

## VALUE ENGINEERING: THE SECRET TO LOWERING PROJECT COSTS

Simply put, Value Engineering, as it relates to commercial architectural design and construction, is ensuring your project is designed and constructed with the highest possible functionality for the lowest possible cost.

In other words, it is making sure you get the most bang for your buck.

### Why is Value Engineering Necessary?

- A project design that is fully functional but high cost can break your bank account
- Whereas project design that is low cost but highly dysfunctional will make you regret buying it in the first place.



If your project's architectural design falls into any of the 2 categories above, Value Engineering is the solution to these problems.

### Understanding Value Engineering vs. Implementing it

Okay, you might be thinking, "it's not exactly rocket science to design my project with the highest quality and lowest cost." While you're right to an extent, when you're not an expert in the commercial design and construction industry, knowing which designs and building methods are highly functional and low cost is next to impossible.

This also applies to any specialized industry. For example, without expert automotive knowledge, a trip to a car mechanic shop can potentially leave you out of thousands of dollars without the assurance that your problem was actually solved. You might want a highly functional, low cost engine, but a car mechanic could sell you a poorly functional, high cost engine and you probably wouldn't know the difference. Even if you did know the difference, you probably wouldn't know how to negotiate a better result.

See how implementing value engineering in this scenario would be helpful? See how

implementing value engineering is different than simply knowing what value engineering is?

### **Implementing Value Engineering in Construction**

For the same reason demonstrated in the car mechanic shop example, implementing value engineering in construction is extremely important.

Saving 50 cents on a plank of wood doesn't seem ground breaking, but multiply that by 20,000 and you'll begin to realize the benefit of value engineering. Construction costs tend to add up exponentially, and the advantage of expert industry knowledge could save you hundreds of thousands of dollars.



In construction, the designers and architects naturally tend to focus more on the visual appeal of their finished projects and are less focused on cost of the project. While you wouldn't necessarily want to change this, because you want your finished project to look appealing, you still need someone to balance out the architect's disregard for price. Having a forward thinking team who understands the design elements you desire, keeps your budget in mind, and has the ability to communicate your needs to the architect, can end up saving you tens of thousands of dollars.



### **How SCGWest Uses Value Engineering**

Right now, SCGWest is currently in the process of developing a project for a new client. We

were brought in to review and offer cost saving guidance to the architect's plans. We made multiple slight changes to items such as door specifications, interior finish selections and mechanical equipment layouts among other minor items. We then re-priced the project with the value engineering options to ultimately save the Owner of the project in upwards of 24% from the original plan.

The changes we set forth kept the same functionality and appeal of the original plan, but dramatically decreased the cost of construction.

In this instance, SCGWest had the Owner's budget in mind and was able to advocate for them by using value engineering when reviewing the plans.



### **Conclusion**

To sum it up, Value Engineering is necessary, but only achievable if it is paired with some substantial industry knowledge. Fortunately for you, SCGWest has been value engineering restaurant, retail, and medical clinic projects since 2012 and is willing and able to value engineer yours. Or better yet, engage us as early as possible at project inception and we will implement value engineering every step of the way.

Click here to see our previous value engineered projects.

Want to learn more about the design build process? Click here to download your comprehensive guide to design build.