

**ORIENTATION IN  
VALUE ANALYSIS APPROACHES AND TECHNIQUES FOR  
CITY GOVERNMENT LEADERS**

**SESSION I**

Because any significant introduction was absent, it was felt desirable to tell the men that these are new techniques created in Schenectady because of work initiated by vice presidents Erlicher and Winne and that they have been proven throughout industry, that other companies are now teaching and promoting them (show other company promotional booklets), that demand is developing in Europe and being satisfied (name presentations just made), that much more demand is arriving from Europe, that this is a first experience of applying them to municipal problems and that we are ready to help diligently to work out the application so that, as a result, the city department heads can get much more of the services their constituents need for the available money.

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City officers trying to get functions people want with inadequate dollars.  
Cause for research which brought forth Value Analysis was that the company found it was trying to get the product functions the customers want with inadequate dollars.

Probably there is large parallel between the city problem and the company problems that produced this technology and there may be important parallel benefits.

Situations basically similar:

G. E. spends money through the medium of development and material and labor and other expenses, creating products to perform functions.

City likewise spends money through a variety of means and channels to accomplish functions.

Will explain the Value Analysis approach... first, in terms of products; next in terms of services. Both have in common the Functional Approach.

Techniques of Value Analysis... new system

Automobile--airplane

Use function--esteem function

Tie clip--button--nail

Various examples illustrating accomplishment

Motor shield, filter circuit, J-bolt, switch blade

**Session I**  
**City Government**  
**November 13, 1962**

**Identify function**

**How to accomplish esteem, to please customer.**

**You probably have same conditions, money spent partly to accomplish a use for the people you serve, other money spent to do it the way they are accustomed to or the way they want it.**

**One of the new techniques is "Evaluate Function"...**

**Evaluate timer stud, double nut, transformer glass breaker, pipe plug, cold control cover.**

**Admiral Leggett actions evaluate gas tank.**

**Told of Navy accomplishment--resulting Navy award.**

**Occasionally brought recognition for purchasing participation.**

**Basic and second degree function; evaluate basic function; periodically summarized that approach was totally function based starting with what functions were to be provided to customers or constituents, divide in use or esteem, classify as to basic or second degree, attach dollar value per year to each function. Different opportunities and actions result from seeing problem and opportunities in a different way.**

**Slightly touched human embarrassment angle. Used 1¢ check and Request for Material.**

**Members of the group participated very well. After seeing different "effort" solutions, normally expressed sentiment, "should have seen it and done it before."**

**Decision based on minimizing personal risk**

**Myself**

**My job**

**Buyer purchase of 5000 screws**

**Session I**  
**City Government**  
**November 13, 1962**

**Summarize--assign following, loan them textbooks.**

**Throughout the discussion, the group were constantly asked to participate and appropriately did so. Opportunity was provided to ask specific questions but most acted as though they had the viewpoint that they wanted to learn a lot more before starting asking any specific questions.**

**An hour and a half seemed about right.**

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**SESSION II**

**Review**

**Pay money only for function**

**Use**

**Esteem**

**Basic**

**Secondary**

**Money buys function**

**in product**

**in service**

**Experience shows can accomplish 2/\$**

**Show techniques - experience**

**Lack info**

**Spacer 1.27**

**Handles 8.05**

**Acme thread**

**Lack idea**

**Refrig. lock**

**Regulator supports \$1.50 - 10¢**

**Nylon spike**

**Meter back**

**Magnetic refrig. latch**

**Street light Bonn, Germany**

**Honest wrong beliefs**

**Ins. stud 3.00 - .75**

**140 - 39 - \$75**

**Kirksite**

**Our attitudes**

**Ins. forging 18-14**

**Brush holder**

**Since largest cause of less function per \$ is lack of the idea, lack of info, wrong beliefs and attitudes--we can set up an environment anywhere-anytime to deal with these and bring forth better results.**

**Edison 7 years--**

**Some techniques**

**Answers Best Sources**

**Dust cover**

**Bonn traffic light**

**Sales manager Hotpoint**

**Identify Roadblox**

**Patented**

**dryer support**

**transformer**

**Fire safety**

**asbestos paper**

**Creativity**

**Osborn - defend<sup>red</sup> judgment**

**Create - accelerator**

**Judge brakes**

**Put out light**

**Blind people**

**Trim hedge**

**Collect coins**

**Hang with rope**

**Conclusion**

**Can get more ideas - can minimize disadvantages of the best ones by these processes**

**Money for function**

**Tech. to learn how to get more functions/\$**

**Practicable to get 2 x per \$**

**(No one got up to go home--then they started discussing**

**Typewriters**

**use function cost**

**esteem function cost**

**A policeman on a downtown beat**

**his functions**

**checking front and back for unlocked doors**

**"being seen" as a crime deterrent**

**closed circuit television**

**Asked us to apply to snow removal.**

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**SESSION III**

**Every city expenditure is to accomplish a function.  
Every industry expenditure is to accomplish a function.**

**Way to accomplish twice as much function per \$ exists.  
Necessary to produce the thinking which will "discover" it.**

**Purchasing**

**Men best know function needed  
Buyer best knows many vendor capabilities**

**No change in decision making**

**Purchasing magazines toward  
2 current magazines**

**Buy function**

**Transformer  
Spring holder  
Al-brass shim**

**Utilize industry specialists**

**Settle cement  
TV form  
Steel bearing plate** □ ○

**Utilize vendors available functional products**

**Angle iron  
Knob  
Springs - spacers - u bolts**

**Utilize vendors spec. processes**

**Bracket 13. to 2.63  
Various conductors  
Tubing length  
Galrod - cast  
Brass die casting**

**Utilize applicable standards**

**Tube base**

**Give out cards**

**Session III**  
**City Government Leaders**  
**Page 2**

**VA Training for Buyers**  
**Read some**

**People problems 75%**  
**Who is he after?**  
**Warm blood**  
**Baker**  
**Motor Switch**  
**Boes's**

**New Idea Doesn't Exist**

**Discussed esteem and use functions more**  
**TV switch example**

**Conclusion**

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**SESSION IV**

**Orientation**

**In 1947**

**Diff. approach 2 x function**

**Spreading to world**

**Is accomplishing 2 x function**

**Function based**

**Own approaches and concepts - we have discussed**

**Own job plan - for practitioners - we have not**

**Results in better answers**

**Has been used for org. & services in industry**

**Not to city**

**You are world pioneers**

**Next step**

**Teach some**

**Work project same time**

**Training 160 hours - 120 - 100 - 80 - 60 - 40**

**Can buy 35 men 80 hrs. - \$12,000 - \$15,000**

**I suggest 20 hours...2/day; 1 day each week; 20 weeks**

**10 hrs. training, 10 hours "do it"**

**Pick very good men for this**

**First trial**

**Expect to pay in men's time**

**For results \$5000 for each \$50,000 benefit**

**Let's look at snow job**

**Job plan**

**Info. Phase . connector, snow**

**Creative phase . specific area**

**Assume can't do this way - How ?**

**Program Planning . get in more information**

**We then studied the function of snow removal or, more appropriately, of street care during the winter-time. The streets were classified in six specific types. It was suggested that the exact functions needed in each would be studied, a review of the decisions which established the necessity for these functions, etc. Further discussion was in the nature of bringing up dozens of questions of the types which need to be answered to determine alternatives for providing the service that the public needs at the best cost.**