

BS EN 1325:2014



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Value Management — Vocabulary — Terms and definitions

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The UK participation in its preparation was entrusted to Technical Committee MS/2, Project, programme and portfolio management.

A list of organizations represented on this committee can be obtained on request to its secretary.

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ISBN 978 0 580 76368 7

ICS 01.040.03; 03.100.40

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This British Standard was published under the authority of the Standards Policy and Strategy Committee on 30 April 2014.

Amendments issued since publication

Date	Text affected
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EUROPEAN STANDARD
NORME EUROPÉENNE
EUROPÄISCHE NORM

EN 1325

March 2014

ICS 01.040.03; 03.100.40

Supersedes EN 1325-1:1996, EN 1325-2:2004

English Version

Value Management - Vocabulary - Terms and definitions

Management par la valeur - Vocabulaire - Termes et
définitions

Value Management - Wörterbuch - Begriffe

This European Standard was approved by CEN on 3 February 2014.

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Foreword

This document (EN 1325:2014) has been prepared by Technical Committee CEN/TC 279 "Value management - Value analysis, functional analysis", the secretariat of which is held by AFNOR.

This European Standard shall be given the status of a national standard, either by publication of an identical text or by endorsement, at the latest by September 2014 and conflicting national standards shall be withdrawn at the latest by September 2014.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. CEN [and/or CENELEC] shall not be held responsible for identifying any or all such patent rights.

This document supersedes EN 1325-1:1996 and EN 1325-2:2004.

The main technical change compared to the previous versions is the updating of the terms and definitions.

According to the CEN-CENELEC Internal Regulations, the national standards organizations of the following countries are bound to implement this European Standard: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Former Yugoslav Republic of Macedonia, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

Introduction

This European standard defines terms for Value Management (VM), to develop consistent language for use in optimising performance and productivity for organizations, projects, products, and services.

Value Management is founded on the concept of value and on the functional based approach.

Value Management approaches and methods are used on the general management level of companies and organizations, for the development of products and services, or to work out the optimised solution of many kinds of industrial and organizational problems.

The concern of these approaches and methods for the end purposes, or functions, of the matter examined, and their search for the optimisation of these functions in relation to the means, resources or expenditures which are necessary for their attainment, are very important factors of the overall efficiency and competitiveness of companies and organizations.

European Standards are being developed to promote unified concepts and the highest level of expertise and efficacy in the European countries.

In order to achieve a common way of practice of these methods, and a common understanding of the standards it is essential to define and standardise in a vocabulary standard the precise meaning of the specialised terms which are used. If the standards on Value Management methods which are just now being developed require a correction or adaptation of terms and definitions then this will be taken into account by a revision of this standard.

1 Scope

This European Standard defines language for optimising performance and productivity by using Value Management.

This European Standard defines terms in Value Management (VM).

This European Standard aims to:

- Promote and define common language for Optimising Performance and Productivity by using Value Management;
- Define the main terms of the “Value Management (VM), Value Analysis (VA), Function Analysis (FA)” field;
- Define terms for important methods and tools;
- Establish a single source for generic terms;
- Create accessible language for international communication;
- Publish useful definitions for specialists and non specialists;
- Clarify differences which may exist in language where a word in common use is used to signify a specific meaning in Value Management;
- Reduce the risk of inconsistency between standards applied internationally.

2 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

NOTE When a term, which is defined in this vocabulary, is used in the definition of another term, it is printed in bold type.

2.1 General terms related to value

2.1.1

value

measure which expresses how well an organization, project, or **product** satisfies **stakeholders'** needs in relation to the **resources** consumed

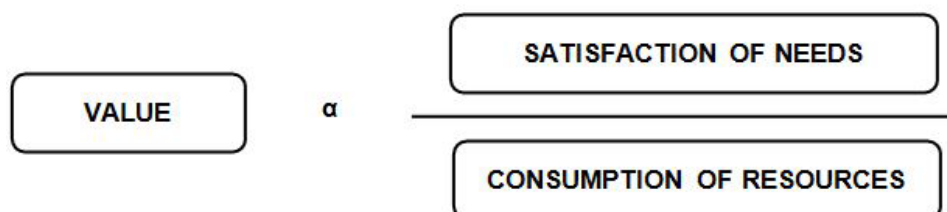


Figure 1 — The concept of value

Note 1 to entry: Value informs assessment (or judgement) of solutions: it is an index of relevance, constituting a decision-making support. The concept is relevant to all possible scenarios and can also include a decrease of negative impacts with constant services, through an increase of services, innovative approaches, and integrating an increase in the services with the reduction of negative impacts.

Note 2 to entry: Value is relevant for any type of object: tangible or non tangible **product**, service, process, organization.

Note 3 to entry: All the combinations of increase / reduction of the provided services and the consumed **resources** are possible, subject to yielding an improvement of the general result. An approach of « cost reduction » does not improve **value** when it entails a reduction of the provided services which is not controlled or an increase of the negative consequences.

Note 4 to entry: Satisfaction of **need** can be assessed only with regard to reference **functions** which define the supposed **needs** or provided services and **constraints** to be met. This logic fundamentally distinguishes the **value management** approach from any other approach of optimisation, design or more generally of problem solving.

Note 5 to entry: According to the subject of the project, it is relevant to consider satisfaction (or contributions) from a point of view wider than the reference **functions** defining the provided services, and being possibly linked to:

- positive effects for the environment, social, or broader economy;
- gains and advantages for the parties involved in the project;
- uncertainties as to what benefits, foreseen or not (upside potential) may be required or achieved; and
- uncertainties in the balance of risks and opportunities.

Note 6 to entry: According to the subject of the project, such as where the environment comprises human beings the notion of “consumption of **resources**”, due to its more general meaning, can bring a relevant way to evaluate a proposal. It is possible to consider, as for the perceived advantages, the consequences from more global points of view and from various timescales, comprising:

- the consequences on the environment of the subject or of the stakeholders (economic, social, ecological consequences, etc.);
- the identification and the assessment of the resources at stake to cover risks and opportunities associated with choices (market scenario risks and opportunities, possibilities and constraints of the fulfilment of the requirements, project risks and opportunities, risks and opportunities of evolutions of the environment, even of the needs, etc.);
- the uncertainties as to resources which may be consumed, constrained, or present, foreseen or not, balancing upside potential and risk;
- uncertainties in balance of risks and opportunities.

Note 7 to entry: When making an assessment of value some organizations may examine the global perspective as well as the organizational perspective. This implies that, in addition to stakeholders need and consumption of resources, positive and negative impacts beyond the interests of the stakeholders should be considered.

2.1.2

stakeholder

person or organization which has an interest in and influence on a **product** at any time during its life cycle

2.1.3

customer

person or organization who has the potential to be a **user** or enquirer of a **product** at any time during its life cycle