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VALUE SERVICE REVIEW

We're going to show
How some Value Standards are set
How they are used.

Basically how Value Control works.

Comments - questions any time
Discussion on Value Standards before we go on to Value Control.

Control value - most economical function description
(Svein's story)

Started Value Control system development.

Soon learned startling thing
Unnecessary cost should exist
Some should be identified -
Taken out when profitable.

If factory - ship all production
Shocking idea to control it.

Same with unnecessary cost
Many areas overdue - eliminate unnecessary cost

Value Safety Factor

Now with Value Analysis techniques so much unnecessary cost can be readily
identified -
control it.

Don't put it in - two reasons.
1st cost 3 - 4 times as much
2nd competition follow -
right back -

Keep a value safety factor -
i.e. - identified unnecessary cost

Keep competition off balance

Bear with me

Pick Industry Control - Hal Jones - Value Control Component

JEM

Just good engineering - good manufacturing -- true

Prove it - their terms

**Caution - must believe
set up - carried out
controlled conditions**

**If any doubt - this group
V.A. technique - set up a controlled test - believe results
Sponsor a program based on the results.**

Operator Shop Cost \$22.35

**Taught product department people
Value Analysis techniques used
Available BFVS used
Available Value Standards used
Functions evaluated
Job Value Standards agreed upon**

**To prove a point -
studied deeper than normal.**

Result

Present Shop Cost	\$22.35
Unnecessary Cost	15.85
Necessary Cost	6.50
(Job Value Standards)	

more salable product

Roanoke - you've proved it - we'll help develop Value Control.

Value Control comes later - (in the program)

**This work was done with
Value Standards and Value Analysis Techniques**

**Roy will run through some Value Standards
You'll be comfortable with them.**

Roy talked on BFVS and Value Standards

How to establish

How to use

Value Control

Value Criteria

Product Planning

Finance

Divide product functional groups.

Divide cost of product into functional groups

If new product - estimate

Controlling value

Keep costs just under "control" amount

Use value safety factor if and as needed

Keep value alternates two years ahead

(Value Standards)

(Then they lowered the boom on the marketing strategy of having identified unnecessary cost and not at once removing it.)

M,