

**Value Service - Schenectady
March 8, 1960**

**Mr. C. W. Bryant
Materials Service
NEW YORK OFFICE**

Dear Bill:

Following your suggestion, I have re-studied our work elements, the competence required, and the relative competence required; also, the whole situation of getting precisely the optimum degree of competence into each job.

This study is... first, to help us review and evaluate Value Service general over-all "personnel competence" practices; then, secondly, to measure our judgment and guide our action in the open specific situations now being handled, by reference into this framework.

**As you and I have always recognized, it is harmful...
to the departments from whom men are hired,
often to the men themselves, and
to ourselves
to pay higher salaries and levels than the work requires and the essential competence of men necessitates. A study of our practice and results to date is helpful.**

**Some of our men came young in age, or progress, or both, and "grew."
This was more in our "operation stage"--operating training programs--doing some evaluation work to prove feasibility--etc.**

**These men were...
Egan, Hvamb, Zimmers, Kittle, Coughlin, Reger, Fowlkes,
Leslie, and Bentley.**

**Others we have secured by showing opportunity and providing levels and salaries which would compete. They were...
Fountain, VonFange, Barrows, Prendergast, Young, Fridholm,
Franssen, with Bartlett under consideration.**

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For the competence required--have we offered levels and salaries...
too high? about right? or too low?

By a parallel with sales pricing, perhaps we can gain insight.

If a product is priced lower than necessary, we get all orders we bid on.
If it is priced too high, we don't get our share.
If it is correctly priced, we get the optimum of orders at the optimum price.

Similarly, let us study our "competence selection."

Although extreme effort was required to get Roy, we will limit our study to the recent three-year period during which we have been out of the "operating work" and must start with important amounts of developed competence already in men.

Those for whom our offer was adequate are...

VonFange, Barrows, Prendergast, Young, Fridholm, Franszen.

Those for whom it was inadequate, were...

Hobson--engineer, Palo Alto	Machetti--left company to IBM
Horan--adv. mfg. engr., Bpt.	Hague--engineering supvr., Louisville
Macemon--engineer, Leville	Newell--engineer, Louisville
Elliott--engineer, Louisville	Maddox--mgr. adv. mfg. engrg., Utica
Knight--engineer, MAC Dept.	Hardesty--Prod. planning, Ord. Dept., Pittsfield
Binder--engineer, Shelbyville	Shute--Value component mgr., Lynn
Aurelius--new manager, Special Products Section, MSV Dept., Philadelphia	
Wentworth--Pittsfield purchasing supervisor, left company	

We got six, we lost fourteen.

Losing some of these men hurt....just as losing some sales hurts....but,
it is a realistic way of evaluating our offers.

Evaluation

My judgment would be that this is probably about the right pattern. How do you feel about it? Probably we should be a little more aggressive in special cases. We must make sure that the ones we lose are not key people who would uniquely contribute in the value field but only normally contribute in other work.

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This knowledge will guide our decision-making as we now look at our present situation.

As a result of the high emphasis you have always correctly placed upon having man competence, position guides, position levels, position evaluation and appraisal, and man-power inventory records up-to-date, correct, and complete, you know I made a penetrating study of all of our work elements and the type of competence required for each, in December. A matrix of knowledge, skills, responsibility abilities, relationship abilities, etc. was prepared in relation to each area of Value Service work.

Of course, they won't be exactly right on all counts but, as we found when we studied them together, there is mighty solid and sound thinking back of all of them.

Of the three new areas of work, two have materialized as we had planned and as we together reviewed.

Engineer - Value Standards Development, filled by George Fridholm
Engineer - Value Standards Functional Products, filled by Hal Fransson

Proper paper work is being prepared.

In the third, a modification of our planning has taken place to meet an opportunity we were previously unsure would develop this soon.

Enough progress has been made with the Hotpoint Kitchen Appliance Department so that the manufacturing manager, engineering manager and the general manager are ready to establish a Value Control group and preliminary discussions of division value control actions indicate that the division hopes to move into effective value control as soon as the concepts, techniques, and procedures are modified, de-bugged as may be necessary, and applied to mass produced appliance work. Accordingly, the competence required for the job of Engineer - Value Control Research and Development had to be re-evaluated. Changes are shown on the matrix sheet attached so that you can readily study the "before" and "after" evaluation.

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Decisions are based upon these criteria.

1 - To provide a reasonable chance of success in this difficult but vital undertaking, ability and special requirements for "supervision" must be increased. Supervision and direction of three men in value control work is a part of this work. If the supervision and leadership fails, the project fails.

Also the large influence of these studies and development programs on return on investment and profits necessitates raising the competence requirement on "responsibility for assets."

Inherent also in the work is a high-degree of improvement in methods and procedures, developing and recommending entirely new methods and procedures and integrating all old and new methods and procedures necessitating more competence in the "responsibility for methods and procedures" area.

Finally, with respect to the competence required--as this work is shaping up, this man must deal constantly with the manufacturing and engineering managers and periodically with the general manager. He must have basic competence approaching them and skill in relationships with them or he will not earn their respect and cannot succeed. Accordingly, the minimum required competence on relationships had to be increased.

2 - Men with this competence and a knowledge of value techniques are very hard to find--almost non-existent. We have tried untiringly for four months to find competence, skills, and training needed for the job. Only one candidate, Paul Binder, approached the requirements. We tried--but our sights were too low for the competence involved. We lost him.

3 - Bob Bartlett is a high-grade engineer. As long ago as three years, Glenn Warren told me he was unusually competent, urged us and arranged for us to teach him value concepts and techniques and to work with him as the Turbine representative.

4 - He is now near the top of level 11. To undertake to provide to him a job requiring competence of less than level 13 would immediately lose him to this important opportunity area.

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5 - Hal Miller, you, myself, and Svein have the opportunity and responsibility of providing something of great value--and soon to be much needed--to the General Electric Company. Under Svein's guidance this man can do it. We must put them to work on it.

6 - Because we assigned real competence to the Keaneke job, Hal had the opportunity of hearing the operating department people show a firm grip upon product leadership as a result of the techniques and competence of his people. You and I want to repeat this experience--but on a larger scale--in about a year at Hotpoint.

Until we have given a written offer and had an acceptance, chances of losing a good man like this are several to one. I urgently need your telephone approval of level 13.

L. D. Miles/M
Enc.