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## Sept. 1983

## SOME KNOWLEEGE PROVIDED BY JAPAN - HOW VE IS ORGANIZED AND USED

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Hended by: Keizo Nakayama, General Manager of the plant

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Intrinsic understanding of VE thoughts prevail throughout the plant, where functions and cost data are analyzed in light of product market, products, processes and materials. These factors are then integrated with explicit objectives of the management planning of the plant. Thus, the VE program is systematically operated and controlled on the corporate level."

Since 1968 when the department started implementing a VE program, vigorous efforts have been invested in developing a "3-hour VE job plan" program designed to fit the unique characteristics of construction industry. The success of creating a good program has greatly contributed to increased corporate business profit.

VE is now positioned as a central means for realizing optimum management and work-team revitalization within Fujita's KRO. At present, practice of VE prevails not only at all work-sites but also among the personnel in client business, design, quotations, procurement and operational control."

Min areas of VE information and education, all college-graduated employees are given VE orietnation training, and members of the VE committee monthly make the rounds of construction sites for motivating toward VE-considueness among all workers."

"A VE Promotion Committee, chaired by General manager, is active in supporting the endeavor with its three specialized subcommittees...client business, management and technical. Each of these subcommittees is chaired by department head and its role is to facilitate VE activities within the department."

branches and construction work-sites, a "short-time VE job-plan" program has been widely adopted throughout all work-sites and offices, contributing realistically to much increased profit from construction work."

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KNOWLERGE FROM JAPAN Page Various comments from 7 Co':

After the VE Promotion Committee initiated in 1970 took the central role for more than a decade, a full-fleged VE Promotion Department was formed in 1983 so as to comprehensively implement comapny's VE policies and to effectively integrate VE with daily work activities."

In a company-wide emphasis toward "Total V.E." adopted in 1977, the VE discipline was further extended to design engineering and administrative areas (client business, quotation, management and control, etc.), which resulted in a better profit picture."

"A typical activity of the VE project at ORO consists of several vital phases of construction business: Client business - before receiving orders - designing - actual construction - follow-up. At each of these phases, meetings for VE planning are held for problem-sovling under standardized procedures."

"Omika Plant's VE system as it stands now certainly assures continued success in realizing remarkable VE results."

the profit to sales ratio has been soundly maintained, and VE has now been well incorporated into the plant-operations as a major source of creating profit for the plant."

There is a sound VE sturcture of plocies, plans, actions and evaluations, trianing, information and control. One of the unique approach is marketing VE, by which product evaluation factors are identified from among users' values and are used for product planning. This has remarkably enhanced the VE level of the plant and contributes to make VE results greater."

With the VE policy being explicit at all times, the profit responsibility is brought down through the VE structure to the design units of major line of products."

"A solid multi-facetted VE training program has been developed at this plant, bringing forth a substantial number of full-time value engineers. Thus, the VE activities are being expanded at a qualitatively high level. The general manager as well as all departmental managers have in-depth understanding of and passionate enthusiase for VE promotion and are systematically expanding the VE system."

"Their training policy is "to make everybody VE-oriented" by covering not only some 120 construction sites but also client business, design engineering, quotations, operational control and other administrative sectors."