

Attended also by Bartlett, Cole, and Brickett

My evaluation -- 85%

PURPOSE was to prepare the group to be ready to accept value-standards type of thinking and value standards credibility.

The METHOD was to include an understanding of some of the value analysis techniques in the framework of accomplishing this objective.

Course Director Bartlett felt: . . .

- . . . that simple insights in value analysis would help.
- . . . that some help in shifting from parts fixation to function thinking would help.
- . . . that some simple mental gymnastics bringing the true relationship of value to performance to cost would be helpful--also simple insights into means for knowing whether value is or is not good--the importance of comparisons, the difference between good and bad comparisons on a functional basis, etc.

It was hoped that attendees would develop a personal feeling for the meaning of value and an acquaintance with some fundamentals of methods by which function values can be determined.

## COURSE OUTLINE

What is Value?

Value of blond?

Value of quart of water?

Value of pound of steel?

Performance

What is suitable performance?

Competitive

State of art

Cost

What is suitable cost?

Competitive

State of art

What is Value Analysis?

Look at performance

If OK, leave it alone.

Look at cost

If OK, leave it alone.

How to determine if performance OK?

Competition--customers reports, etc.

Measure against standards.

How determine if cost OK?

- Guess
- Compare past practices
- See if there is profit
- Compare with competitors
- Measure against standards

Definition of Value Analysis

- An arrangement of techniques
  - Make clear the function
  - Establish appropriate cost
  - Cause

System - piano

Includes parts old, parts modified, and parts new

Why unnecessary cost?

- Technical?
- Psychological?
- Other?

People are psychological, not logical.

- 75% of the problem psychological
- 25% of the problem technical

However, require known psychological information as a basis for psychological change.

Validity of Value Standards

Value Standards are function-cost relationships.

Following relationships are accepted and available

- |                   |                                |
|-------------------|--------------------------------|
| Function/Property | (conduct current/conductivity) |
| Property/Material | (conductivity/copper)          |
| Material/Cost     | (copper/cost)                  |

Therefore, have data required for function/cost relationships, but have not been effectively put together.

During this discussion, develop a feeling for using good planning in handling the identification of unnecessary cost, the timing for removing unnecessary costs, the reaction of the competitor to our removal of costs and lowering of price, etc.

Course director Bartlett reported today (January 21) that the men seemed to move into the value standard subjects as well as the other subjects and handled them very effectively throughout the week.

It is probably the plan to use a name other than value analysis for these two discussion periods in the future--perhaps something such as, The Nature of Value, The Theory of Value, or similar.