

(VERY FREE TRANSLATION)

I am truly a convert (?) to the enormous possibilities of the techniques of Value Analysis furnished us for the identification and elimination of unnecessary costs.

I say I am a convert because I must remember that I had serious doubts when they told us the enormous percentage we had to take out. Later, when we came to carry out the steps and techniques learned in the analysis which followed, surprisingly, we saw that they were possible. And indeed, being possible on a product that in everyone's belief had had its cost reduced to the absolute minimum, it is easy to imagine the possibilities for the rest of the products.

Nevertheless, I believe that the most favorable condition that we have is the full cooperation in securing a common objective, the decided approval (?) of management and especially a different and creative way of thinking. It is unnecessary to say that these conditions must prevail to obtain the hoped-for results.

For my part, and I doubt that my companions feel any differently, these techniques and this way of thinking will be carried out into our daily work. Since we are now better able to make or accept proposals, changes or alternatives and we know how to evaluate them the way these techniques have taught us.

I consider myself fortunate to have been selected to form a part of this first group and I hope I do not fail those who have had the confidence to have included me.

FAUSTO DIAZ .. June 8, 1962.

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I am still greatly surprised by the enormous possibilities which appear from the application of the techniques of Value Analysis since I never thought this would be possible and much less to the extent that it has been demonstrated to be possible to obtain on the project studied by us in these two weeks of the course. That is to say, it is astounding that a group of people with the same objective could succeed in getting all the necessary cooperation and (could succeed) in applying the different techniques of Value Analysis.

From the buyer's point of view, I have been told that the possibilities of reducing unnecessary costs in the function of "purchases" are unlimited, since it is there that the greatest amount of waste is found whether it be in products or services. I have become so convinced of the goodness of these techniques that from now on I will exercise special care in applying the same in all the purchasing requisitions that I receive, making the study, analysis, and consultations that are necessary.

However, I believe that in order to achieve a high and effective benefit, it is necessary to have the unconditional cooperation and agreement of all persons and departments that will have control over the subject matter which is being attempted since a limitation of said collaboration is reflected directly in the benefit which can be obtained.

Besides the enormous advantages which in themselves occur in applying the techniques of Value Analysis, there still exists the ease of applying them without the necessity of a larger effort, but on the contrary eliminates part of the normal routine of work.

I appreciate very much the opportunity that was afforded me to attend this course, since the lessons that were given will be of great use in the development of my regular work.

A. COSIO G. .... June 8, 1962

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As Engineef de Diseno of the Washing Machine Dept.(?) who attended the "Value Analysis" course given by Mr. Miles and which I attended as an active member was convinced, after the start of the course, with the application of the techniques of Value Analysis, the accomplishments and experience of Mr. Miles and the strong and enthusiastic collaboration of all of the participants, we should succeed in attaining a good result, perhaps a 5% lower cost of manufacture of even a little more.

During the course they fixed the goal and when they said we must lower the cost of manufacture 35%, I confess I laughed to myself and thought that it would not be possible to achieve such an ambitious goal.

I commented on this to my table companions and we told Mr. Miles who said that "Nothing is impossible." Going on, he instructed us in the new story, he advised us and added, "We don't have any limits, use the techniques I have shown you and attain your goal. GET GOING."

I must say that the 35% in question, will really mean 48% (real del renglon) on which we could really have effect. The other four figures which make up the cost of manufacturing are really intangibles, and not only that, but one of them (the overhead) means a serious obstacle to our hopes. We must consider an overhead figure of 2/3 and 80% of our part was affected by this factor.

In adversity, keep smiling. We worked with dedication and enthusiasm. After ten days of work, I see with admiration we can indeed reach our goal and besides get rid of another \$12 of fixed waste.

Now, I have learned that, with the proper application of the techniques of Value Analysis, developed with formality and seriousness and continuing with the aid of management, it is possible to achieve unsuspected goals.

RAFAEL FERNANDEZ MANRIQUEZ

June 8, 1962