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Oct 6 1979

John E Reichen
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Dear John;

Was good to have opportunity to get a little better acquainted with you, during the visit of the members of the SAVE Board.

Certainly the book you refer to has a "catchy" title, QUALITY IS FREE by Mr Crosby. That title may "trap" many people into reading it, and give him a chance to put across a few points.

As you suggest, it has been my experience that step-by-step systems which take people from "here-to-there", can be of great assistance. Knowledgeable VE's might tailor one to achieve their precise objective. Situations differ somewhat, needs differ somewhat and objectives differ somewhat. Perhaps you should try it, and we'll all watch and benefit.

THE VALUE MANAGEMENT MATURITY GRID is, I presume, a means for sizing up the situation, making plans, and promoting useful communication.

As you know, my life now is one of pleasant retirement. I enjoy seeing you people "slay the dragons, and package the good meat", but I am not so engaged now. I will draw from my notes a system, somewhat like the GRID which I did use and found very helpful.

It was used to size up the situation, the need, the task, and to guide us in properly planning to achieve our objectives of moving the use of the VAE techniques into an area of management or a plant.

Everyone - singly for those who could effect the program most, and by groups (as small as data permitted) others such as, sales Engrs., Mfg. Engrs., Tooling Engrs, Methods and Planning, Cost accountants, Dept. Accts., Buyers, Cost Reduction Managers, etc. - was rated according to the best information we could obtain, then our program was structured. Periodic revaluations were made to assess progress.

1. UNAWARE - Did not at all know there was a system which would do a better job in their work area - and help them.
2. AWARENESS - Knew there was something called VA which some thought would help some jobs.
3. ORIENTED - Knew in general what it is, how it is supposed to work. Know a little about it.
4. UNDERSTANDING - Know the Basic VAE technique. Understand the basic technique well enough to try using them or to support others .
5. INVOLVEMENT - Use the techniques and now understand how to really use, apply and benefit. Now will support.

Last Feb., the magazine "Management Review" ran a notice under the title: "Setting a Value on Quality." A book by Philip Crosby - Quality is Free - was being reviewed (Crosby, then VP of IIT, is the father of Zero Defects). It's easy reading and quite pertinent to us. Crosby is rather negative on us. But, the importance of this book is less in the put-down, I feel, we get from it than largely because of two tools he ~~offers~~ offers

1. A 14-step program for introducing a quality improvement program. Adapting its salient features for introducing VE programs might serve us well.
2. His Quality Management Maturity Grid is a checklist for rating existing quality involvement and used to pinpoint areas of potential. On page 74, Crosby writes: I wish someone in purchasing would write a Purch. Mgt. Maturity Grid. I have attempted this for VE. (copy included). This grid, best used to project a commonly acceptable view of firm or department should provide a continual source of direction - to get moving what isn't.

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Evaluation Categories	Phase 1 - Uncertainty	Phase 2 - Awakening	Phase 3 - Enlightened	Phase 4 - Wisdom	Phase 5 - Certainty
Management understanding and attitude	Disregard of value as management tool. Look on Value Analysis (VA) as Cost Reduction or such. <input type="checkbox"/>	Realizing that VA may help provide money and time to make it all happen. <input type="checkbox"/>	Going through value program, learning more about it and becoming supportive. <input type="checkbox"/>	Participating; understand value absolutes; recognize need for continued affirmative action. <input type="checkbox"/>	Considering value management an essential part of firm's system. <input type="checkbox"/>
Value organization status	No value activity. Stress on costing designs, cost cutting, etc. <input type="checkbox"/>	Value leader appointed. Using design-to-cost, cost effectiveness, motivational schemes. <input type="checkbox"/>	Operational value department. Education on-going. Reports to management, cost targeting established. <input type="checkbox"/>	VA reports to top management; effective status level; targeting is a major concern. <input type="checkbox"/>	Value manager in top management; treated as a leader; involved in consumer and special affairs. <input type="checkbox"/>
Approach and problem handling	Value content of problems ignored - treated by inadequate definition. <input type="checkbox"/>	Individual/informal value efforts. No long-range solutions solicited. <input type="checkbox"/>	Teams set up; generally hardware limited - few departments involved. <input type="checkbox"/>	VA integral to most business units; using advanced techniques fully interdisciplinary. <input type="checkbox"/>	Whole firm value-oriented. VA used at concept, planning & marketing inputs. Value-VP on Board of Directors. <input type="checkbox"/>
Posture statements	"We are doing it by another name." <input type="checkbox"/>	"Not enough time to VA." <input type="checkbox"/>	"Thorough management commitment and value improvement; we're identifying and resolving value problems." <input type="checkbox"/>	"Value improvement is a routine part of our operation." <input type="checkbox"/>	"We know we have no value problems." <input type="checkbox"/>
Cost of illth* (as % of sales) Typically reported	20-(27) unknown <input type="checkbox"/>	14-20 3% <input type="checkbox"/>	9-14 8% <input type="checkbox"/>	5-9 6% <input type="checkbox"/>	2-5 2.5 <input type="checkbox"/>

* Illth - overruns & losses due to shortfall of necessary performance, quality, reliability, safety, timeliness.

Value Management Maturity Grid

Reichen 9.79

Unit rated: _____

Rater: _____ Date: _____