

VALUE MANAGEMENT GUIDELINES FOR THE MALAYSIAN CONSTRUCTION INDUSTRY

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ABSTRACT

As a result of a rigorous concatenated exploratory research using mixed methodologies, sustainable Value Management (VM) Guidelines for the Malaysian construction industry were developed. It is hoped to assist the future driving force in the further development of VM in Malaysia as well as paving the way for better implementation of VM which promises improved value for the clients of the Malaysian construction industry. Since there is no sound academic base and lack of understanding by the construction clients and the professional consultants towards VM in Malaysia, this paper is to enlighten the Malaysian construction industry on the availability and the existence of the prototype VM Guidelines resulting from the undertaken research.

Keywords: Malaysian Construction Industry, Sustainable Prototype VM Guidelines, Value Management, VM Implementation.

1. INTRODUCTION

Internationally, value management (VM) is an emerging paradigm that focuses on continuously increasing the value provided to the client, widely developed (Fong, 2004) and it is accepted as an important tool in recent management of construction projects (Ellis et al., 2005). VM is considered critical to the success of projects due to its ability to provide a basis for improving value for money in construction (Ashworth and Hogg, 2000); it focuses on value rather than cost and seeks to achieved an optimal balance between time, cost and quality (Kelly, Male, et al., 2004).

Currently there is a need for VM in Malaysia (Jaapar and Torrance, 2005; Jaapar, 2006) so as to enhance efficiency and to deliver maximum value to benefit the clients. The clients realise that creative and innovative solutions need to be integrated into the processes of the Malaysian construction industry.

Based on the literature (NSW, 1992; Kelly and Male, 1993; Norton and McElligott, 1995; Fong, 1999; Ashworth and Hogg, 2000; Che Mat, 2002; Kelly, Male, et al., 2004) and documents of case studies gathered, a working definition of VM that has been developed to best describe the current development of VM in the Malaysian construction industry is a multi-disciplinary, team orientated, structured, analytical process and systematic analysis of function which seeks best value via the design and construction process in order to meet the client's perceived needs (Jaapar, 2006).

The rationale for the development of the above definition rests on an epistemological application of VM in the Malaysian construction industry. It would also serve to enhance the perception of VM methodology of clients and practitioners in the local construction scene. The definition also encapsulates the three core elements, as propounded by Kelly, Male et al. (2004). In keeping to the ethos and philosophy of VM, the above definition of VM also reinforces that: it is a value system; it is team based; it uses function analysis to differentiate it from other management services.

This paper presents a part of *The Prototype Guidelines of Value Management Application for the Malaysian Construction Industry (VM Guidelines)* which is an outline of VM methodology practice primarily aimed at the Malaysian construction industry, specifically for clients who plan to commission VM

