

March 11, 1949

VALUE ANALYSIS

- Purpose (To make certain that, considering every usable idea, process, material, and supplier, ultimate value has been achieved.
- Method (Establish a close working relationship with the engineers and the manufacturing men -- then question every cost.
- Plan
 - (Determine and develop successful methods.
 - (Disseminate such information throughout the company.
 - (Encourage the establishment of Value Analysis groups in the Operating Departments.
 - (Train competent personnel for work as required in the operating group.
 - (Train a small staff of highly competent specialists to support the work of the men in operating areas.
 - (Analyze enough products in the central group to maintain a high degree of skill and progressively provide more successful procedures.
 - (All savings to be reported by the operating department personnel for whom and with whom the jobs were accomplished.

A YEAR OF VALUE ANALYSIS

I Demonstration lecture: "Is It Worth The Money?"

Given in:	Apparatus Dept.	6 times
	Affiliates Dept.	5 "
	Air Conditioning Dept.	4 "
	Chemical Dept.	2 "
	Executive & Administrative Dept.	2 "
	Construction Materials Dept.	1 "
	Appliance & Merchandise Dept.	1 "

II Products Analyzed) (About half of them in conjunction *Still in process) (with Mr. Rausch's Mfg. Groups.

Construction Materials Dept.

Cable reel parts	Tumbler switch
Fluorescent fixture	Textile switch
Wire & cable mat'ls	*Refrigerator socket
Mogul socket	*Lumiline fixture

Appliance & Merchandise Dept.

Elec. iron insul'n	*Elec. blanket control
Toasters	*Refrig. insul'n
*Commutators	*Automatic washer

Air Conditioning Dept.

C W Compressors	*Hermetic compr's
	*Heat transfer tubing

Apparatus Dept.

Oil burner control	Cold control
Traffic light control	Flame detector
Refrig'r relay	*Traffic light refl'r
	*Fractional motor

Electronics Dept.

Ignitron tube	Radio
Speaker	*Television tube
	*Television set

Chemical Dept.

*Inserts

Affiliates Dept.

Telechron pin	Misc. X-Ray parts
	*X-ray timers

All Depts (Commodities)

*Brass & copper	*Phosphor bronze
	*Expendable pallets

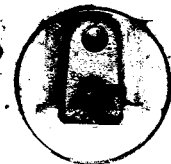
III Training of personnel

Operating Dept. personnel given 1 week of Value Analysis Training each	6 men from 5 Depts.
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Creative Engineering men given 90 days training	2
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RANGE SWITCH TERMINAL



Annually use 5,000,000 at \$7/M--
Cost \$35,000/year

Bogy--

5,000,000 at \$3/M-- Cost \$15,000/year

Annual Savings Bogy \$20,000

Method:

Change material to zinc-copper-beryllium alloy.
Provide automatic tapping at the punch press.

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