Value Engineering - A PMV Webinar Review

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For any offering – service or product, for profit or non-profit – customer value and satisfaction can be improved by increasing customer benefits and reducing costs. Among the benefits, functional benefits are of key importance. People pay for function, not offerings. For example, people go to movies to buy such functions as people watching, laughter sharing, and emotional stimulus. People go to church not to buy the pastor's time, access to a song book, or a spot on the church bench, but to acquire access to like-minded people, experience singing, and relieving guilt. Value engineering is a systematic, team-oriented, creative approach that seeks to deliver customer-desired functions with lower cost. It is a specialized methodology used within product management.

 The Society of American Value Engineers (SAVE) provides education and training, publications, tools for promoting the value methodology, certification, networking, and recognition. It's a true community of practicing value engineers. It's surprising to me the number of product managers who when asked about PM professional groups, fail to recognize SAVE.

If you're involved in product management, I recommend viewing this webinar , then going to their website to become at least familiar with their concepts. Of course, I believe we should all become active members of this part of our community; employ their practices where it makes sense, and provide leadership within their local groups.

There are three basic steps to value engineering; identify functions, evaluate the functions, and develop alternatives. Within these basic steps there is a set of lower steps, each with a set of tools used to provide the rigor and repeatability that value engineering is known for. As product managers new to value engineering are learning these steps, it might be easier to map the value engineer activities to the Seven Pillars of Product Management.

Within value engineering activities, the focus isn't on a physical part of the offering or any act of service, but on what it's supposed to do. The "function" is the foundation of value engineering, which is always expressed in a verb-noun format. Within the Seven Pillars of Product Management, and the Pragmatic Framework, think of this function as the product feature. The steps within value engineering cover most of the activity objectives of the Seven Pillars. The few product management activities that are missing from value engineering can easily be added to your innovation practices to complete your product management capabilities.

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