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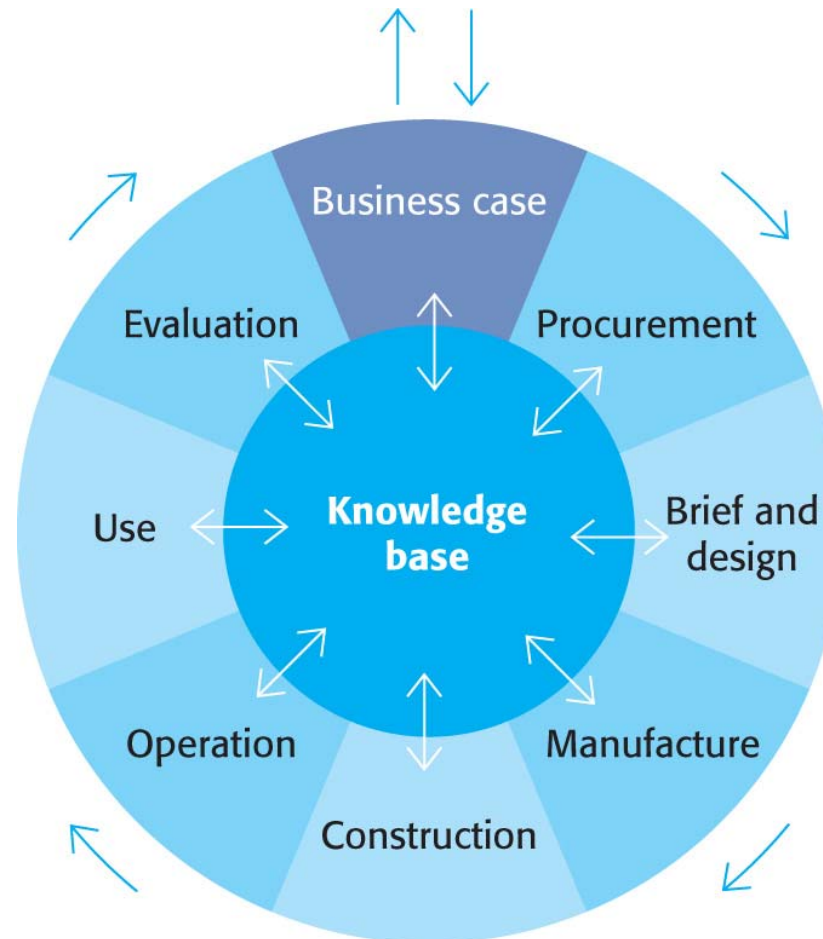
Be Valuable



# The Value Agenda

- What is Value in the built environment?
- How do you use the project preparation stage to define the Value Proposition?
- How do you drive the project to ensure that the Value Proposition gets delivered?
- 2 examples
- Some principles to follow.

# The life cycle of the built environment

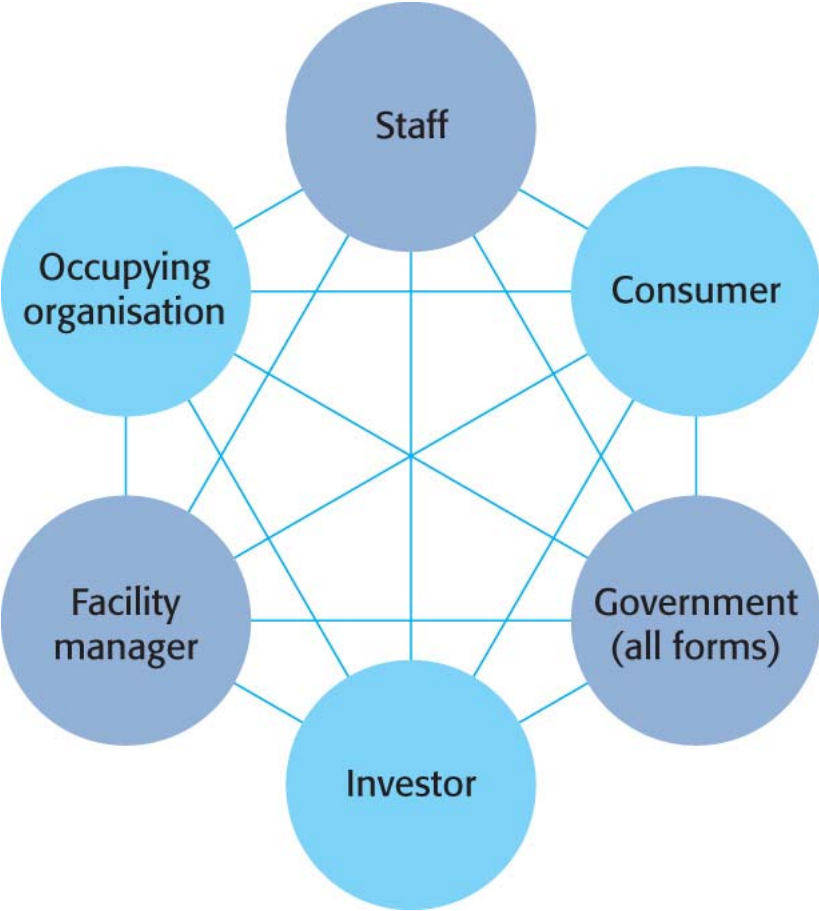


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## Value is a trade-off

$$\text{Value} = \frac{\text{What you get}}{\text{What you give}}$$

# Stakeholder value exchange

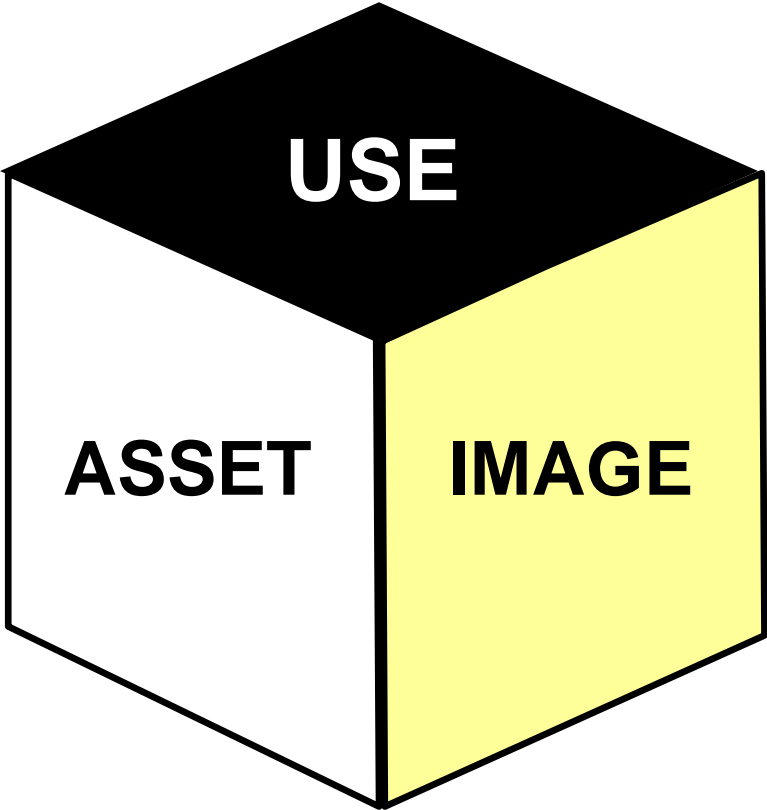


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## How the built environment creates value

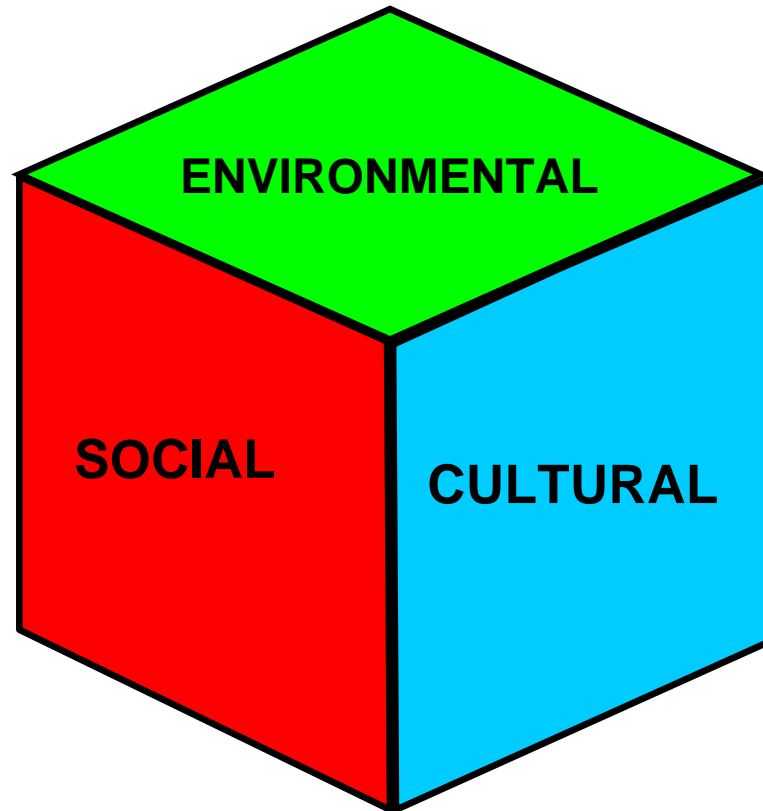
- Workplace productivity
- Effectiveness of public services
- Competitiveness of investments
- Communication of identity
- Locational value
- Social benefits; community wellbeing
- Environmental quality

# Six Dimensions of Product Value



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## The 7<sup>th</sup> Dimension: Process

- Good client organisation
- Defining the vision and value proposition
- Choosing the procurement path to suit
- Choosing the right team
- Using appropriate advanced methods
- Maintaining the vision through value engineering
- Commissioning well and training the FM
- Building performance evaluation and feedback.

## Value lies in the use of buildings

Value accrues to occupiers of buildings not simply through their existence as artefacts but through their use as assets. Occupiers value the use of buildings rather than the buildings alone.

## Definitions

# Quality:

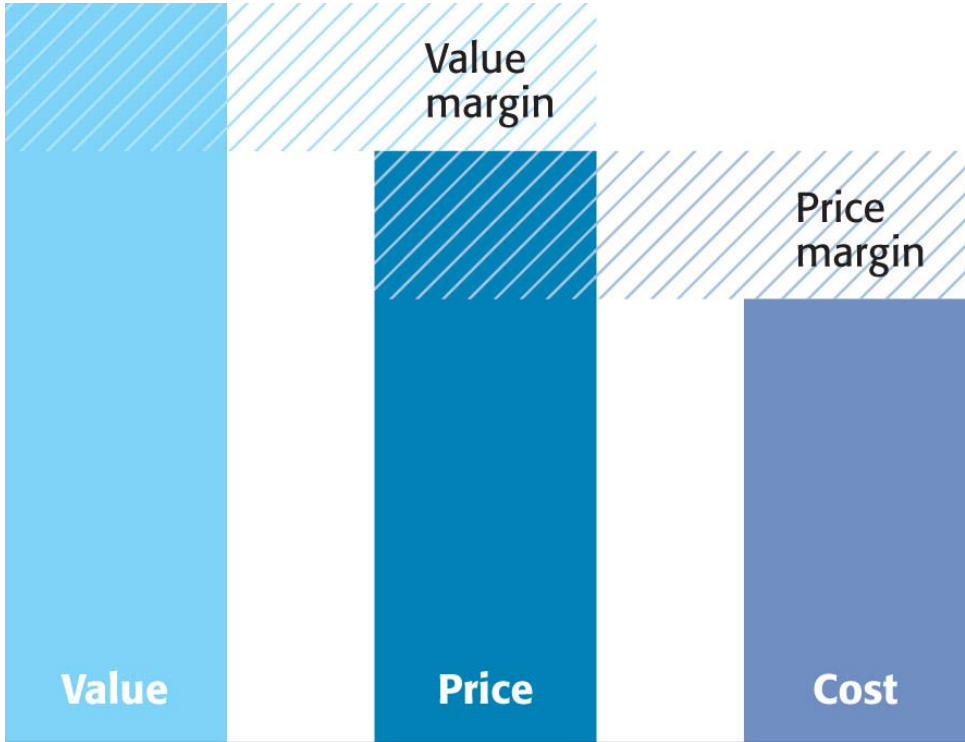
an attribute delivering value by

- a) providing benefit and/or
- b) reducing sacrifice

## The Value Proposition

- The statement of project outcomes required and the resources justified.

# Opening space between value, price and cost

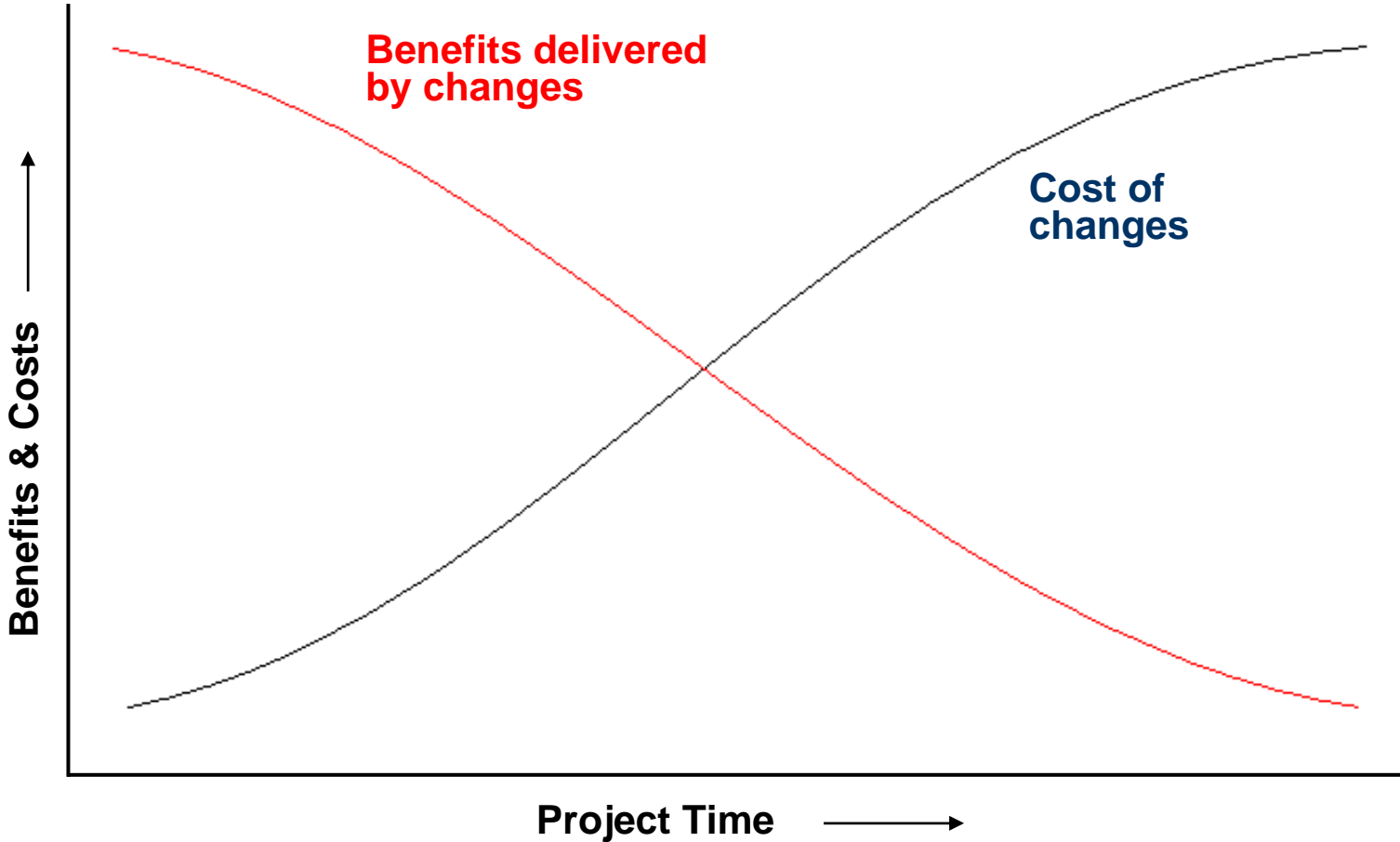


After Prof. Hennes de Ridder

## The Ratio between building cost and business value

- 0.01 Pre-project preparation
- 0.1 Project Design and Management Cost
- 1.0 Initial Construction Cost
- 3. 20 Year FM Cost
- 30 20 Year Occupier Value Added

# To create Value, start early



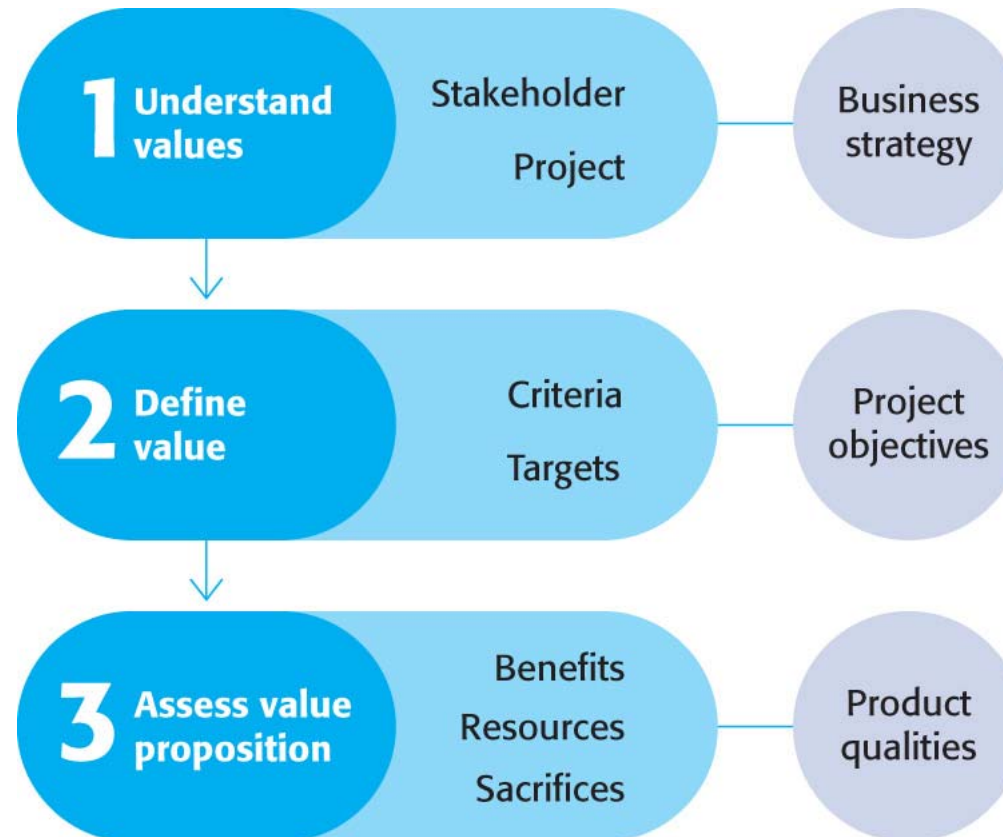
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# The Four Optimisations

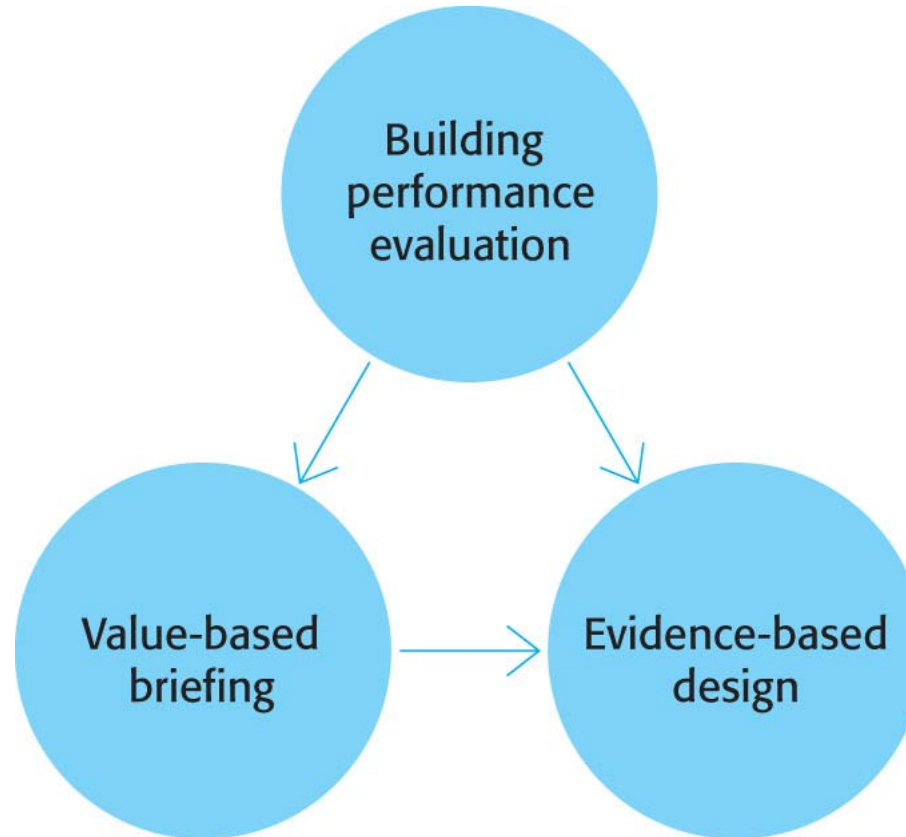
1. Optimise asset performance
2. Optimise operating cost (Opex)
3. Optimise capital cost (Capex) to achieve 1 and 2
4. Optimise how the asset is held.

(from EC Harris LLP, Built Asset Consultancy)

# The VALiD framework

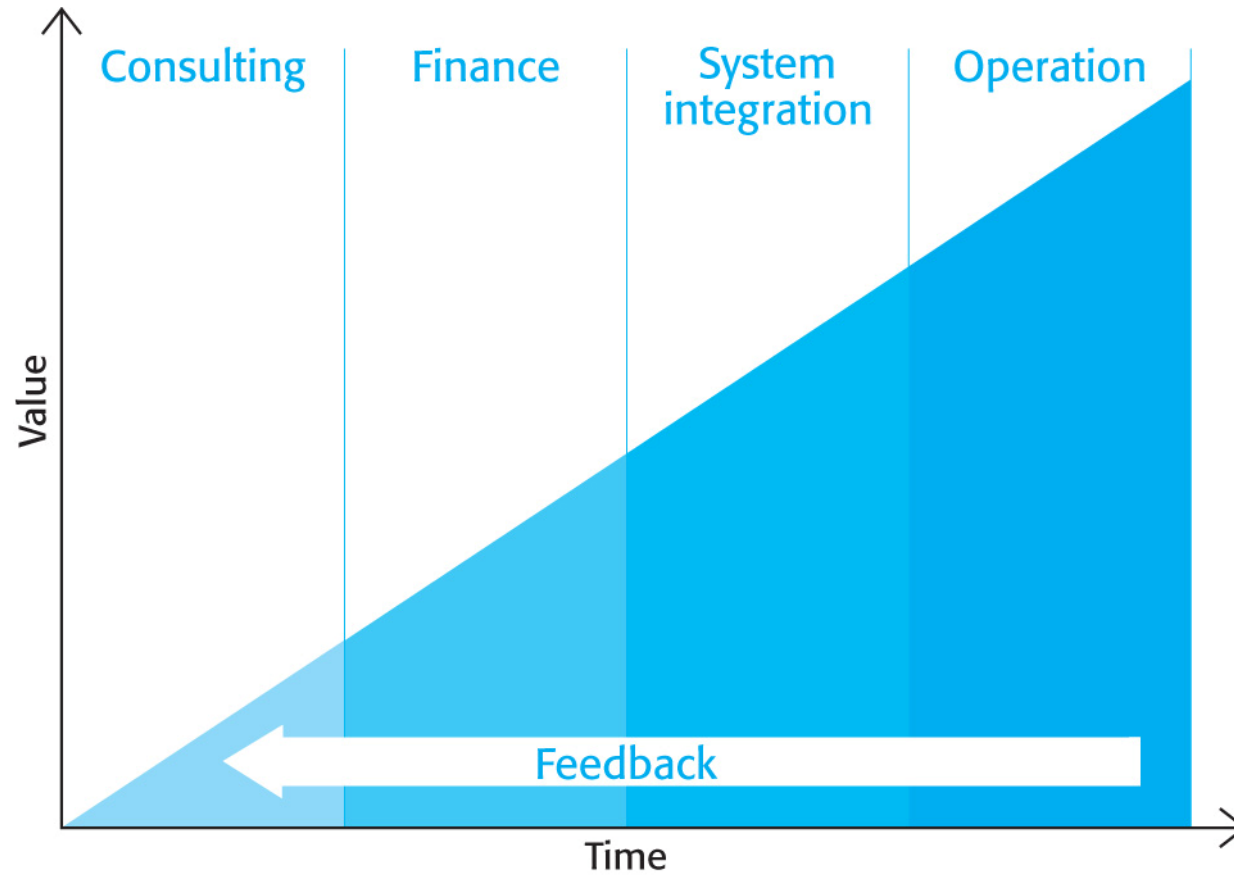


## Three pillars



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# Integrated solutions



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## Principles to follow

- Resource the front end properly
- Get rounded advice and stakeholder input to define the Value Proposition
- Set up the project to deliver the VP in use
- Measure outcomes and feedback to the front end of the next project.

A guide to creating value in the built environment



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