



# **Does your Decision-Making Process protect Customer Value?**

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# Background

- Highly fragmented and short-term oriented decision-making process, which is often unclear
- Value is interpreted or assumed by project team
- Cost and value are not separated

 **INEFFICIENCY**

# Research approach

- **RESEARCH QUESTION:**

How does Choosing by Advantages (CBA) support making deliberate decisions based on values and thereby help to deliver value for a project?

- **RESEARCH METHOD:**

Theoretical discussion based on literature.

# Values, goals, criteria, and value delivery



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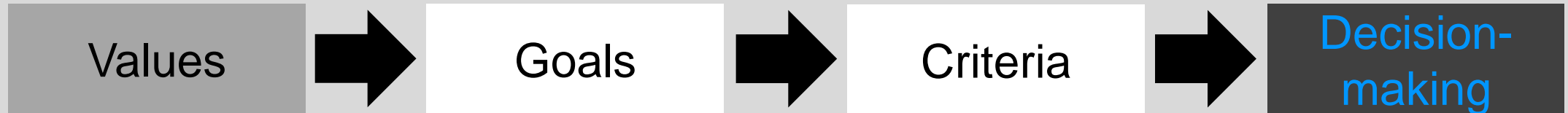
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- Values = beliefs
- Value = outcomes based on an evaluative judgment
- Goals = guides for action/ performance levels
- Criteria = decision rules or guidelines



# Values drive decision-making that generate value

## Targets & Constraints



**VALUE GENERATION**

# Strategies to generate value



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## VALUE MANAGEMENT

- Background: control value
- Approach: system thinking



- Process aiming to control the value generation while reducing cost
- Usually limited to the design phase

## TARGET VALUE DELIVERY

- Background: target costing
- Approach: process based



- Management practice that focuses on the customer value of all phase
- Takes the dynamic of values into account
- Transformation of value into a product

# CBA system to generate value during decision-making



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## VALUE GENERATION

1

Stage-Setting  
Phase

- Determination of purpose, scope, and circumstances
- Discover concerns
- Identify needs and preferences
- Establish 'must' and 'want' criteria

2

Innovation  
Phase

- Formulate alternatives
- Determine and display attributes

3

Decision-Making  
Phase

- Summarize attributes
- Determine advantages
- Decide importance of advantages

4

Reconsideration  
Phase

- Reconsider the decision by reviewing the previous steps

5

Implementation  
Phase

- Carry out the implementation plan

# Three situations of values-value connection

1. Alternatives differentiate based on a criterion that is of value for the customer.
2. Alternatives differentiate based on a criterion that is not of value for the customer.
3. Alternatives do not differentiate based on a criterion that is of value for the customer.



# How CBA helps assess value based on values



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**CBA offers a systematic process that**

- Helps to translated customer value into decisions and dilemma
- Considers that value is not a static measurement
- Helps to better understand the values of the customer, which drive and direct every decision and often unconsciously



**Thank you!**