

TANGIBLE RESULTS OF THE
VALUE ANALYSIS SEMINAR

55-7
LD Miles, Schenectady Works
HJ Flaherty, 2-40G
JP Foulds, 2-40G
CN Brown, 2-75

Lynn River Works, August 22, 1955
(dict. 18)

Mr. R. E. Fountain
Value Analysis Service Section
SCHENECTADY WORKS

In regard to your telephone conversation the other day about the tangible results of the Value Analysis Seminar conducted during the early Spring here in Lynn, none of the designs that I worked on have been reduced to production yet due to the move of our facilities to our new location in North Carolina.

However, I think it is significant to note that I requested from you a good vendor for latches and catches in my effort to reduce the cost on these items and one of your suggestions was the Nielsen Hardware Corporation in Hartford, Connecticut. After a great deal of correspondence with them, they have quoted on making two of the latches that we use as standard parts here in the department. One latch that is used mainly on the street lighting equipment is now costing us \$21.18 per hundred and he will make these same parts to the same design with the exception of changing the lever from plated brass to aluminum ~~to~~ \$8.75 per hundred and \$2800 for tools. Since we use 410,000 of these latches per year, that means a savings of \$51,000 annually just by having the specialty vendor produce these parts instead of us.

The other latch that is used mainly on my products, floodlights, we are producing at approximately a shop cost of \$17.00 per hundred and we will be able to buy them from Nielsen at a cost of about \$10.00 per hundred. Since

Mr. R. E. Fountain

-2-

August 22, 1955

we only use about 40,000 of these latches per year, we will make a savings here of about \$2800.

The tools for this latter latch will be only \$350 if the former latch is tooled or \$1400 if only the latter latch is tooled complete. In the two latches, the lever is common to both.

I am rather proud of this result brought about by working with the specialty vendor and it turns out that it can be a significant contribution to our cost reduction effort this year.

J. K. NEWELL - Manager - Floodlighting Design Engr.
Engineering Section - Outdoor Lighting Department
Bldg. 2-40G - Ext. 3801

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