

From EUREKA TO EPOLESA

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HAL TUFTY CVS

An informal survey of the acceptance rate of Value Engineering recommendations in India and the USA reveals that approximately 50% are rejected. This paper suggests that this rejection rate might be reduced in half through the use of better communications (sales) techniques in the Presentation Phase. The authors believe this additional effort merits separate attention in the VE Job Plan and they recommended that these additional communications/sales efforts be formalized in what is tentatively called the MASTER Phase. It is placed between the Development Phase and the Presentation Phase. Several techniques to accomplish the objectives of such a MASTER Phase are offered.

Ever ask yourself, "How come I have all those good ideas but *they* never listen to me?" If you have, you are not alone. It happens in every profession; it happens even to physicians!

My brother (Dr. Balu Atthreya) is a pediatrician of fifteen-years' standing. Early in his career, he thought that when he told the mother of an ill child what needs to be done, it *would be done*. He believed that a mother was concerned about her child's illness; that she came to the doctor's office voluntarily; that she accepted the pediatrician as an expert; and, therefore, the mother will understand, accept and act on the doctor's prescription. That is sound logic. He found, however, that life is not all logic; he saw that although many did *comply*, some did not. Being a caring physician and a researcher, he asked: "Why is it some mothers do not comply?"

He also found that in some chronic illness cases, counseling of the family members was necessary if the child was to regain its health. He noted that some members were amenable to counseling and some were not; unless he tackled the ones that were not, he could not go far in helping the child of reluctant mothers. Such experiences led him to some interesting conclusions in problem-solving and generating compliance.

What has pediatrics to do with Value Engineering—the VE specialist may ask.

Briefly, the VE team has a recommendation/proposal. Decisionmakers have to approve it and commit themselves to implementation. Otherwise, it will all be a matter of "potential," but not implemented savings. It will remain a paper prescription, the same way some of the pediatrician's prescriptions are paper without action. Being an analogy, we need not stretch it further.

Informal surveys among several VE practitioners show that as much as 50% of the proposals made by VE teams are not implemented. This is perhaps understandable when competition is not very strong, as happens to be the case generally in India and in selected industries in the USA.

While monetary savings implications are important, much more important are the implications on the human spirit. When the approval rate is low, it sorely affects the spirit, the morale, the attitude and the confidence of the practitioners and as a consequence the good future of the VE movement. Whatever affects negatively the enthusiasm of people for a productive discipline like VE is something to take serious notice of.

VE practitioners are realistic enough to admit that 50% of the not-approved proposals may not be good enough. We believe it is also realistic to say that 50% of the rejects *can* be retrieved.

We also say that this retrievable 25% (of the total) will see the light of day if... "something extra" is done.

It is that "extra" that is the focus of this paper.

We should understand and more effectively use the dynamics of human nature in achieving these additional acceptances. It will be more productive to examine what *we* as VE practitioners can and should do instead of what "they," the audience (decisionmakers) can and should do.

Sometimes even the obvious has to be restated. The VE activity becomes of value to an organization when a well-developed idea is accepted, incorporated into the product or service and its impact is seen in sales and profits, in the market place and in the pocketbook/bottom line. The new idea is important; the new idea-in-action is crucial. The idea can be seen as an *effort* and the idea-in-action can be seen as an *effect*. Developing a sound Value proposal can be described as *efficient* VE and seeing the sound proposal accepted, approved and implemented can be described as *effective* VE. One can be seen as an activity and the other an achievement.

Perhaps the most powerful strategy for identifying unnecessary costs and eliminating or reducing them is VE. A typical six-step VE Job Plan enables the VE team to develop creative, workable alternatives and present them with acceptance...for half the ideas. How can we improve the approval rate?

First, we can state the aim of the VE team. The aim is to *assure approval* for action. This is *the* function of the VE team. Our aim is not *telling* people of our VE proposal but *selling* them the proposal—and selling as great salesmen do. "A mediocre salesman tells. A good salesman explains. A superior salesman demonstrates. Great salesman inspire buyers to see the benefits as their own and put them to action," we are convinced.

Some VE professionals may feel allergic to the words "selling" and "salesman." This is a hangover from our college days when engineers felt they were at least two rungs higher on the status or caste ladder than those who were studying to be mere salesmen.

Most of us who have been working for some time have realized that *in a larger sense* all of us are salesmen—preachers are salesmen, teachers are salesmen and you and I are salesmen at home and at work. We may not be salesmen of products but we are salesmen of services, ideas or ourselves. Things work better to the extent we have cultivated the art of selling.

Whether we are pediatricians or VE specialists, we have many options. We can stop with telling—no one can fault us on that account. While it is certainly fun developing a Value proposal, the bigger and greater reward for the professional is when his proposal is put in action: that is when the organization benefits *and* the individual really benefits.

Thus, Value Engineers must take the responsibility for helping the decisionmakers "buy" ^{their} ~~our~~ proposal. *If they have not bought, we have not sold.* We will not point the finger at them; we will turn the searchlight on ourselves.

VE selling is harder than pediatrician selling—VE specialists do not enjoy the advantages the pediatrician enjoys vis-a-vis his clients. VE selling is harder than hardware selling; in VE selling, the customer is an insider, he does not sign a contract, he does not part with a check; in fact, he can say it is a good idea and not do anything about it. To make him buy is not easy but it is challenging and it is worth accepting the challenge.

According to our informal survey, several writers have identified this problem and have shared their valuable experience.

The above logic has convinced us that attention to getting approval needs additional emphasis. We think it is necessary to formally include the *MASTER Phase* in the Job Plan. Because the very purpose of the Job Plan is to develop an idea *for* action, we believe a "MASTER Phase" should be a separate and integral part of it.

Before we outline our recommended contents of the MASTER Phase, we would like to refer to a lesson or two to be learned from the conventional salesman and the unconventional pediatrician.

A time-tested formula for selling has six key points. They are:

- Make ready
- Approach with benefits
- Stimulate desire
- Tell the facts
- Eliminate objections
- Request action

MASTER SALESMANSHIP

Make Ready: As of now, we VE practitioners make ready; we do all the homework relating to the proposal. All our drawings are ready; all our calculations are done. Technically, we are near perfect. While we are ready with the "product," we are not quite ready for the *people*. And selling is a people game. Products or ideas do not sell themselves. We have to sell them to *people*. If the people are taken for granted, we can sometimes sell but not effectively; that becomes a happenstance. The one major preparation we have to make at the MASTER Phase is to make ourselves ready for the *concerned* people.

Approach with Benefits: Technical people are great in selling features because it appeals to them and because they are strong in the things area. What the situation calls for, however, is selling benefits; and the strength needed is in the people-orientation area. That is why we have to approach with benefits.

Benefits to whom? To ourselves? To the department? To the organization; To the customers (decision-makers)? The answer is: To all of them. As of now, we consider the benefits to the organization as profit-making entities and to ourselves as professionals. We do not give sufficient thoughts to the *customers* or decision-makers. We even tend to say in surprise: Surely they are interested in what is good for the organization. For the same reason, my pediatrician brother thought: "The mother surely is interested in what is good for her child." It is so but it is not quite so—that is what he found and that is what most of us have found in our VE work.

Stimulate desire is the third key point. We are stimulated when we make the presentation. We have invested hours in the development of the proposal. We have invested ourselves in the proposal. We are now handling a brainchild of ours. *Our* desire is stimulated. "Their" desire is *yet* to be stimulated; their desire should be so stimulated that they want to *buy* the proposal.

Tell the Facts: True, we do not hold back information; we do not tell lies. But, not telling lies is one thing and giving the facts is another. We know and tell some facts—about the proposal. We do not know and, therefore, do not tell other facts, facts relating to implementation. We know and tell about things that are technically feasible and economically attractive. Technical feasibility and economic attractiveness are only *part* of the facts. The other relevant facts relate to the questions: Is it humanly acceptable? Is it administratively feasible? And is it politically desirable? These are relevant facts because they are all people-related and *people* are affected by a proposal. These people will determine whether the proposal will be implemented and stay implemented. We have to become aware of these *other* facts and the customer will need to know that we are aware.

Eliminate Objections: This is crucial. And for this reason: We are biased in favour of the proposal. The decisionmakers are likely to be critical of the proposal. Even those who are generally well-disposed to a new idea, to be fair to their responsibilities, have to critically examine a proposal before approving it. When we make the presentation, therefore, they are likely to raise objections. Because we are ready with our facts and figures, we may be able to answer their objections readily. Once we have done so, we may think we have done a good job. This may prove an illusion, say those who have studied the psychology of objections.

When a person spells out an objection, he tends to develop a sort of vested interest in it. When his objection is met, he tends to think it is a sort of defeat suffered. He thinks his "face" is at stake. He may not continue vocalizing the objection; he certainly tends to continue the quarrel internally. He does his little bit to scuttle the idea.

Also, objections are of two kinds—the stated and unstated objections. When in a group, for several reasons, some people do not vocalize their objections but their objections very much remain.

From behavioral psychology, we learn that the difference between a supportive and unsupportive stance is related to beliefs and values, and not just facts. To many VE practitioners, the familiar area is the facts area and not the significant other. We feel foxed, therefore, when people reject our idea "for no valid reason." The reason is valid but we are not quite aware why. Any time we hear "yes, buts" overpowering the bottom line, individual incentive, cost, time or our credibility, we may be dealing with belief-or-value based resistance.

For these and other reasons, the best strategy to meet objections is to meet them *before* they are raised or vocalized. We should visualize them, spell them out ourselves and answer them. That way, we save the customer's face—face, though proverbially an oriental problem, seems to be a universal one... East and West.

The final step is *Request Action*: We want a commitment for time-bound action. Without the "signature on the dotted line," there is no sales *effect*. There is only sales *effort*. This key point is *the* key point. All other points are only building blocks to this crucial one.

We have to think of how best to request action. We know the strategies that do not work—attempting to steamroll, minimizing opposition and bailing out at the first sign of trouble. We have to consider what are described as "facilitative strategies," strategies that will win people to our side, that will make people believe that we are both reasonable and realistic.

So much for what the master salesman has to offer us. Let us now take a tip from the professional pediatrician too.