

ALUE REPORTER

FOR GENERAL ELECTRIC EMPLOYEES ONLY

SCHENECTADY, NEW YORK

NO. 5 — DECEMBER 1962

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PSW Value Analysis Program Nets Big Southern Cal. Payoff

LOS ANGELES — Success has finally crowned this region's use of value-analysis techniques in selling the merits of G-E distribution transformers to Southern California Edison. As a result of the activities of our special task force and the preparation of a high-quality promo-

tional brochure (October VALUE REPORTER), G.E. has received a substantial increase in the customer's DT business and one of the largest pole transformer orders in history.

After many months of preparation and patient work with the customer, the full resources of the Company were utilized in preparing sales brochures and in the presentation effort to the Edison Company. Individuals in the customer's organization were approached by different members of the team, using the most influential person-to-person contacts. This part of the program was carried out over several months, utilizing Dick Gorzengo, sales engineer, management, and Dave Hopkins, application engineer with personalized brochures and individually tailored presentations on G-E Values.

Hemeon's Value Study Bags \$100,000 Order For Turbine Parts

BOSTON — When a utility is not currently in the market for a new turbine, how can a generation salesman generate interim business? That was the big question facing Fred Hemeon, sales engineer handling a New England customer.

Fred's answer to his own question was to make a study of the customer's existing turbine-generator installations and work out a detailed plan showing how the utility could save money and increase efficiency by up-dating existing machines to obtain extra value from its generation investment. His efforts resulted in a \$100,000 order for turbine parts. And additional business of the same type seems assured, as Fred now plans to cover each G-E turbine-generator on the customer's system. Thus he proved there is not only value in what we sell now but there can also be value in what we have sold in the past.

In recognition of his efforts, Fred was Value Champion in the New England Region for October. Assisting him in his study were A. L. Kimball and J. Y. Strohmman, of I&SE, Boston; E. J. Delaney, Boston sales engineer; R. S. Eggleston, MSTG, Lynn; and R. B. Platt, LSTG, Schenectady.

Bad News Signals

However, we continued to receive strong signals that price and loss evaluation would still be perhaps the only criteria for the purchasing decision. The problem became even more critical with the announcement of the California P.U.C. hearings and investigation into the purchasing practice of all utilities.

The customer's personnel were unable to arrive at a satisfactory evaluation approach for the functional service areas in the G-E presentations, such as customer courses, load building, local service, etc. It appeared we might lose out entirely on a price and evaluated loss basis. However, because of the impact of the "value" program, we were asked to prepare a recommended evaluation method that would place an actual dollar value on each function.

Doug Turpen, DE District Manager, called his task force into action, and an evaluation recommendation was prepared as a companion to the brochure. This was presented to the customer and accepted.

The Payoff

As a result, we have received a commitment based on our proposal that will assure us 40% of the allocated distribution transformer business for the immediate future — over twice our previous year's net sales billed at the even reduced price in effect today. This allocation will be double that of any other supplier.

Says PSW Regional EUSO Manager W. A. Sredenschek: "We have been told by the top-level people at Southern California Edison that our work here may set a pattern for the entire industry and could well be the turning point in our struggle to establish the real values delivered by G.E. to the industry. It will certainly have full impact upon the customer's purchasing policies, and we expect it will radiate to other responsible utility companies."