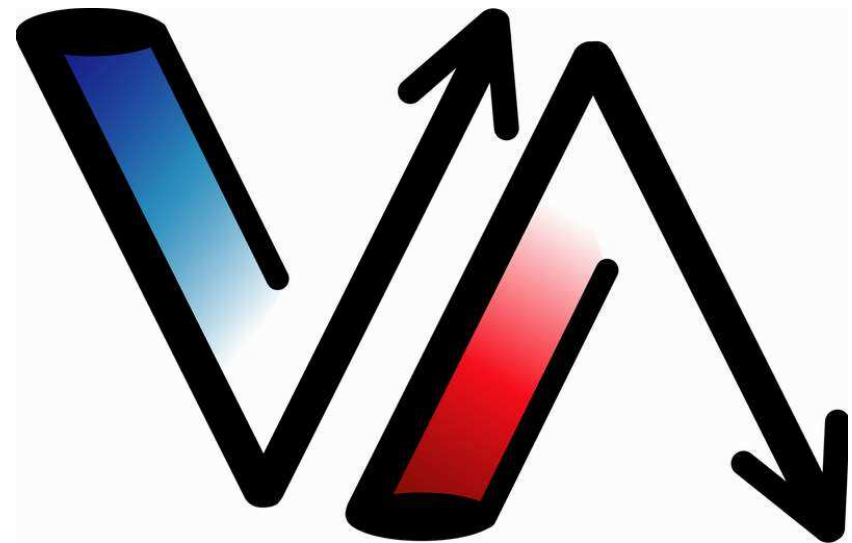


VALUE ANALYSIS AND VALUE ENGINEERING

Value
Engineering



4/20/2009

TEAM MEMBERS

- DEEPAK BAGAL P-05
- SHUBHANGI BHENDIGIRE P-07
- SHRUTI CHANDAK P-10
- ATUL CHOUGULE P-11
- PALLAVI DABKE P-12
- VAIBHAV DABRE P-13

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Introduction

Vaibhav Dabre

P- 13

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What is value?

- *Value* is a personal perspective of your willingness to pay for the performance delivered by a product, process or project.

- value = Desired Performance

Overall cost (C)

- Thus, value can be increased either by improving performance or reducing cost

Concept of Good Value

- Good value is achieved when the required performance can be accurately defined and delivered at the lowest life cycle cost

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What is -

Value Engineering

It is a systematic and function-based approach to improving the value of products, services, projects, or processes.

Value Analysis

It is a step by step approach to identify the functions of product, process, project or service; to establish a monetary value to that function and then provide the desired function at minimum cost.

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Difference and History

Shubhangi Bhendigire
P- 07

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Difference between VE and VA

Value Engineering

- Indicates application on the product at its design stage
- It is always done by specific design team
- The changes are executed in the initial stages only

Value Analysis

- Indicates application on the product into manufacturing
- All factors come together like workers, subcontractors, engineers to make a team with total experience and knowledge
- It may change the present state of the product or operation

History Of Value Engineering

- VE had its origin during World War II, at General Electric
- Innovation was required because of material shortages.
- Mr. Harry Erlicker, a vice president, made the observation that many times these changes resulted in lower costs and improved products.

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Contd....

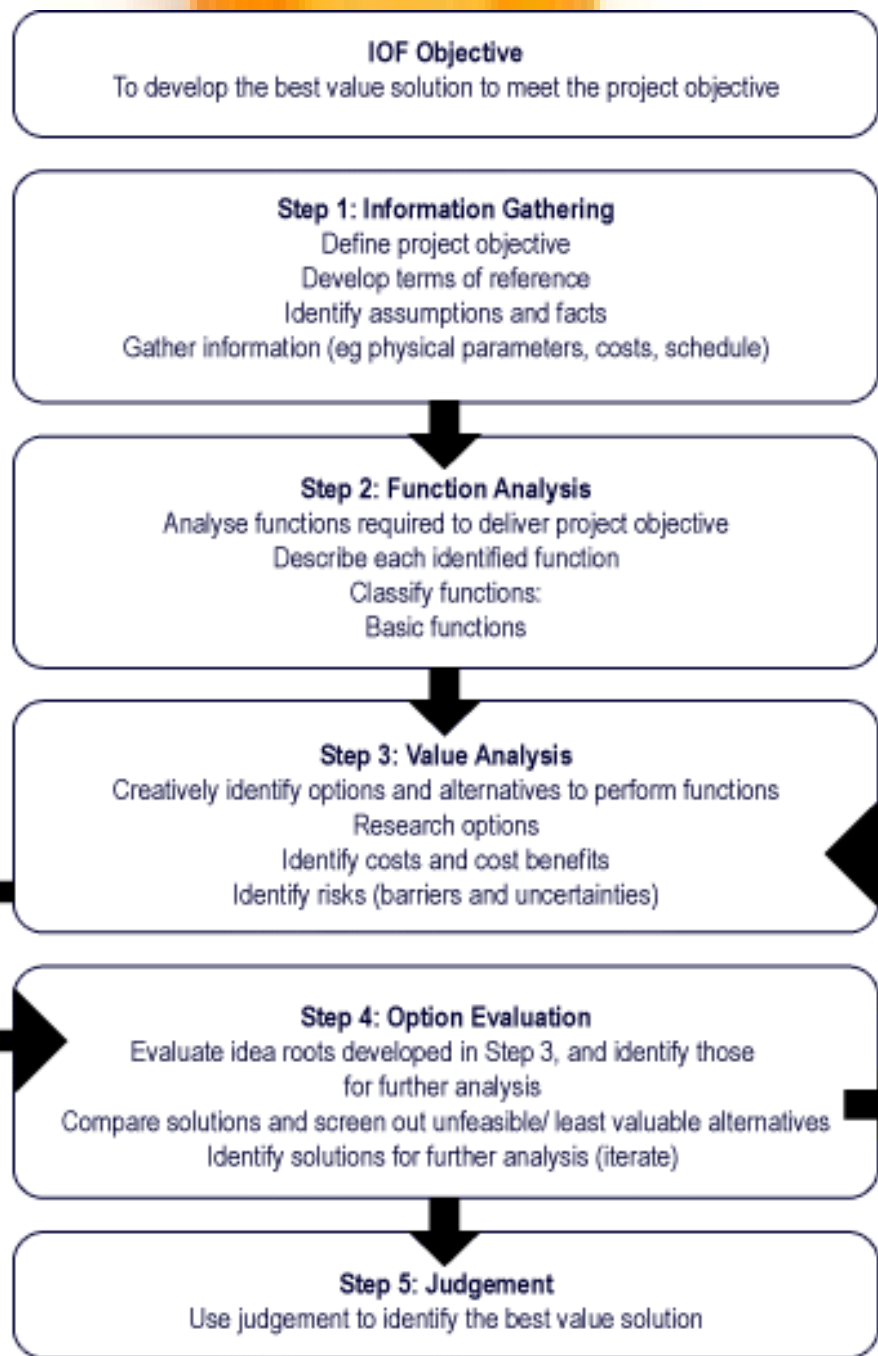
- Lawrence D. Miles, a staff engineer, the task of finding a more effective way to improve a product's value.
- In 1947, Mr. Miles and his team developed a step-by-step system, called Value Analysis (VA), to analyze a product's cost and function to ferret out unnecessary costs.

A close-up photograph of three yellow pencils with sharpened black tips, arranged in a triangular pattern pointing towards the center of the frame. The background is a soft, out-of-focus white and light blue.

Steps of Value Engineering

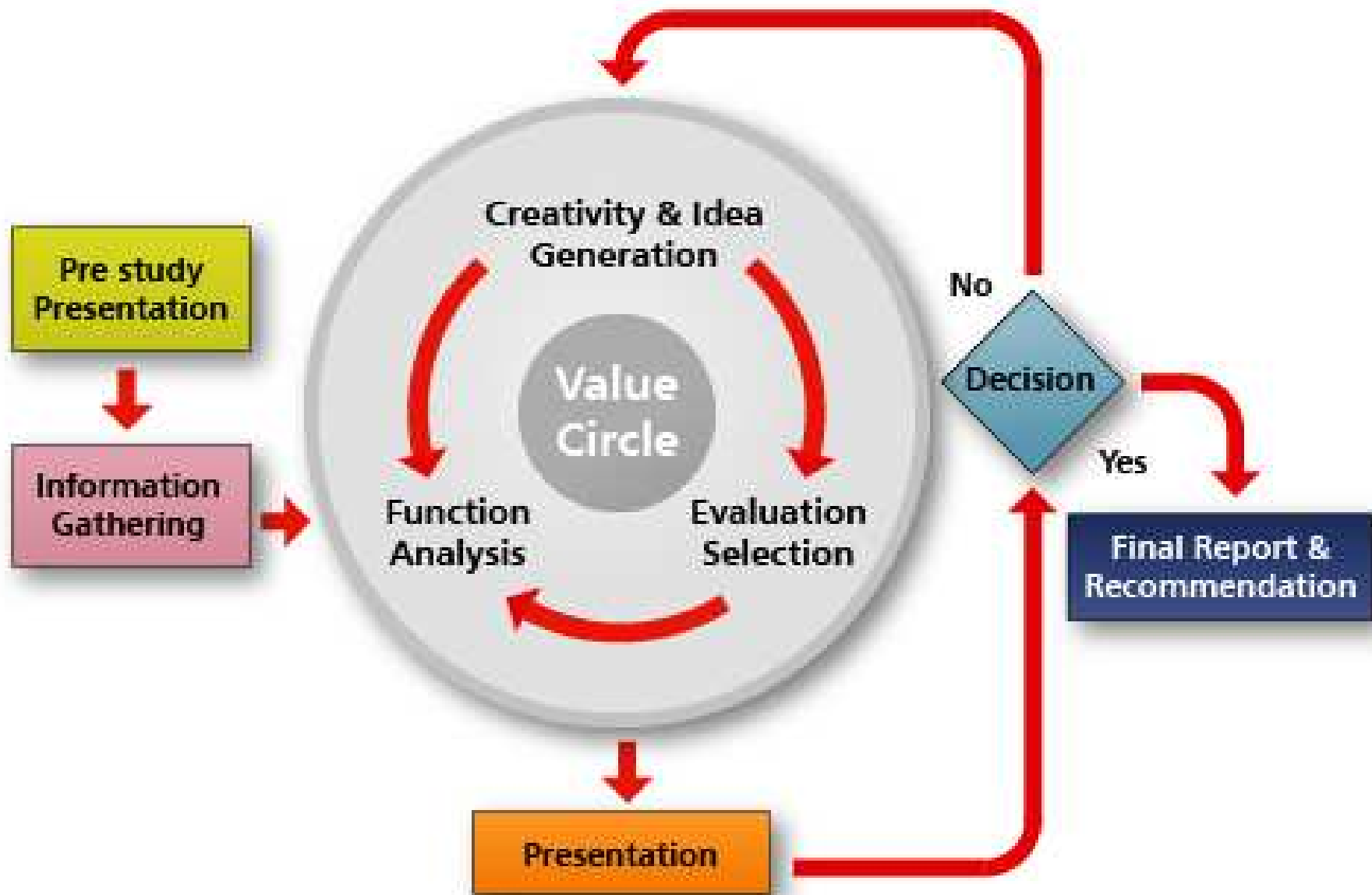
Atul Chougule
P- 11

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Value Engineering





Value Analysis

Shruti Chandak

P - 10

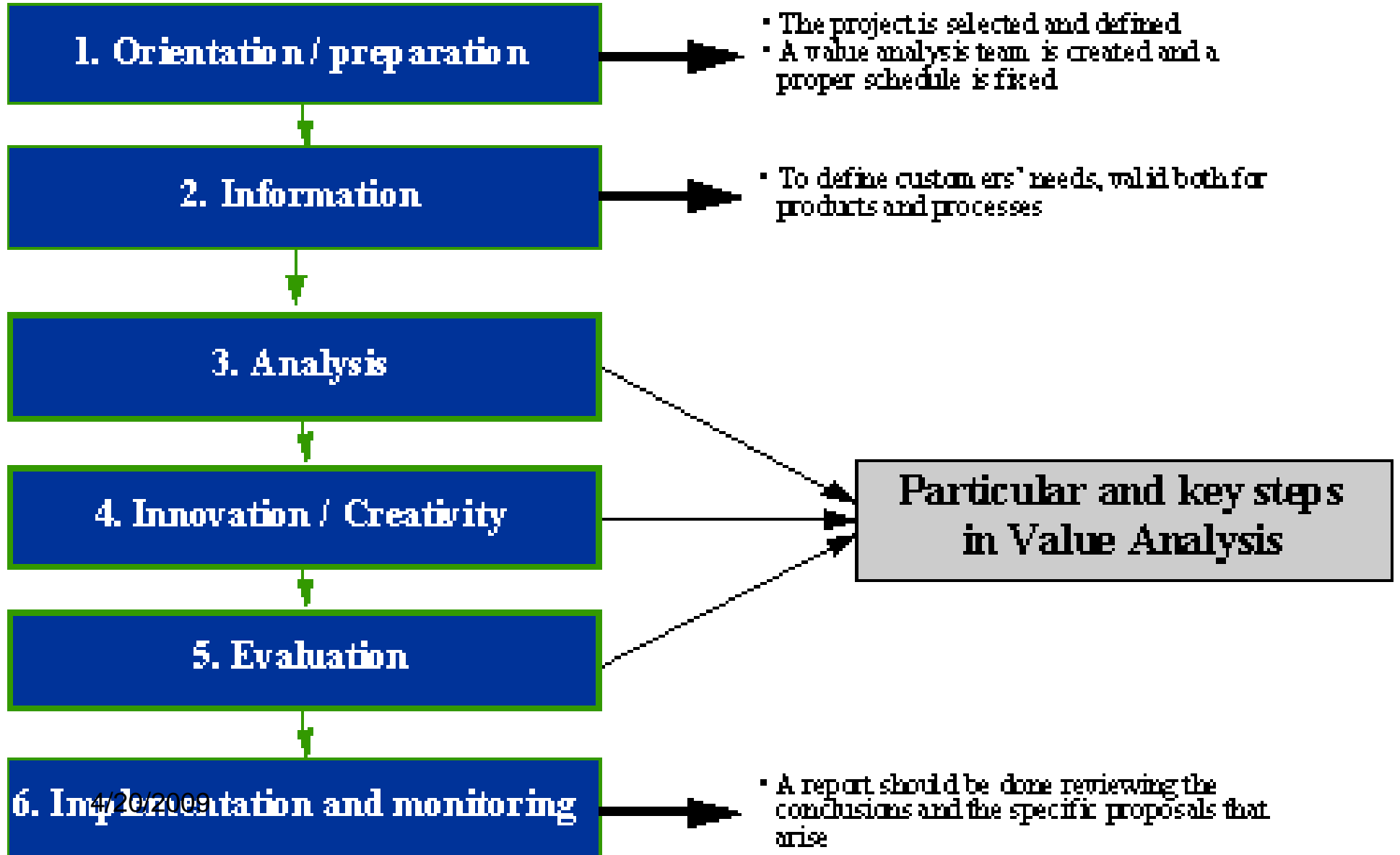
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Objective of Value Analysis

- To improve value by reducing the cost-function relationship of a product, is achieved by eliminating or combining as many secondary functions as possible.

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Value Analysis Job Plan



Contd....

1.Orientation/Preparation:

- Create awareness
- Learn the methodology of tool
- Training sessions for all supervisory and managerial staff
- Formation of team

2.Information:

- Ask the best specialist of the field, not the person most accessible.
- Get a detail of costs.
- Collect drawings, specifications, all the written data on the item.

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Contd....

3. Analysis:

- Express this function (if possible) with just two words, a verb and a noun.

4. Innovation/Creativity:

- Realize the main function.
- Brainstorming session is to generate ideas.

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Contd....

5. Evaluation:

- Develop the ideas of lowest cost that do the main function.
- Estimate costs of short term alternatives, of long term alternatives.
- At the end of this process, the idea of least cost should have been identified.

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Contd....

6. Implementation and Monitoring:

- To execute the proposed/accepted changes.
- List down all the activities and fix up the time frame for each.
- Make the entire team responsible for all the activities.

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Benefits of VE

Pallavi Dabke

P- 12

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Benefits of Value Engineering

- Results oriented methodology
- High returns on investment
- Provides the tools and creates an environment
- Improves managements decision-making capabilities

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Benefits of Value Engineering

- Tool that will improve your ability to manage projects, solve problems, innovate, and communicate
- Effective means to promote and manage change within an organization.
- Excellent alignment tool

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Examples

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Stylish helmets for urban cyclists

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Aston Martin

Magic Pen

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MANAGEMENT LEARNINGS

- Employ teamwork
- Good Human Relations
- Convince the people
- In Creativity
- Be a Good Listener
- Use Key Questions
- Use Checklists
- Record Everything

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