VM Standard (AS 4183:2007)
2. Education and Training (and accreditation criteria)
3. Membership Credentials (Grades and Registration Categories)
4. VM Handbook
5. 2009 Conference and Road Show
6. New Institute Policy - support for promotional papers
7. Annual General Meeting 2009
8. Subscriptions and Fees for 2009-10
9. Institute's logo

10. Website

1. FLOW-ONS FROM THE 2007 VM STANDARD (AS 4183:2007)

In addition to fine-tuning and updating a range of issues based on experience since the former Standard (AS/NZS 4183:1994), the 2007 Standard recognised that VM work can be undertaken in two ways:

- a) in the form of a Value Management Study (in which the interests and contributions of Stakeholders are steered and harnessed by a VM Study Facilitator who is independent of those interests) and
- b) in the course of regular day-to-day work (in which a VM Analyst uses his/her expertise and intimate appreciation of the situation being examined).

It is further recognised that others might gain and use a thorough grounding in Value Management in order to

- c) use the “VM way of thinking” in their approach to their work and decisions (without necessarily undertaking specific VM assignments) or
- d) stimulate and encourage a VM culture within their work environment (such a person might be termed a “VM Champion” within an organisation).

The **Institute’s initial work** flowing from the Standard has been in three sequential steps :

- i) to *identify the VM knowledge, skills and cultures/values* needed by these four types of people who will use VM
- ii) to *develop profiles or syllabi for education* that will be appropriate to meet such needs and thus to develop criteria that can be used to accredit educational programs. The Institute has, for many years, recognised that the criteria for accrediting VM programs should be arranged in logical modules relating to the needs of the four types of VM users, so that any provider’s program can be accredited as satisfying the requirements of particular modules.
- iii) to *consider appropriate membership credentials* (including membership grades and Registration categories) for the four types of VM users, including the structure of these credentials, their designations and the criteria for attaining/retaining them.

Additional work includes:

- iv) *publicising the changes to the VM Standard (and the changes to the Institute’s requirements) and their significance*, especially to potential VM users and their clients/employers.
- v) *promoting the important benefits* that organisations gain from application of VM, as well as its simplicity of principle and transparent integrity, especially to make best use of the opportunity afforded by the new Standard
- vi) *developing appropriate transition arrangements* to enable VM users (in particular, Specialist Practitioners) to progress smoothly from present provisions (which are based on the former Standard AS/NZS 4183:1994) to what is now required under the provisions of the current Standard AS 4183:2007.

At present, working parties are up to their collective elbows with the initial work. Because the Australian focus of VM work in the last 15-20 years has been on facilitated VM Studies involving stakeholder representatives, that focus dominates the thinking of most of the current crop of VM users and specialist facilitators. Work is under way to develop a similarly appropriate focus for the work of VM Analysts.

2. EDUCATION AND TRAINING (and accreditation criteria)

The Institute currently has two groups of topics which must be addressed in VM programs and these were published in *The Value Times* (June 1993 issue) as accreditation criteria. The topics are grouped into what might be called a *core* module (on VM principles and process) and a *facilitation* module (on the principles and techniques for successful VM Study facilitation).

The working party's thinking to date is that there should still be a *core* module (to cover VM principles and process) which would be common grounding for those seeking to undertake VM work, whether by (a) or (b) in 1 above, and which would also be appropriate as the total educational requirement for the VM people covered in (c) and (d) above.

There is also confidence in the idea of having additional modules with a practise orientation for those seeking to undertake VM work, so there would be a module for *VM Facilitators* (for those seeking to facilitate VM Studies as in 1 (a) above and a different but corresponding module for *VM Analysts* (for those seeking to undertake VM assignments in the course of their day-to-day work - as in 1 (b) above).

At present, some members of the working party are reviewing the existing (June 1993) accreditation criteria to develop an appropriate syllabus for the proposed *core* module and for the proposed *VM Facilitator's* module. Others are pursuing appropriate liaison arrangements to identify the distinct needs of those covered by 1 (b) above - and this will be used to develop an appropriate syllabus for the proposed *VM Analyst's* module.

From the syllabi, the Institute will develop criteria for accreditation of VM programs offered by education and training providers. In assessing any provider's program for accreditation, it is envisaged that the Institute will continue to assess the *syllabus covered*, the *calibre of the trainer* and the provider's *means of assessing* whether a participant has gained the knowledge/skills etc covered by the program. Accreditation is envisaged as being on a subject-by-subject basis and will be related to the modules already described. Thus, for example, any accreditation of what a provider may designate as its *Subject X* would say that it satisfies the requirements of the Institute's relevant module(s).

The Institute will also look for evidence of formal credentials and/or experience in adult education when it assesses the calibre of any provider's designated trainer(s). Additionally, a trainer for the *core* module will need to hold current Specialist Registration as either a VM Study Facilitator or a VM Analyst. For delivery of one of the additional modules for a category of Specialist Practitioner (VM Facilitator or VM Analyst), the trainer will need to hold current Registration in that category.

3. MEMBERSHIP CREDENTIALS (Grades and Registration Categories)

At present, no significant consideration has been given to changing the provisions for *organisational membership* (currently designated as *Corporate Members*) or the provisions for them to nominate some employees as *Corporate Affiliates*.

For *personal membership*, the working party's thinking to date is for some fine-tuning of the present credentials, not for over-turning them.

It is proposed to retain a membership grade (similar to our present *Associate Member*) for those who express an interest in VM but who have not taken their interest further (by such means as undertaking a program of VM education).

The next proposed grade is to recognise those who, in addition to expressing interest in VM, have undertaken an accredited core module and satisfied all assessment requirements. This new grade would be broadly similar to the present *Member* grade, with the main difference being removal of the present requirement for some experience in using VM. If this change is adopted, it could mean that a number of people who have completed accredited educational programs and hold the present grade of *Associate*

Member may be eligible to move to the new grade, subject to them meeting the final educational requirements of the proposed *core* module.

At present, the grade of *Fellow* is reserved for a person entitled to the grade of Member with substantial attainment in VM or contribution to VM in Australia (including through the Institute). In broad terms, this grade is envisaged as continuing as at present.

There is also a special (and rare) grade of distinction *Honorary Life Fellow*, reserved for VM contributions of eminence. To date, only one person has been accorded that distinction - the late Eric Adam in 1994.

Registration is proposed to change a little and to become the Institute's practice-related credential. As at present, it is envisaged as an additional credential to the grade of personal membership. Whereas the proposed grade that is similar to the present Member (by whatever designation it is ultimately given) will be linked to completion of a core VM education, it is proposed that Registration will be the credential to denote that a member is currently equipped and practising VM.

At present, the Institute maintains a Register of Specialist Practitioners, which includes just one category of Registration - *Registered VM Facilitator*.

Registration was introduced in the late 1990s to provide guidance to potential VM users/clients regarding the engagement of VM specialists so, in addition to requiring completion of core education appropriate for the grade of Member and completion of appropriate specialist education, there is a requirement for evidence of appropriate experience, evidence of continuing professional development and evidence that VM practice is current and continuing. Further, when granted, Registration is for a maximum three-year period, following which application for renewal is required to ensure the original requirements continue to be satisfied.

It is envisaged that these general Registration principles will continue but that there be an additional category introduced to cater to the kind of VM Specialist described in 1 (b) above - one who uses personal expertise and intimate appreciation of the situation to undertake VM work in the course of his/her day-to-day work. For want of a better name, we are currently referring to such a Specialist as a *Registered VM Analyst*.

For this *Registered VM Analyst*, the person's competence to practise depends on his/her expertise in an industry or role, so it is envisaged that Registration will specify that situation in some way - perhaps the industry sector (such as motor manufacture) or the kind of function performed (such as procurement). Details of such arrangements and how they might work are currently being considered by the working party.

It is also intended that the Institute will identify, in a form that is publicly accessible, those assessed as appropriate to deliver accredited VM education programs. Options being considered are (a) creation of an additional category in the Register of Specialist Practitioners and (b) designation of approved trainers in the documentation certifying accreditation of any VM Education program.

4. VM HANDBOOK

Several independent efforts (over as many years) have been made to start this project. A number of issues are now settled and work is under way to put flesh on the agreed structure.

It has now been agreed that the Handbook will be published on the Institute's website and it will have three modules: a general module (with open public access), a module dedicated to the use of VM in Value Management Studies (see 1 (a) above) and a module dedicated to the use of VM by VM Analysts (see 1 (b) above). For these two practice-oriented modules, it is likely that access will be controlled (perhaps by password) to provide member-only access.

A proposed structure has been agreed and the working party has identified prospective authors with pertinent expertise and experience (some individuals, some committees) to put flesh on the structure.

The proposed structure is as follows:

General module

- Value Management - purpose, description, benefits, applications, clients, Australian features
- how AS 4183:2007 differs from AS/NZS 4183:1994
- VM structure and process (including comment on VA and VE)
- commitment of stakeholders
- management of the VM process, appropriate situations for 1(a) and 1 (b) above
- education and training for VM, criteria for accreditation of VM programs
- role of the Institute - organisation, membership, registration and categories, accreditation of E&T programs, continuing professional development
- VM reference material - texts, websites, Standards

VM Studies Module

- effective facilitation of a VM Study
- attributes of a successful VM Study Facilitator
- attributes of a successful VM Study
- outcomes of a successful VM Study (possible use for audit of compliance with Standard)

VM Analyst Module

- effective VM Analyst work
- attributes of a successful VM Analyst
- attributes of a successful VM Analysis assignment
- success criteria for VM Analyst's work (possible use for audit of compliance with Standard)

5. 2009 CONFERENCE and ROAD SHOW

Members will recall the earlier expectation that the Institute hold a conference this year, at which the business would include the Institute's response to the 'new' (2007) Australian Standard for VM. Plans for that conference had proceeded to the point where venue reservation was imminent. At that stage (earlier in the year), the Global Financial Crisis was in full cry and a number of the Institute's senior officers felt that prospects for a successful conference (in terms of attendance and the consequent financial implication) seemed poor.

The President therefore made the suggestion (recently adopted) that we defer the conference plans until 2010 and, instead, plan a travelling 'road show' to the key Australian locations where the Institute's members are based and where there are key people of influence (including potential VM users) that we need to reach (in business, the professions, Government, etc).

The purpose is dual:

- to remind these key potential users of VM 'policy' and to 'sell' them on VM and its benefits, including:
 - how best to ensure they get the full potential from using VM, and
 - how the Institute is set-up to help with this; and
- to inform members of the 'behind-the-scenes' Institute activity aimed at turning the provisions of the new Standard into best outcomes and, importantly, to gain member feedback and input to that Institute activity, in particular regarding:
 - the Institute's contacts with key groups of potential users,
 - development of the proposed 'Handbook', its content and its progress,
 - identifying categories of people who will be likely to use VM,
 - the areas of competence appropriate for each category,

- the education and training programs appropriate for these categories (and the criteria for the Institute's accreditation of such programs), and
- the credentials (membership grades and Registration categories) envisaged.

As the President has noted above, working parties are now embracing a concentrated and clearly-focused program of work, so that firm proposals will be ready for discussion in the context of the proposed roadshow.

The road show will occur between Monday 23 November and Friday 4 December according to the following schedule:

Mon 23 Nov	Hobart
Tues 24 Nov	Melbourne
Wed 25 Nov	Adelaide
Thurs 25 Nov	Perth
Wed 2 Dec	Brisbane
Thurs 3 Dec	Canberra
Fri 4 Dec	Sydney

In each location, discussions will take place during the day with Value Management 'sponsors', particularly those in Government. Discussions with members (to be initiated by presentations) will be from 4pm to 7pm, followed by a light meal at a modest local eatery, with meal costs (hopefully within about \$30 per head) covered individually by attendees .

At present, we are developing details concerning the 'sponsors' we should meet and where we should meet members. It is envisaged that local members of the Institute or Government agencies will make appropriate venues and AV equipment available for these meetings.

6. NEW INSTITUTE POLICY - SUPPORT FOR PROMOTIONAL PAPERS

From time to time opportunities arise (or can be generated) for an Officer of the Institute (or other appropriate representative) to deliver a presentation to a significant external gathering about Value Management and its benefits. It has been suggested that the Institute might encourage pursuit of such opportunities by contributing towards (but not covering in full) the costs of such a presentation.

One such opportunity has arisen in conjunction with the 2009 International Cities, Towns and Communities Society (ICTC) conference to be held at Deakin University's Geelong campus from 27 to 30 October. The Past President identified the opportunity and, following consultation with the Executive of the Institute's Board of Management, invited the Vice-President to collaborate and deliver a paper about Value Management. A paper entitled "Involving Communities in Decision-Making" has been accepted. *It needs to be placed on record that, due to the potential for a perception of conflicting interests, neither of these officers has been involved in the Executive's subsequent deliberations about this matter.*

Whatever support the Institute might provide for the present opportunity will establish a precedent for the future. At the same time, it is important that the Institute embraces appropriate opportunities to showcase Value Management and its benefits. The Executive therefore considered that a policy should be developed to ensure some consistency in its response to all such opportunities.

When the costs of pursuing any such opportunity are tallied (travel, registration and accommodation), it is clear that the potential total cost in any year could be a significant proportion of the Institute's total annual income. It is therefore important that the policy should prevent any dramatic escalation of the total cost of such contributions if members were to develop a keenness to wave the flag on an epidemic scale.

It is therefore proposed that the Institute (through the Board's Executive) will consider contributing towards (but not cover in full) representatives' costs of embracing such showcasing opportunities under the following conditions, which will be subject to the availability of funding at the time concerned.

1. The opportunity is first brought (in writing) to the attention of the Board's Executive (through the Hon Secretary). The initial submission to the Executive is to include:
 - a) details of the event (date, location, host organisation, theme, key sponsors etc),
 - b) the predicted number and a general profile of the likely audience,
 - c) an outline of the proposed presentation,
 - d) the proposed presenter(s) and
 - e) a breakdown of all the foreshadowed cost of making the presentation.The Executive will consider all these details in determining whether the proposed opportunity appears to be appropriate for the Institute to endorse.
2. The Institute requires that any presenter it endorses as an Institute representative will conduct him/herself at the conference in a manner that brings credit to the Institute and its members as a whole.
3. Any Institute support will be conditional upon:
 - a) the presenter(s) being identified as officers (or representatives) of the Institute,
 - b) the presenter(s) securing (from the conference's hosting organisation or other appropriate party) unconditional and free authority for the Institute, at its convenience, to reproduce and disseminate the presentation as the Institute sees fit (including within any of the Institute's publications),
 - c) the full presentation (including a complete copy of the written paper and any audio-visuals used in support) being submitted electronically to the Executive (through the Hon Secretary) within two weeks of it being made at the conference etc and
 - d) the Institute being satisfied that the conduct requirement described in 2 above has been fully met.
4. If the Institute endorses a proposal, it will contribute towards (but not cover in full) the presentation costs of the approved Institute representative(s). The level of contribution will have regard to the associated costs and the potential for private commercial advantage from the presentation opportunity. It is envisaged that any contribution the Institute may make towards the costs of an endorsed presentation would be unlikely to exceed \$ 500.
5. The Institute will advise (in writing) its decision regarding endorsement of the proposal and the Institute's advice will include the amount of its proposed contribution, which will be paid to the representative(s) or their nominated employer(s) after the Institute is satisfied that all the above requirements have been met.
6. Given the limited prospective benefit to the Institute from pursuing promotional opportunities outside Australia, it is likely that the Institute's support will not be forthcoming for an Australia-based member making an off-shore presentation.

(Policy adopted by the Board's Executive after Board consultation - 9 September 2009)

7. ANNUAL GENERAL MEETING 2009

This year's Annual Meeting does not include any election of officers, so business will be confined to statutory requirements and it is envisaged that most members will elect to attend by proxy, as on several previous occasions.

It is intended that the meeting date will be mid-December, just after completion of the Road Show. The required formal notice of meeting and associated papers will be issued later but prior to the start of the Road Show.

The Institute's Rules of Association require that AGM business will include receipt of reports from all committees (customarily that has meant from the President and the Chairmen of our standing committees on Membership, on Education and Training, and on International matters). In addition, there are statutory requirements that we consider and adopt financial reports for year ended 30 June 2009, and that we appoint the Institute's auditor for 2009-2010.

It is intended that all these aspects will be covered to some extent in the Road Show's meetings with members, where members will have opportunity to ask any questions and get answers.

Special business (such as considering any changes to the Rules and some other issues) is required to be dealt with by members as a whole in general meeting. Members are invited to note that a range of these "special business" items will emanate from the working parties and the road show discussions. The substance of any intended changes always requires meticulous attention to wording, to ensure that the outcome reflects the intention. Further, some explanatory material also needs to accompany formally worded resolutions and preparing all this requires much time - and there has to be due notice to allow time for all resolutions to be considered prior to a vote being taken. It is therefore proposed that consideration of all these "Special business" matters should occur in an "Extraordinary General Meeting" to be held in the first half of next year, preferably in the form of a face-to-face meeting held in conjunction with an Institute conference. There would still be opportunity for proxy voting by members unable to attend in person.

8. SUBSCRIPTIONS AND FEES FOR 2009-10

There has been no change in the Institute's subscriptions and fees since the "year of our big reduction" (year commencing July 2002). Members will note that, over that period, general price rises in our community have been substantial and, for the Institute to hold its fees constant for such a long period, while simultaneously enhancing its bank balance, providing free member copies of the new VM Standard and fine-tuning its membership list (which is now a little smaller) is an achievement. We expect to take a bite out of these resources for the proposed Handbook but at this stage it is premature to predict the size of that bite.

Subscriptions and fees for 2009-2010 will be maintained at the current level.

Notices for payment of subscriptions are expected to issue in October.

9. INSTITUTE'S LOGO

The Institute was pressed to explore a new logo, which led to announcement of a design competition in the last issue of The Value Times. Not a single submission was received, even from those who had been agitating for change. There will therefore be no change to the Institute's logo in the foreseeable future.

10. WEBSITE

It is some time (too much time !) since the Institute's website was updated. A variety of reasons lies behind this situation, the main one being the desire that any wholesale update should reflect the outcome from the new VM Standard and the Institute's response to it.

At present, some minor up-dating (of routine documents like lists of Officers, subscriptions, the Register of Specialist Practitioners) is in the pipeline and there will be wider-scale updates following the foreshadowed Extraordinary General Meeting next year.

-

Newsletter issued by the Executive of the Institute's Board of Management, 28 Sep 09