

PURCHASES

76 14

9 1' 3" screw, flat head, galv., 12¢ to 2 1/2

106 Copper tube 1/2" x 1 1/2", 4¢ to 1¢

107 Double nut 8¢ to 1¢

111 - Traffic cone 10¢

124 - Hot iron pipe, 1/2" to 3/4" mod. 10¢

126 - Luggage, 24" x 20" x 12" 10¢

132 4000 layers per 30¢, 5¢ per layer 10¢

139-145 screw 1/2" x 1 1/2"

149 ~~1/2" x 1 1/2" screw 15¢ to 1.5¢ - 2¢/100~~

150 Supply condenser 1/2" x 1 1/2"

booklet 13¢/m to 3¢ m 12 million

155 would be water, from 1000 to 10000

158 Bump pads 1/2" x 1 1/2" 10¢

159 Key lock assembly 5000 of 5000 or 10000 of 1000

230 20' x 10' x 10' 10¢ to 1/2

235 Transferring 10000 of 10000

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EASTON, MD. 21601
4/7/78

DDC INSTRUCTORS SEMINAR

Tidewater Inn, Easton, Md. Apr 27 1978 - 10: am until 3: pm

PURPOSE - "INFORMATION, INSTRUCTION, INSPIRATION" - Elmer Hassell

1. "Good Morning" comments from each.
2. "Tell me what you want to know".
3. The organizations and people we work with. Chapters, Units, SD's, ASD's, Regional office, Field coordinator, AARP, NRTA, Adelle Milone, Michael Seaton,
4. Inter-relations with other DDC teaching agencies. Costs, advertizing, et
5. Proposed system of Trainer scheduling of EDC's and supplying of VAK's.
6. Proposed computer membership solicitation, and enormous challenge to DDC teachers to provide sufficient classes.
7. Probability of special course, taylored to needs of "after 55". Less time spent on Whisky, more on medication and changes in sight, hearing reaction time etc. Probably do a better job in 6 hours, instead of 8.
8. Getting DDC signups.
9. Other as indicated.
10. Adjourn.

Respectfully,

Larry Miles, Trainor for
area codes 216, 218, 219

Experience is showing that DDC instructors want and like this type of get-together. The knowledge gained is very helpful to them. There is no budget for it. As with other volunteer work, coming is optional. I do have authority to "buy lunch" so - "you-all come - and eat".

Larry

Also invited are SD's, ASD's, Field Coordinator, Regional office Jim Eden and/or others.

How do I condition my self to know
+ "feel" it's right for me to ask
Questions about functions + being
functions.

Perhaps comparing a little what others do.

$$\begin{array}{r} 22 \\ 4 \overline{) 88} \\ \underline{88} \\ 0 \end{array}$$
$$\begin{array}{r} 3 \\ 6 \overline{) 18} \\ \underline{18} \\ 0 \end{array}$$

1 afraid they should not

2 ~~never~~ home
seldom?

3 like to be & make good friends

He's either "picky" or stupid
"nosy"

Enough. But I like I to pick someone
or manage a good bus -
Don't just read about it - then
go right at it & so a superior
job - but learning the principles
is the essential first step. Doing
it one small step at a time
is the second step.

Is "Buy Functions" the whole story of VA in Purchasing?

For answer, consider another question. Is "The Engine" the whole story of success in a fine automobile? Of course the answer is "No", but there is no good automobile without a good engine. It will run down hill with no engine.

Name some other purchasing va technique essentials.

1. Determination to buy for lower costs.
2. Willingness to learn much more about ^{items} ~~each item~~ purchased.
3. Ability ~~xxx~~ to understand whats being bought.
4. Ability to recognize and end roadblock.
5. Getting information from the best source.
6. Knowledge of potential suppliers.
7. Use of good creativity
8. Use of good information search.

If the reader says "Isn't that interesting?", I've wasted my time. I've lost the battle. If he says "I can do that", I've made first base. So - not just the examples - but to tie them into some system the reader will use. So, my ~~p~~ system is to provide a system. Teach the approaches. The opportunities. The pitfalls, then illustrate with examples. Examples might be 1/3 or 1/4 at the most.

~~What have I got to teach them?~~

- 1 That they are in a position to make an added contribution -
- 2 That if they don't make it, no one else can or will.
- 3 That it will be "up-hill work".
- 4 That if they try they'll make some surprising achievements.
- 5 That it's the "Trowel to build and the sword to defend the right to build"
- 6 Great achievement in any field never has come without great opposition.
- 7 ~~...~~

Then the specific technique and steps of doing it.

- 1 Know the function.
- 2 Evaluate the function
- 3 ~~Buy the function~~
- 4 Overcome stoppers.
- 5 Get info from only best sources
- 6 Allow skilled vendors to know and work on function
- 7 Know diff kinds of functions
- 8 Know and use the VA step-by-step job plan

POSSIBLE NAMES FOR BOOK ON PURCHASING VA USE.

Name should catch attention and \$, need not apply to subject matter

Do you want your buyer to cost or pay

Dollars left on the table

Wasted money

Found money

Profits lost in purchasing

biggest profit maker is waking up

down the drain

1000 ways the buyer flushes profits down the drain

If lost earnings could talk -

Cutting costs with buying techniques

Cutting costs with brilliant buying

Cutting costs with new buying techniques

Best buyers now using new techniques

Best Buyers -

Best buyers barely qualify

What knowledge do I need?

Knowl of the use that comes from the matls process and services that I buy - of the functions that are accomplished by ea expenditure.

- of diff means for accomp. them
- of diff suppliers who have diff ways to acc them
- of differing degrees of acc by diff means
- of means others use to acco them
- of some new means for acc them, which are on the horizon.
- of how the f would be perf if the spec means became unavailable

Knowl of costs to acc each funct

- of costs to acc ea increment of f
- of costs of acc f by differing means
- of suppliers who would acc it by diff means, and of the cost of ea available
- of costs compet are paying to acc the f
- of costs which will apply to newer means of acc
- of costs which would apply if spec means became unavailable

What Now?

Have told them buy function buy function buy function,
What else do I tell them?

How

Why

When

When not to

For whom?

whose help

what timing

what embarrassment

how handle embarrassent

how find out function

when start function thinking

how buy in construction

how buy in services

how buy in hospital

how buy in administrative exp.

How buy in R & D

How to learn to buy function

What other stoppers to expect and overcome

What help do you need

how to solicit help

how in software

how in low volume

how in maintenance

how in recreation

how in winter

how in summer

how in aesthetics

how in Use

how,when blocked

how with much boss support

how with no boss support

why,who wants it

how accurate evaluation

how to buy paint

how to buy chemicals

Alternate theory and practice

Keep it telling how to

fill in some easy to read stuff

make difficulties interesting - exciting if possible

avoid hum-drum monotonous stuff

build the buyer up when can

swing into the start with a little story

talk about some functions

Variations on the theme of

BUYING FUNCTION

They wont let you buy function
 how to get opportunity to buy function
 kinds of function to buy
 What function , and what extra cost does each item of the spec bring?
 What other expense is required to make what I buy accomp. its funct.
 What if the sellers wont sell function?
 Divide function, and costs carefully between use and aesthetic
 How do I know I'm paying right price for function? Comparison.
 Buying function that is not used is waste
 Buy function in - various things
 packaging
 etc

Sometimes buy two functions - drier ozone and light bulb
 Buy sellers standard item
 Let the facts (costs) speak for themselves comparison
 dryer pulley small and large

~~separate~~/2

*buyer as a big figure of profit maker
 least Create-Refert
 always annuallize
 The authority Acknowledge
 But makes sense
 do assume*

Times covered

divide use and aesthetic f	buy separately	2	1
Buy aesthetic function	3	3	2 1
Overcome difficulties in getting op to buy function		4	
Specifics detailed facts. get into them and buy f		3	1
what to do when vendor doesnt want to sell function		2	
buying several grouped function s		2	
eliminating other expence reqd to make pur mat achieve f		3	
buying f for right price comparison		2	
buying f that is not used, is waste		2	
buy f in various things packaging etc		3	
sometimes buy more than one f in one price		2	
buy sellers standard items		1	
In buying f let the facts, costs speak for themselves		1	

Misc

so often, when buyer uses the seller - better @ do assets

*33
32*

Pva is cold hard discipline. It is pushing sand against the tide all of the time. Hard work with tremendous yield

Not a talking discipline - it's a doing discipline. How does the buyer start, and what does he do?

Buyers who read this column will achieve more knowledge, technique and skill, and will probably develop more initiative

The buyer will develop knowledge. The tech will show him how to use that knowl. va tech show him how to dev. the knowl and use it.

No 1 He will think specifics, act specifics deal in specifics.

No 2 He will learn function. He will learn what function each bundle of \$ he spends brings to his employer. He will buy Function

Essence of all va tech is securing function. Design function, mfg function buy function - always the proper needed function at the proper costs.

Our opp in purchasing is to buy the proper needed function at the proper costs.

Know the property that provides the needed f (in material)

Know the work and cost that must be spent on pur item to secure ned f

Know f bought by each increment of cost

Determine proper cost for ea f purch by comparisons

How to approach the job?

What am I really trying to do?

Create something of value that will cause people to say, "That's good," and thereby make me feel good (important - maybe).

Get some stuff used that I created and know is good and isn't used.

Make some more money.

Allow my brain to get relaxed without getting rusty.

So How do I do it?

Write some effective stuff in short catchy sentences.

Make it easier to read than to pass over.

Put some stuff in each that they can use right now.

Have a master plan so that in a sensible way, all of the good stuff gets covered.

Put it in a form so it can be picked up and put into an effective book later.

Some important questions.

How do I involve some important people - to the success of this, soon?

How much do I reach for the buyer, and how much for the PM?

How do I take my stuff which is 20 years old and make it sound new?

How do I organize everything I want to say so it clearly fits under the title of "Purchasing Value Analysis Techniques?"

WHAT KIND OF REFERENCE FRAME DO I NEED SO THAT ALL
STUFF FITS REALLY INTO IT . . . THEN AFTER MUCH

More knowledge
more technique
another jackpot for purchasing
the 20 tech
dont be stopped
and best sources
write inductively tell story give principles after
Ditto then wind up with a sensible group of principles as a whole
take the kickoff from a happening then make up a communicative story

the profit buyer
the value conscious buyer
the perceptive purchaser
the man who makes the profit
for one buyer in 100
worth his weight in gold
1000 steps to buying profitably
purchasing pays the profit
purchasing skills from examples
purchasing techniques your buyer doesn't know
the techniques that make the dollars in purchasing
a dollar for every minute of reading
How buyers are losing your profits
you can buy for less
purchasing v a
better buying
buy the function
valuegrams

1. THE SELEER ALWAYS KNOWS MORE ABOUT THE PRODUCT BEING SOLD/BOUGHT, GIVING HIM AN ADVANTAGE IN THE GAME.

2. HANDBOOKS AND CATALOGUES COME UP TO ONLY 85% OF TELLING THE WHOLE STORY
OF WHAT IS AVAILABLE

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3. PRICE LISTS ARE WRITTEN ON THE BASIS OF GENERALITIES. SPECIFIC PURCHASE SITUATIONS ARE OFTEN DIFFERENT.

4. THE SELLER OFTEN HAS A BETTER MATERIAL OR PRODUCT OR SERVICE FOR A PRECISE USE OR FUNCTION OF THE BUYER, BUT HE OFTEN DOES NOT KNOW, IN USEFUL TERMS, WHAT THIS FUNCTION IS. THE BUYER CAN OFTEN KNOW.

5. SPECIALIZED SKILLS, MATERIALS AND PRODUCTS ARE OFTEN SUPPLIABLE BY SELLERS WHICH ARE UNKNOWN TO THE BUYER WHO NEEDS THEM.

6. HUMAN FACTORS PROVIDE A STRONG FORCE TO "DO AGAIN WHAT WE DID BEFORE", NOT TO ADAQUATELY SEARCH FOR A PROBABLE BETTER ANSWER.

THE SELLER OFTEN IS UN-IMAGINATIVE, CONTINUEING TO SELL PRODUCTS AS-IS, WHEN MODIFICATIONS OR ADAPTATIONS WOULD FIT THEM MUCH BETTER TO THE BUYERS NEEDS.

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8. ALL SELLERS, OF SUCCESSFUL BUSINESSES, MUST SELL FOR THE PRICE WHICH IS THE HIGHEST THEY CAN SECURE IN THE COMPETITIVE MARKET. THE BUYER IS THE GOALIE.

9. BUYERS ARE LIMITED TO THE USE OF SUPPLIERS THEY KNOW. MORE KNOWLEDGE OF SUPPLIERS AVAILABLE OFTEN PAYS A GOOD RETURN.

11. MORE BUYER KNOWLEDGE BRINGS LOWER COSTS.

12. WHAT THE BUYER DOESNT KNOW WONT HURT HIM ,BUT IT MAY HURT THE EARNINGS

13. WHAT THE BUYER DOES'NT DO MAY NOT HURT HIM,BUT IT MAY HURT EARNINGS.

14. UNOBSERVED AND UN-NOTED FACTORS MAY REDUCE EARNINGS

15. BUYER BRILLIANCE OFTEN BRINGS VALUE WHEN PERFORMANCE AND TIME ARE THE ESSENCE

Purchasing VA knowledge of product, and of competitive supplier market

produce \$50,000 ~~cost~~ added contribution to earnings.

a supplier furnished regulators for a high price. Due to inferior equipment and indifference, only slight reductions in price were quoted. Work was started with another supplier who produced regulators on an efficient assembly line. A period of development with him resulted in better regulators at about half the cost, saving \$50,000. per year.