

Value Methodology Term	2017 SAVE International® Value Methodology Glossary Definition
Certification, Certified Value Specialist® (CVS®)	A professional certification of SAVE International® that recognizes individuals who have demonstrated a level of knowledge of and competency in the application of the Value Methodology sufficient to lead value studies. “Certified Value Specialist” and “CVS” are registered trademarks of SAVE International®. The CVS designation may be used only by individuals who have successfully completed the requirements of the CVS, received their certification, and continue to renew their CVS designation. The requirements to achieve the CVS designation can be found in the SAVE Certification Manual.
Certification, Certified Value Specialist Life (CVS-Life, CVSL)	A designation of SAVE International® granted upon request prior to June 30, 2015, when a CVS had been recertified three (3) times. The CVS-Life designation may be used only by individuals who were granted their CVSL-Life prior to June 30, 2015.
Certification, Value Methodology Associate (VMA)	A professional certification of SAVE International® that recognizes individuals who have demonstrated a fundamental level of knowledge of the Value Methodology. The VMA designation may be used only by individuals who have successfully met the requirements of the VMA, received their certificate, and continue to renew their VMA designation. The requirements to achieve the VMA designation can be found in the SAVE Certification Manual.
Cost	The expenditure of resources expressed as a monetary valuation of effort, material, time and utilities consumed, risks incurred, and opportunity forgone in production and/or delivery of a project, product, or process.
Cost, Life-Cycle (LCC)	The sum of all initial development, acquisition, production, or construction cost; cost of annual operations, maintenance, energy, or use; cost of periodic replacement of components; and disposal cost or salvage value for a product or project over a specified period of time. Costs are adjusted based on the time value of money to determine the total life-cycle cost. LCC is measured in net present value (present worth) or annualized cost.
Critical Function Logic Path	The organization of higher-order, basic, required secondary, and lower-order functions aligned horizontally on a FAST diagram that reconciles the “How-Why” logic, forming a relationship between functions necessary to the performance of a project, product, or process.
Facilitator	One who is substantively neutral and has no substantive decision-making authority, who enables a group to improve how it identifies and solves problems, makes decisions, and increases the group’s effectiveness. In the context of the Value Methodology, the term is used interchangeably with “Value Team Leader”—one who leads a group through the Value Methodology Job Plan, who is recognized by SAVE International® as a Certified Value Specialist® (CVS®).
FAST Diagram	A graphical representation of the dependent relationships of functions within a project, product, or process. The components of a FAST diagram consist of the scope lines; the labeled “How,” “Why,” “When,” and “Subject Scope” arrows; the classified functions, including basic functions, required secondary functions, secondary functions, unwanted secondary functions, higher-order functions, lower-order functions, design objectives, one-time functions, and all-the-time functions; the critical function logic path lines connecting higher-order, basic, required secondary, and lower-

Value Methodology Term	2017 SAVE International® Value Methodology Glossary Definition
	order functions by their “how” and “why” relationships; and the vertical lines connecting secondary functions to required secondary functions by their "When" relationships. See also Function Analysis System Technique and Function Classification.
Function	That which a project, product, or process must do to make it work and meet the customer's needs. A function identifies “what it does” independent of “what it is,” or “how” it is to be accomplished. It is expressed in a two-word active verb and measurable noun structure. The verb answers the question, “What does it do?” and the noun answers the question, “What does it do it to ?”
Function Analysis	A detailed examination of the elements of a project, product, or process to identify, classify, and organize its functions; allocate resources; and prioritize functions for value improvement. NOT to be confused with Functional Analysis, which is a mathematical technique, but is sometimes mistakenly used instead of Function Analysis.
Function Analysis System Technique (FAST)	Analysis of the dependent relationships of functions within a project, product, or process, which helps to identify and analyze functions to stimulate creativity and innovative thinking. Developed by Charles W. Bytheway.
Function Classifications	The overall categories of functions that are included on FAST diagrams: Basic, Required Secondary, Secondary, Unwanted Secondary, Higher Order, Lower Order, Design Objective, One-Time, and All-the-Time.
Function Cost (FC)	The percentage of directly related resources allocated to a function performed by a project, product, or process. See Value Index.
Function Worth (FW)	The lowest overall cost to perform a function without regard to criteria or code. A measure of value received, resources expended, satisfaction derived, or perceived importance of something tangible or intangible. It may be expressed either in monetary or in non-price terms. See Value Index (VI).
Function, All-the-Time	A secondary function that happens continuously, anywhere in the performance of the project, product, or process.
Function, Basic	The specific purpose(s) for which a project, product, or process exists. It answers the question, “What must it do?”
(Function), Design Objective	Similar and interchangeable with “subject objective” and “project objectives,” these functions express specific compulsory requirements of the project, product, or process.
Function, Higher-Order	The specific goal or need for which the basic function exists and is outside the scope of the subject under study.
Function, Lower-Order	The function that is selected to initiate the project, product, or process (an input) and is outside the scope of the subject under study.
Function, One-Time	A secondary function that occurs only once in the performance of the project, product, or process.
Function, Required Secondary	A function that is necessary in a project, product, or process to perform the basic function. Required secondary functions fall on the Critical Function Logic Path within a FAST diagram.

Value Methodology Term	2017 SAVE International® Value Methodology Glossary Definition
Function, Secondary	A function that supports the basic function or required secondary functions and results from the specific design approach to achieve the basic function.
Function, Unwanted Secondary	A negative secondary function caused by the method used to achieve the basic function, e.g., heat generated from lighting, which often must be cooled.
Performance	The capacity of a project, product, or process to fulfill its intended function. Factors such as reliability, maintainability, quality, and appearance contribute to performance.
Price	An amount of money that will purchase a finite quantity or other measure of a good or service. As the consideration given in exchange for transfer of ownership, price forms the essential basis of commercial transactions. Examples include selling price, acquisition cost, and purchase price.
Process	A sequence of activities that delivers a project, product, or an outcome.
Product	A good, service, idea, method, information, or object created as a result of a process or project, which serves a need or satisfies a want. In the context of the Value Methodology, a product is usually a manufactured item.
Project	A set of interrelated tasks to be executed over a fixed period of time and within certain cost and other limitations. For the purpose of a Value Study, a project may be a physical product, structure, system, process, or an organization.
Resource	The cost, time, energy, space, materials, labor, etc. required to accomplish a function.
Resource Model	A representation, such as a spreadsheet, bar chart, pie chart, or diagram indicating resources such as cost, space, time, and energy; associated performance or risk; etc. allocated to each component of a project, product, or process.
Risk	An uncertain event that could have a significant impact on the cost, schedule, or performance of a project, product, or process. Risks can either be positive (opportunities) or negative (threats). A value study must consider the impact of risks to value.
SAVE International®	The premier international professional society devoted to advancing and promoting the Value Methodology. SAVE provides its members with education and training, publications, promotional tools, certification, networking, and recognition.
Subject Scope	The portion of the overall project, product, or process that is selected as the subject of the value study. The analysis accepts everything within the defined scope in order to focus attention on the functions within those limits. In a FAST diagram, the subject scope is everything between the Higher-Order and Lower-Order functions.
Value	An expression of the relationship between function and resources where function is measured by the reliable performance of the functional requirements of the customer and resources are measured in the cost, time, energy, space, materials, labor, etc. required to accomplish the function. This relationship is expressed equivalently by the following equations: $Value \approx Function \div Cost$ , $Value \approx Function \div Resources$ , and $Value \approx Performance \div Resources$ .

Value Methodology Term	2017 SAVE International® Value Methodology Glossary Definition
Value Analysis (VA)	The application of the Value Methodology to an existing project, product, or process to achieve value improvement.
Value Engineering (VE)	The application of the Value Methodology to a planned or conceptual project, product, or process to achieve value improvement.
Value Engineering Change Proposal (VECP)	A change submitted by a contractor, pursuant to a contract provision, for the purpose of reducing the contract price or life-cycle cost of the product under contract.
Value Enhancing Methods (VEMs)	Formal, repeatable, best practices that are properly documented and utilized to improve the value of projects, products, or processes.
Value Index (VI)	<ol style="list-style-type: none"> <li>1. The monetary relationship of function worth to function cost (expressed as <math>VI = FW \div FC</math>), where good value is <math>VI \geq 1.0</math>, e.g., <math>VI = 1.2</math>.</li> <li>2. Sometimes expressed as function cost to function worth (expressed as <math>VI = FC \div FW</math>), where good value is <math>VI \leq 1.0</math>, e.g., <math>VI = 0.8</math>.</li> </ol>
Value Management	The application of the value methodology by an organization to achieve strategic value improvement.
Value Methodology (VM)	A systematic process used by a multidisciplinary team to improve the value of a project, product, or process through the analysis of functions. The value methodology is applied during the three stages of a value study: 1. Pre-Workshop, 2. Workshop (Using the Six-Phase VM Job Plan), and 3. Post-Workshop.
Value Methodology Core Competencies	<p>The minimum knowledge and skill set acquired through Value Methodology education and experience required to successfully apply the Value Methodology in the context of a value study. SAVE International® recognizes nine Core Competencies, including 1. Value Methodology 2. Transform Information, 3. Team Facilitation, 4. Function Analysis, 5. Cost analysis, 6. Pre-Workshop Stage, 7. Workshop Stage (Six-Phase VM Job Plan), 8. Post-Workshop Stage, and 9. Value Program.</p> <ul style="list-style-type: none"> <li>▪ A CVS® is recognized by SAVE International® to have demonstrated knowledge of all components contained within all nine core competencies, sufficient to lead value studies.</li> <li>▪ A VMA is recognized by SAVE International® to have demonstrated knowledge of 1. Value Methodology, and knowledge of some components contained within 2. Transform Information, 4. Function Analysis, 5. Cost Analysis, and 7. Workshop Stage (Six-Phase VM Job Plan) sufficient to participate effectively in value studies.</li> </ul>
Value Methodology Fundamentals 1 (VMF 1)	The SAVE International® accredited course that covers the SAVE International® Core Competencies expected of a value methodology associate (VMA), which must be completed in order to sit for the VMA exam.
Value Methodology Fundamentals 2 (VMF 2)	The SAVE International® accredited course that covers the SAVE International® Core Competencies expected of a certified value specialist® (CVS®), which must be completed, in addition to the Value Methodology Fundamentals 1 course, in order to sit for the CVS® exam.

Value Methodology Term	2017 SAVE International® Value Methodology Glossary Definition
Value Methodology Job Plan (VM Job Plan)	A sequential approach for conducting a value workshop used during the workshop stage of the Value Methodology, consisting of the following six sequential phases: 1. Information, 2. Function Analysis, 3. Creative, 4. Evaluation, 5. Development, and 6. Presentation.
Value Mismatch	A condition in which function cost is greater than function worth; when function cost does not match user or customer attitude for a given function. See Value Index (VI).
Value Proposal	A recommendation, resulting from the application of the VM Job Plan during a value workshop, to increase the value of a project, product, or process so as to improve function and/or decrease the resources required. It is a deliverable of the Development Phase of the VM Job Plans.
Value Study	The application of the three stages of the Value Methodology (pre-workshop, workshop, and post-workshop) in a structured effort led by a CVS® to improve the value of a project, product, or process.
Value Workshop	The application of the six phases of the VM Job Plan (1. Information, 2. Function Analysis, 3. Creativity, 4. Evaluation, 5. Development, and 6. Presentation) to a project, product, or process by a multidisciplinary team led or facilitated by a Certified Value Specialist® (CVS®).