

GENERAL  ELECTRIC

RECEIVED

JAN 27 1958

R. PAXTON

SUBJECT

COPIES:

SCHENECTADY

January 23, 1958

*Larry Miles
go right ahead. Good luck
Bob Paxton
1127158*

Mr. Robert Paxton
Executive Vice President - Operations
NEW YORK OFFICE

For a worthwhile purpose of which I feel sure you approve, I am taking the liberty of quoting (slightly mis-quoting) you, as encircled on the enclosed letter.

Your exact words were, "These value pricing conceptions seem to me to be of great potential value, and I hope that our product department people are familiar with Larry Miles' work in this area and are giving it thought for application in their work."

The value program always receives tangible benefits after each action of yours such as this letter.

L. D. Miles
Manager - Value Analysis

LDM:AEM

SUBJECT

COPIES:

SCHENECTADY, January 24, 1958

TO: Managers To Whom Professional Value Specialists Report

Based upon the latest annual report -- to benefit the average department's income before taxes by about \$10,000 requires...

...additional orders of	\$100,000
...additional investment of	\$100,000
...employees working all year	6

An alternate method for securing the \$10,000 benefit is by the use of highly qualified and well-trained men as Professional Value Specialists. In this case, to secure the \$10,000 benefit requires...

...additional orders of	0
...investment	negligible
...employees working all year	1/20

Or, to say it another way, the services of each qualified competent well-trained professional value specialist benefit the department profits about as much as \$2,000,000 in new orders... \$2,000,000 in additional investment... and 60 employees working all year.

Directing this system with such high leverage on profits puts each of us whose decisions control it in a very important spot.

The difference in yield of professional value men varying with their ability and experience is five to one. The difference in yield of average value men depending upon their knowledge of the complete job and the use of all the strengths of the value program is another five to one. Thus in extreme cases, the yield of professional value men varies as much as twenty-five to one, with ten to one not being uncommon. Fortunately General Electric has these benefits sooner than its competitors and will continue to have if we make decisions perceptively and promptly using these valuable skills.

To quickly add skills and strengths to all of these men, we are planning three days of intense advance training for all value specialists in the company to be in Schenectady on February 24, 25, and 26. This is a re-sharpening of their total job. It is the adding of more techniques and strengths resulting from our Value Research and Value Control Research programs.

Page 2

Managers To Whom Professional Value Specialists Report
January 24, 1958

This subject is so vital that I am taking the liberty of quoting from one of Mr. Paxton's letters to a group of division Vice Presidents. . . "These new concepts seem to me to be of great potential value and I hope our product people are familiar with them and are giving them thought for application in their work. "

Men will receive advance training in all aspects of their job both long-range and short-range. Their total job includes. . .

Proper integration into their department, including proper understanding by everyone of their work.

Proper education to continually have the value job "more nearly done the first time."

Proper consultation to department members so that the first designs, tooling, etc. will contain more value.

Proper product evaluation work so that large amounts of unnecessary cost can be promptly changed to additional income.

This is for all of the men engaged in value work, not just the leaders.

The men will pay out-of-pocket costs which will be \$30 per man. We will be sending them the announcement and application in a few days.



L. D. Miles
Manager - Value Analysis

LDM:AEM