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5 Jan. 1984

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What is Value Analysis anyhow?

It is a thinking system, new to the world which Larry Miles created and introduced in USA while in General Electric Co staff basically in the 50's and 60's. Started in 1947.

Its methods are now well developed and are being taken thruout the world in order to achieve high quality and competitive costs.

Basically --

1. It is totally based upon FUNCTION, not product thinking. All people want FUNCTIONS not materials. Intense FUNCTION study has divided FUNCTIONS into only two types:

USE FUNCTIONS which do something for the user

AESTHETIC FUNCTIONS which please the owner (and help cause him to buy).

All functions are studied enough so that they can be named in two words - a verb and a noun. ie Contain liquid, transmit power, enclose volume, etc.

2. Costs are developed for accomplishing FUNCTIONS. So that cost-function relationships are always prepared - not the traditional cost-product relationships.

3. Then, with all of the knowledge in view, which was required to develop function knowledge and cost-function relationships, extensive and intensive creativity is accomplished. Periods of with-held judgement when minds are hard pressed for different approaches, are held. These periods bring means of accomplishing the functions the customer wants, by different methods, often years ahead of the present in both appropriate high quality and appropriate competitive costs.

Larry Miles

All management costs are to produce some functions.

All services costs are to produce functions.

All costs for an administrative group are to produce some functions.

It is now becoming a basic management thinking method.