

EDITORIAL

Send for a real quality guru



When the president of a U.S. company dismissed value analysis (VA) several years ago in the pages of a national design engineering publication as a "way to put less emphasis on quality and product reliability," Larry Miles, then

PurchasingWorld's VA columnist, was quick to rebut the unfortunate choice of words with his column. Surely, the executive was attempting to describe a VA program in distress, a discipline that had fallen out of favor. But to Larry Miles those were fighting words.

Too often, however, that has been the fortune of good VA programs. They fall into disuse because they require leadership, creativity, hard work, and the continuing support of top management to work their magic on cost and quality.

The impact of solid VA programs on quality is so great that one value specialist, Howard Ellegant, believes that the name of Larry Miles belongs right up there with those of W. Edwards Deming and Joseph M. Juran—today's gurus of quality in manufacturing.

According to Ellegant, Deming and Juran emphasize quality, but Miles recognized a higher master, VALUE, of which quality is one necessary component.

The parallels in their careers are noteworthy. Deming, Juran, and Miles all developed their philosophies within large American corporate structures. All three found initial and immediate acceptance in Japan in the 1950s where they continue to be highly regarded. Miles, for example, was posthumously awarded the Third Order of Merit with Cordon of Sacred Treasure from the Emperor in October 1985, and the

Society of Japanese Value Engineers' annual award is named in his honor.

Where Deming and Juran focused on quality and how to achieve it, Miles looked at overall product value. He stood between the customer and the engineers and asked "what are we trying to do?" Then he directed the attention of anyone who affected cost to "function" and showed how the expertise of each could be tapped to solve the problem of increasing overall product value.

And does it work? VA routinely offers to give "two tens for a five," says Ellegant, "and U.S. management just as routinely declines to accept." But not the Japanese, who have literally thousands of value analysis practitioners in their companies. Hitachi alone employs 250 value engineers, the *New York Times* reported not too long ago. And now, the Koreans are becoming captivated by its promise.

Value analysis demands top management involvement, commitment, and support for a sustained effort over a relatively long period, says Ellegant. But value analysis is such a powerful tool that problems can be identified and solved quickly and profitably.

Value analysis is anything but a quick fix. It does, however, offer purchasing management a chance to recapture the leadership in improving product and profits that Larry Miles discovered in the purchasing department at General Electric more than 40 years ago.

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