

Value Service - Schenectady
August 26, 1960

Mr. H. B. Miller
Manufacturing Services
NEW YORK OFFICE

Dear Hal:

In General Electric Value work, I would like to take some large risks to make the company large gains. Perhaps you can guide me.

A first fairly large risk of unprecedented innovation starts in Philadelphia next week. To prove feasibility to twelve general managers representing \$600,000,000 of annual company billing, we, in Value Service, have invited them to a program September 1st. They will participate in our commitment to Don Beeman to teach and assist his people to identify 40 percent of the cost of the newly designed air circuit breaker to be unnecessary. This we are committing to do in a period of two months.

We are not doing this because we enjoy being fool-hardy, nor are we doing it without knowledge of the risk we have volunteered to take. We are doing it to go not only the "second" but the "third and fourth" mile to communicate what GE has in unique value knowledge to the men who must know and believe and do something about it.

Hal, we want you to know the magnitude of this risk and why we are taking it. If we fail, we'll take our loss. If we succeed, we will need your help to see that our risk results in the implementation of a program which will bring multi-millions of dollars of annual continuing benefits widely throughout the Company.

L. D. Miles/M.
Att.

Value Service - Schenectady

August 23, 1960

Mr. S. R. Adams, Switchgear & Control, Peterborough, Canada
Mr. F. E. Baker, Medium Voltage Switchgear, Philadelphia
Mr. A. T. Chandonet, Med. Steam Turbine, Generator & Gear, Lynn River
Mr. H. A. Frey, Insulator, Baltimore
Mr. R. B. Hanna, Industrial Heating, Shelbyville
Mr. G. A. Hoyt, Power Transformer, Pittsfield
Mr. M. W. Johnson, Large Motor & Generator, Schenectady
Mr. John P. Keller, Small Steam Turbine, Fitchburg
Mr. R. W. Lewis, Low Voltage Switchgear, Philadelphia
Mr. J. A. McCoan, X-Ray, Milwaukee
Mr. V. L. Cox, Laboratory Operation, Philadelphia
Mr. W. E. Saups, Large Steam Turbine Generator, Schenectady

Your participation in the special program to reduce costs of the air blast circuit breaker 40 percent is innovation which is expected to bring large competitive benefits to important areas of our Company.

We will assemble in the auditorium of Bldg. 8-6 between 9:30 and 10 a. m. on Thursday, September 1st. At 10 o'clock, Don Beeman and his people will show us the product, some of the important problems, some of the important situations, some of the important work which has already been done, some of the vital limitations, etc.

At 11 o'clock, the general managers will divide into groups of approximately three and will proceed to a location where important functional segments of the equipment have been collected. More necessary information concerning the functions, the costs, what has been tried, what seemingly has failed, the codes which must be met, etc., will be provided and the general managers will continuously have opportunity to make suggestions as to paths which will later be studied. A man will be provided to record all of these possible paths.

After thirty minutes at one location, the small groups of general managers will proceed to a second location where they will become familiar in depth with other important functional areas of the product and have opportunity to make their contributing comments.

At 12 o'clock, lunch will be served in the plant which will end at 1:30 p. m. so that those general managers who have other arrangements they wish to take care of in the Philadelphia plant can do so and those who would like to take the 3 o'clock plane will be able to make the connection.

L. D. Miles
Manager - Value Service

LDM:AEM