

The best buy begins long before the order is placed. Purchasing is performing its own function long before it knows the function—or lack of it—of every requisitioned part, then seeks specialty vendor skill to provide the value needed at lowest cost.

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SOME JOBS OFFER a range of satisfactory or near satisfactory performance; others require purchases of "par for the dollar."

When a business executive demands if he receives 75 per cent of his expected value for the budget he is on credit if he receives 100 per cent. The purchasing agent who receives a credit actually if he achieves anything less than 100 per cent of what is expected of him has in effect sold to the salesman, he has no opportunity at 100 per cent purchase price—no opportunity to get "extra credit."

Choosing the standard instead of one-purchase quality from reliable suppliers which proper delivery and right price is considered "margin." That is what is expected of him. It is his "par." This is the type of job where perfection is required or normal. A late delivery, a quality slip, a value decrease, brings discredit to his job. He draws attention from his management and his credit only for his deviations below perfection. Unless it were, his deviation becomes instantly known by large numbers of people who are always unfavorably when the situation inquires:

—How does he keep with low pricing?  
—How does he get people to work hard for him or to

—How does he deal with delayed delivery?

—How does he get people who either hit a snag, slip, or fall out to work in earnest, the purchasing agent, in the eyes of his business associates, can only be a "par" or less. This means that he needs a change at some points—some opportunities to make an effort and unexpected contributions to the business.

—How does he deal with—and he will make, if for him. It is his in the various extra contributions he can make by developing and using some of the techniques of value analysis.

### Understand the Function

Every good transaction is made to obtain a function. What is the function that is really required?

—How does the customer really come to purchasing the goods or services? How do we want them? Are they bought by one or more people? Techniques, the

buyer considered out the function. It was to catch paint chips under a conveyor line of painted products. The size of all dimensions was too large to fit into the existing space for this function. The customer's interest and desire of the application of the furnishing that will not burn and does not continuously handled, to catch paint chips. The approach to makers of special paper was to find a "non-burning" paper that was suitable. The material was as effective as a paper for this application and cost a lot less than the material was changed.

—How does he deal with a plan? He contributed more than was expected of him and added profits of the business.

Each person in a working group types the others. Certain things are expected of them, others are not. It is important that the purchasing agent and buyers to all management, engineering, and manufacturing to expect purchasing to want to understand the functions of items being purchased. This should be done early when starting a new assignment. It's too late once you have been typed.

### Change Specifications

—How does he deal with specifications never completely covering what is really needed?

—How does he deal with specifications that are vital? He should use special knowledge and special types of staff to know about it.

—How does he deal with special knowledge and judgment to deal with a question to the information (or lack of it) that is needed?

—How does he deal with a specification by the designer that is not really needed to be of little consequence? He should be for the purpose of completing the project and the practices and habits of people in the project.

—How does he deal with specifications that are doubled or troubled by specifications of types B and C when the purchasing agent and the customer and the manufacturer are all involved? He should be for the purpose of completing the project and the practices and habits of people in the project.

—How does he deal with a specification that is not really needed to be of little consequence? He should be for the purpose of completing the project and the practices and habits of people in the project.

unnecessary, non-contributing costs from military purchases. He said that the cost of seats in fighter planes seemed to them extremely high. An investigation revealed that the seats were made of leather. A study of the specifications showed one requirement that the leather must be capable of being immersed in horse manure for 30 hours without ill effects. A corresponding requirement to sell in found in the purchase specifications and took it no doubt as a very useful purpose for harness leathers and the old cavalry days when the specifications were written. Needless to say, this item of cost went to you and me—the taxpayers—rather than to the Government.

The question is whether relatively untraced details of specifications cause problems or cost increases that are at all or are to be asked for.

A military purchase, perhaps was known to the engineers of that service, who may have had good reasons for demanding a specification for every item. It provided that the blanket must be 100% cotton, no wool, and made by teddy bear, and so on. It is no argument that extra work was done, extra cost, and extra dollars for which supplies were forced to add to the blanket. There wasn't a penny's worth of value in that.

It is not surprising with a life if a rate to check a blanket for the ability before specifications are made. It is a kind of waste can be cut out of the demand and government buying by the military.

One reason for the wide proliferation of such cost information from outside the plant is that in engineering, drafting, and other technical work, often do not expect it can be reduced, that makes no request to purchasing to develop it.

The specification called for buying an 18" x 10" sheet of blackening analysis of function sheet. It was a material was made into a small irregular shape, about three inches long. It cost a few thousand per year. The cost of the material in manufacturing was "cost of the material and quantity, tending to make the price of the material per sheet be too high." This was the only information that was given from "small lot" sampling an order was placed. That would bring the present price of 18" x 10" down to 10 cents.

The kind of information—what can be done to reduce it by a streamlining—was not available from the manufacturers. There were 100,000 sheets of material in the specifications. The question was "what can be done to reduce it?"

cannot be done for purchase, reduced.

The question is, "What if the engineer who wrote for the blanket had been informed that it had to be made in horse manure to the cost of each animal million 10 sheets?"

### 3. Reasons for Unnecessary Costs

One or more of the principal reasons causes unnecessary costs to exist in all products. The problem of the reason for the extra cost or who in engineering, purchasing, or manufacturing's value analysis techniques of (1) identifying the intended functions, (2) providing alternates which can reliably and effectively perform them, go into the heart of the cost problem.

#### 1. Identification of Intended Functions:

Identification of intended functions in engineering, manufacturing, in drafting, in management, and elsewhere must be made with the intention to include all of the pertinent knowledge in the field.

It is not enough that they should know and be doing it. The identification of manufacturing, engineering, or other functions must be as specific as possible. In specific help to the manufacturer, and very much lower cost. It is not enough that they should know and be doing it. It is not enough that they should know and be doing it. It is not enough that they should know and be doing it. It is not enough that they should know and be doing it.

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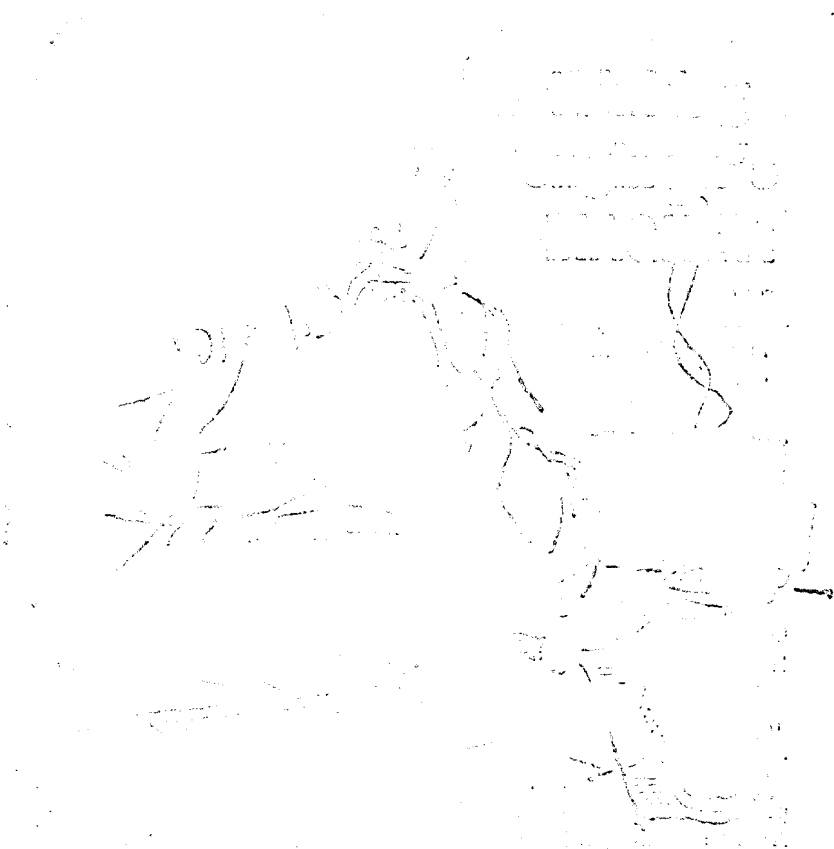
They are asked to end their thinking, to say which decision, and to move on into production in too short a time. Functions of a product may be accomplished by using ideas, knowledge, and methods available at the moment—but at a cost twice or three times that of a single, more reliable alternative.

3—The day-to-day production of day-to-day and hour-to-hour results are largely controlled by habit. Good habits are habits, already acquired.

The best way to move from political solutions of problems to lasting, more economical, more effective solutions is to create the conditions for the development of a habit. This can be done by (1) providing a clear, definite, and specific goal; (2) providing a clear, definite, and specific plan; (3) providing a clear, definite, and specific standard; (4) providing a clear, definite, and specific reward; (5) providing a clear, definite, and specific punishment; (6) providing a clear, definite, and specific feedback; (7) providing a clear, definite, and specific reinforcement; (8) providing a clear, definite, and specific practice; (9) providing a clear, definite, and specific repetition; (10) providing a clear, definite, and specific consistency.

At the same time, with the habit of thinking, it is necessary to create the conditions for the development of a habit of acting. This can be done by (1) providing a clear, definite, and specific goal; (2) providing a clear, definite, and specific plan; (3) providing a clear, definite, and specific standard; (4) providing a clear, definite, and specific reward; (5) providing a clear, definite, and specific punishment; (6) providing a clear, definite, and specific feedback; (7) providing a clear, definite, and specific reinforcement; (8) providing a clear, definite, and specific practice; (9) providing a clear, definite, and specific repetition; (10) providing a clear, definite, and specific consistency.

When these conditions are met, the habit of thinking and the habit of acting will develop. The habit of thinking will provide the conditions for the development of the habit of acting, and the habit of acting will provide the conditions for the development of the habit of thinking. This is the best way to move from political solutions of problems to lasting, more economical, more effective solutions.



The diagram illustrates a process flow or a conceptual model. It consists of several interconnected boxes and lines, some of which are circled or underlined. The diagram appears to be a conceptual model or a process flow, but the details are difficult to discern due to the handwriting and the quality of the scan. The text surrounding the diagram is also handwritten and difficult to read, but it seems to be a continuation of the article's content.