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m. gelpi & associates

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BALTIMORE, MD. 21212

August 21, 1980

Mr. Robert E. Kirby, Chairman of the Board
Westinghouse Electric Corporation
Gateway Center
Pittsburgh, Pa. 15222

Dear Bob:

Several events came together last week to create an idea which I feel compelled to share with you.

Larry and Eleanor Miles asked Betty and me to dinner at their estate in Easton. Larry who is the "Father of Value Engineering" talked about a number of incidents he experienced in a recent trip to South Africa. He emphasized with high regard the corporate management approach to Value Analysis which appears to be bringing great success to the De Beers Diamond Mine, one of the world's largest gold mines, and the South African Railroad System. The enthusiasm of those managements and the results that seem to be flowing from their efforts has impressed Larry who is already well versed in the impact that Japanese Value Analysts have made in creating a favorable competitive climate for their industries compared to America and the world.

Secondly, the not-too-favorable article about Westinghouse in the August 5, Wall Street Journal encouraged a rise in my blood pressure aimed at defending the company.

Putting these two facts together leads me to believe that Value Analysis beginning at the corporate management level, and using projects suited to that level, (not the usual hardware), might provide the basis for a real understanding and appreciation of Value Analysis and its application to every level of business.

Encouraging such application through-out Westinghouse at each level of management using appropriate projects within each sphere of influence should surely improve on the progress presently being made.

Since my early retirement in January, I have been extremely busy lecturing on value subjects. I have gained a whole new level of insight into this area. This makes me appreciate all the more the potential for using these techniques, providing

Mr. Robert E. Kirby

-2-

they are used in a creative way.

Frankly, Bob, I would very much like to come to Pittsburgh and sit down with you and share these ideas in more detail; because I am so certain they can be used to help the Corporation. They are quite different from the present new emphasis on Value Engineering for Productivity Improvement, which currently concentrates on hardware and products.

If you could arrange to set aside a little time, I am sure I can meet with you to see if such a program could be beneficial to our Company. Incidentally, Larry is so enthusiastic that I might even be able to persuade him to come too, if you'd like.

Sincerely,

Maurice J. Gelpi PE, CVS

MJG/bc

Larry -
I thought you would be interested in my reaction to the Wall Street article. I do believe one of our troubles has been using hardware to try to reach management. I wonder what will happen?

Betty and I thank you and Eleanor for a magnificent evening

Sincerely -

Maurice