

Value Analysis = More Orders = Better Jobs

Tools of This Activity Are New Materials, Ideas, Processes, and They Spell Progress for All of Us . . .

Better job security for General Electric people . . . coming from better sales of General Electric products . . . coming from better product values for General Electric customers . . .

All of it spells progress, not only for all of us, but also for General Electric suppliers and their employees.

That's the aim of the Value Analysis program in General Electric.

Value Analysis people in almost every department of the Company are achieving this objective by constantly seeking out materials and methods which will lower the cost of a product without impairing its quality or performance.

Every achievement in this direction helps keep GE competitive and helps make General Electric jobs and the jobs of our suppliers better and more secure.

The value analyst's job begins with the very design of a product and ends with the shipping of it. His aim is to eliminate all unnecessary expense from all the steps in between. Consequently, the value specialist must know his way around in many different fields of work.

In a typical day, he may talk with scientists and engineers to learn what new, low-cost material can be substituted in a product without sacrificing any of its quality. He may meet with specialty vendors to help them develop ways of reducing production costs of the materials or parts they supply.

He may work with manufacturing men to investigate new tools and processes, and to make sure that the project he is working on is practicable from a manufacturing standpoint.

In analyzing a product, the value specialist asks himself . . .

Can we produce the part for less?

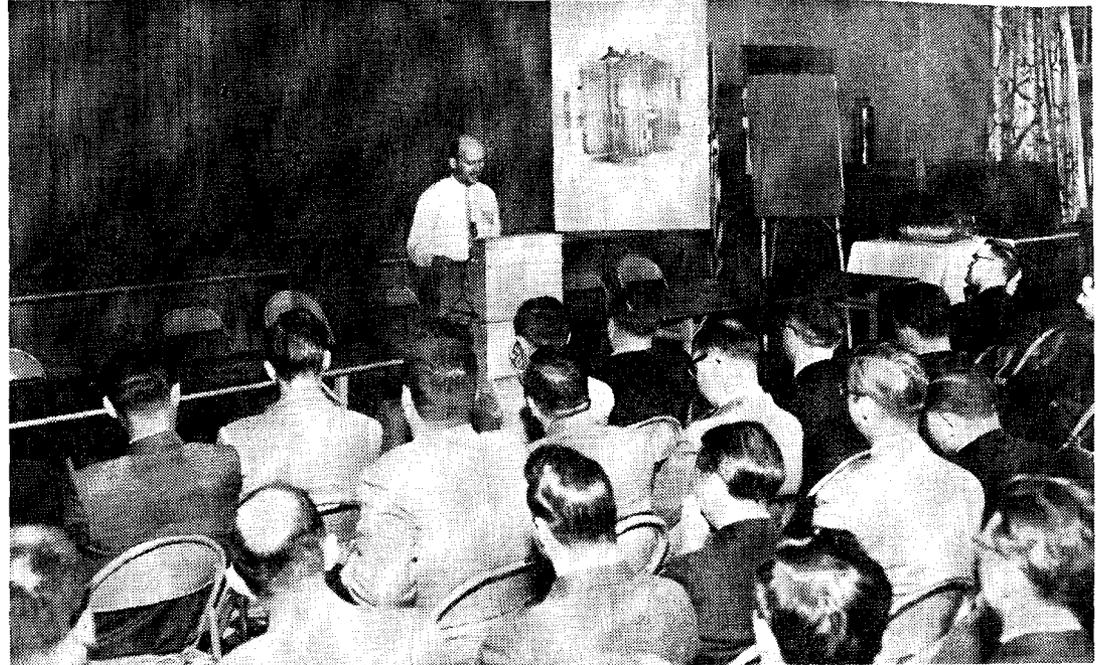
Value Analysis has been around for many years under various names, but it was only 10 years ago that Value Analysis Service, a part of Manufacturing Services, was instituted as an organized way of providing basic methods for increasing the value of General Electric products on a Company-wide scale. Value Analysis Service is composed of a small staff of specialists, who teach the basic principles, methods and techniques to the value analysts in General Electric's product departments:

Does all this Value Analysis work help GE and its employees? Let these examples answer that question:

One Value Analysis group suggested changing an impeller casting from machined to powdered metal. Result: the price was reduced from 40¢ to 10¢—a saving of \$60,000 a year.

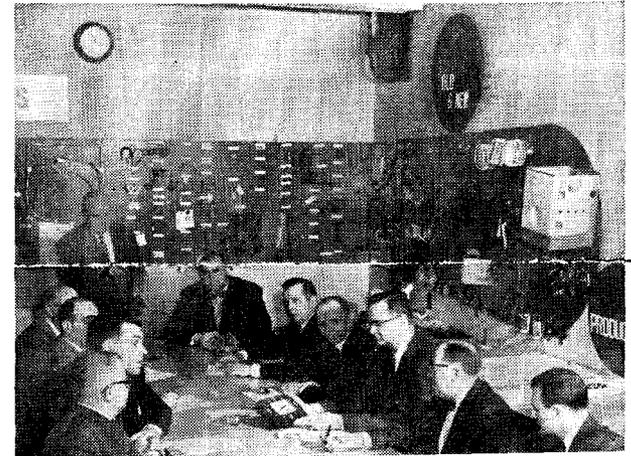
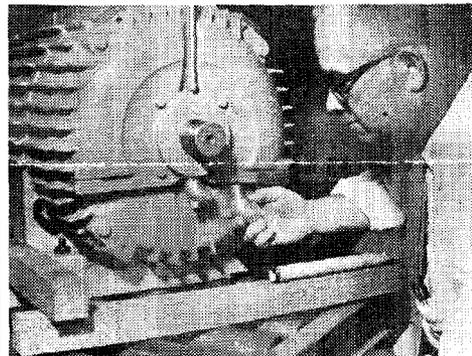
Another group discovered that a low-cost substitute material could be used on a condenser cover, and the cost of the cover dropped from 60¢ to 20¢—a saving of \$39,000 a year.

And to show how performance is not only equalled but sometimes improved by the work of Value Analysis people, there is the case of the lamp cover on the automatic dryer. By organizing the ideas of all concerned in producing the dryer, the Value Analysis man came up with a glass re-inforced plastic lamp cover to substitute for the clear plastic one in use



VALUE ANALYSIS techniques pioneered by General Electric are taught by R. E. Fountain, engineer, Advanced Value Research, Bldg. 32G. To date, more than 2500 GE men have received such training and are putting it to work throughout the Company.

Less Cost . . .



all the steps in between. Consequently, the value specialist must know his way around in many different fields of work.

In a typical day, he may talk with scientists and engineers to learn what new, low-cost material can be substituted in a product without sacrificing any of its quality. He may meet with specialty vendors to help them develop ways of reducing production costs of the materials or parts they supply.

He may work with manufacturing men to investigate new tools and processes, and to make sure that the project he is working on is practicable from a manufacturing standpoint.

In analyzing a product, the value specialist asks himself questions like:

- Does the use of this part or material contribute to the value of the product?
- Is the part's cost proportionate to its usefulness?
- Does the product need all its features?
- Will another dependable supplier give us this part for less?
- Can we help our present sup-

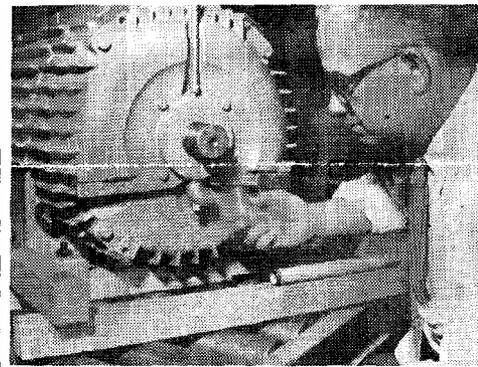
machined to powdered metal. Result: the price was reduced from 40¢ to 10¢—a saving of \$60,000 a year.

Another group discovered that a low-cost substitute material could be used on a condenser cover, and the cost of the cover dropped from 60¢ to 20¢—a saving of \$39,000 a year.

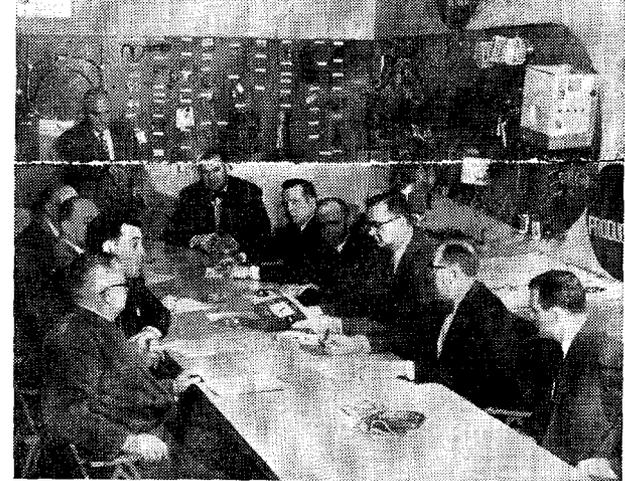
And to show how performance is not only equalled but sometimes improved by the work of Value Analysis people, there is the case of the lamp cover on the automatic dryer. By organizing the ideas of all concerned in producing the dryer, the Value Analysis man came up with a glass re-inforced plastic lamp cover to substitute for the clear plastic one in use.

The saving was 13½¢ per unit and the new material was superior to the old—it didn't discolor or sag and it acted as a better air seal.

Accomplishments like these help General Electric products meet the competition . . . help customers get more value for their dollars . . . help our suppliers furnish us with better parts . . . and, in the long run, make General Electric jobs more secure.

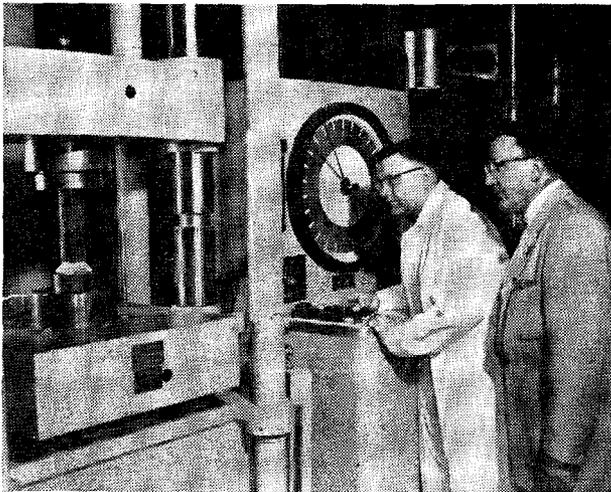


A BETTER JOB is done by the new pipe fitting on an enclosed motor—at 40 per cent less cost. Clyde Winstead, value analyst for Small AC Motor & Generator, Bldg. 81, shows how the old fitting, requiring special machining, was less efficient. Part was improved by casting a special street "L" with a lug; price dropped from 63 cents to 38 cents.



L. D. MILES, standing, manager of Value Analysis Service, Bldg. 32G, explains V. A. objectives to vendors, whose teamwork is an important part of the job and whose companies make progress with General Electric under the Value Analysis program. "Before and after" exhibits in background represent a savings of more than a million dollars yearly—only a small fraction of the over-all Value Analysis contribution toward better product value for General Electric customers and better job security for GE employees.

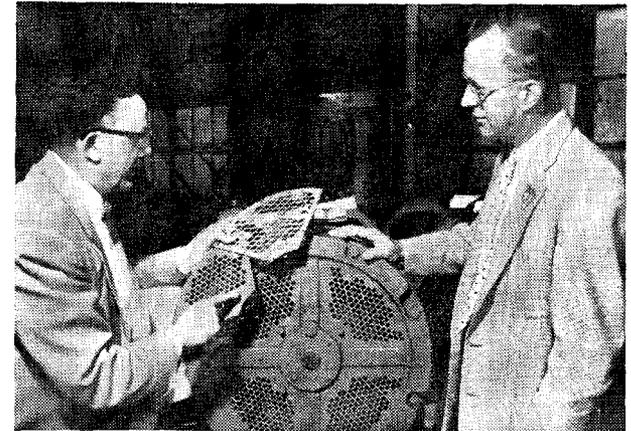
VA in M&P Lab . . .



EQUAL PERFORMANCE at lower cost is laboratory-improved on new field coil support, as John DiMarco watches John LaCagnina make compression test in Materials & Processes Lab, Bldg. 6. Part was formerly machined from stock, drilled and counterbored. New one is cast, costs 36 cents instead of \$1.72.



BOTH GENERAL ELECTRIC and its suppliers benefit when value analysis goes to work. In photo above John DiMarco, value analyst; W. B. Brighty, manager, Engineering, Synchronous Motor & Generator Section MAC-M&G, Bldg. 40; and C. N. Wade of National Vulcanized Fibre Co. discuss proposed change in a brush holder stem resulting from value analysis work in the Medium AC Motor & Generator Dept. The change found the supplier able to supply the part in one piece rather than two, reducing the cost by 74 percent (\$1.74 to 46 cents).



'WE'VE IMPROVED this motor screen and lowered its cost,' says John DiMarco, value analyst of Medium AC Motor & Generator, Bldg. 40, as he and R. H. Smith, superintendent, Final Assembly, compare the old-type two-piece screen (\$6) with the new, one-piece stamping (\$1.62).