

# VA: not perfect, but future is bright—Miles

By Paul V. Farrell / Consulting Editor

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**Editor's Note:** This interview with Lawrence Miles is one of a series Paul Farrell is conducting with industrial leaders. Mr. Miles is best known as the founder of Value Analysis. He developed the concept in 1947 when he was a purchasing manager at General Electric. For more than 20 years Miles managed GE's Value Analysis and Value Engineering programs.

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**Q. Mr. Miles, as the "Father of Value Analysis," how do you feel about some of the developments in VA over the past couple of decades? Have they met your expectations?**

**A.** They have exceeded my expectations. I had not anticipated the effective movement of VA into non-hardware, non-industrial fields like government, hospital, and administrative areas so soon. On the negative side, I had expected that better search techniques would have been developed, that data on relationship of cost function would have become more available, and that the use of the computer in determining the appropriate cost of functions would have been on its way. Some companies may have made progress in these areas, but still consider it proprietary information, too valuable to make public.

**Q. Would you say then that in some cases VA has failed?**

**A.** That reminds me of G.K. Chesterton's answer to a similar question: "Christianity

has not failed, it's never been tried." There are still many who are uninformed, who think of VA as just good cost reduction, good industrial engineering, or good buying. Good work can be done in all three without VA. VA is one system which secures better results in less time through the work of all disciplines.

**Q. How would you relate success or failure of VA to management attitudes?**

**A.** 100% relationship. Management might be roughly put into two groups. First, the group with good enough "in house" practices to sell competitively and cope with the cost problem. This group doesn't need VA. Some may have put it in because they saw others do it, but as they didn't need it, they didn't implement it or support it, so it dwindled out. The second group does have a cost problem, is suffering from competition, is losing earnings, and thus needs VA. Those who take the trouble to really learn what it is, staff it with competent people, and sup-



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port it, solve their cost problem. Those managers who feel that it does not deserve their valuable time will watch it die out as they expected.

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"Many people are uninformed about VA. These are the ones who regard it as just good cost reduction, good industrial engineering, or good buying."

**Q. Is there still resistance to VA among departments affected by it?**

A. None, where it is understood and needed. But sometimes a lot, if it is not understood and where improvements are embarrassing to those who created the systems, products, or practices in use.

**Q. Do you find more resistance in government areas?**

A. That depends. Excluding government military procurement and design, where enormously effective work has started, a basic plan of government is to get and keep as many people on the payroll as possible. To them VA would be a threat if it resulted in decreasing the number of employees. However, all government services are growing and most agencies don't have enough funds to expand personnel fast enough. VA is thus acceptable to many government groups when it means a way of relieving the pressure for expanded services. It can provide these services without an increase in overall costs.

**Q. Do you see any merit in some consumer complaints**

**that VA has reduced the quality of the products they buy?**

A. Absolutely none. The entire VA system consists of techniques and approaches to achieve the *same* quality by improved means at lower costs. When manufacturers are forced to lower costs in order to compete, and don't use VA, they do so by removing quality, and the consumer gets a bad product. Poor quality is the result of having no VA.

**Q. If VA so effectively deals with costs, why isn't it stopping inflation?**

A. Again it's management's decision. Management has learned that consumers usually don't oppose price increases. So the simple, sure, and fast way to get acceptable earnings is by raising prices instead of buying good VA training and taking it out of costs. It's easy now, but in the long run price rises will be disastrous to our way of life. A meaningful consumer rebellion, or any equivalent action would bring an immediate demand for increased VA.

**Q. Would you give us your over-all personal view of VA**

**as it stands today vis-a-vis the Nineteen Forties, and what kind of a future it faces?**

A. My view of VA today is broader and deeper than it was, say, twenty years ago. I understand VA techniques better now than I did then. I see it as a system of disciplined thinking. There are a number of steps in this system that are a change—a refinement—in the original Job Plan approach to VA.

The very first step is what I call mind-setting. This means taking time—whether it's twenty minutes or half a day, whether it involves one person, or a team of four or five—to determine exactly what we are trying to do. All minds must be brought exactly in tune. Or if only one is involved, his mind must be exactly tuned to the task.

From there, we have to go to four separate steps, each of which must be taken separately, each of which requires a totally different type of thinking. These steps cannot be taken simultaneously; we must finish one before we start the next.

After mind-setting, the first step is information gathering, getting down everything we know or must know about the project at hand. From there we move to problem-setting, which is analyzing the information we have gathered and defining exactly what problem we expect to solve. Then comes the creative thinking step—brainstorming is one form which has always been and always will be a basic part of value analysis.

Finally comes the judgment, or judicial thinking, step. Here, it is no longer a

question of discarding ideas that were developed in the creative session and trying to find the "one ready solution." There are no readymade solutions from creativity—there are superior approaches to be de-bugged and developed. We may have 100 ideas written down, but no one provides "the" solution.

What we have to do in this step is minimize disadvantages. Of course, no intolerable and unyielding disadvantage is permitted. Our task is to pick one or two of the ideas that have large benefits or advantages, then put 90% of our time into minimizing their disadvantages.

**Q. Would you say that the quality of VA men available is any different than say 10 years ago?**

**A. Many competent professionals are developing. Some are excellent teachers, some excellent doers, some excellent administrators.**

**Q. It seems then that you are bullish on VA for the future?**

**A. Yes sir! Sometime, I hope soon, there will be enough pressure or force against constantly rising prices so that the real need for VA will increase. Another important factor is that men who have in their "do it" days learned and used VA are now becoming managers. They understand it. They**



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know what it will do. They are using it to reach their cost objectives. I would say that I see a permanent upward trend in the progress of VA because it meets a human need, and is becoming better understood. Like any great breakthrough in human thought, it has been opposed by those who did not understand it, but that group is dying out. **END**

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