

49-17

February 16, 1949

Mr. John H. Smith
General Electric X-Ray Corporation
4855 West McGeoch Avenue
Milwaukee, Wisconsin

Dear Mr. Smith:

Attached is a preliminary report of the study made on the miscellaneous parts submitted by your Manufacturing Group. The prices quoted are in line with our evaluation of the parts in the ordering quantities as listed.

Our report will show that three of the items studied had shop costs that represented excellent value. The remaining eleven items show possible reductions ranging from 5% to 84%.

Since we were at too far a distance to apply the usual Value Analysis technique of questioning each feature of each part which increases costs, we have evaluated them "as-is", although in some cases we have also shown alternate materials for the appraisal of your engineers.

All quotations referred to in this report are in the hands of C. B. Adams in your Purchasing Department.

We have enjoyed making this study and hope that in some way we have helped your most active program of producing X-Ray equipment for lower cost.

Very truly yours,

GENERAL ELECTRIC COMPANY

L. D. MILES
PURCHASING DEPARTMENT
Value Analysis Division

LDM:AEM
Att.

CC: R. F. Allen
C. B. Adams

C O P Y

G. E. X-RAY CORPORATION
Miscellaneous Parts

		Lots	Present Shop Cost/C	Quotation Per C	% Reduction
<u>11-302 Stop Pin</u>	Brass	2,400	3.29		
Outside Quotation	"	2,400		2.70	18%
Outside Quotation	"	5,000		2.35	28%
Outside Quotation	Aluminum	2,400		2.31	30%
Outside Quotation	"	5,000		1.86	44%
<u>11-1343 Pin</u>		13,000	.98		---
Present Shop Cost indicates good value					
<u>11-1527 Hinge Pin</u>	Drill Rod	40,000	1.01		
Outside Quotation	"	40,000		.76	25%
Outside Quotation	"	60,000		.66	34%
Outside Quotation	C. R. Steel	40,000		.49	52%
Outside Quotation	"	60,000		.48	53%
<u>12-276 Washer</u>		15,000	.10		---
Present Shop Cost indicates good value					
<u>13-1293 Stud</u>		600	43.40		
Outside Quotation		600		14.15	67%
Outside Quotation		1,200		11.35	74%
<u>13-1367 Stud</u>		3,500	12.70		
Outside Quotation		3,500		7.58	40%
Outside Quotation		6,000		7.38	43%
<u>13-1554 Lock Screw</u>		600	6.54		
Outside Quotation		600		6.20	5%
Outside Quotation		1,200		4.80	26%
<u>13-2005 Stud</u>		20,000	1.70		
Outside Quotation		20,000		.98	42%
Outside Quotation		40,000		.93	45%
<u>13-2121 Screw</u>		3,000	49.30		
Outside Quotation		3,000		7.70	84%
Outside Quotation		6,000		7.50	85%
<u>13-2469 Thumb Screw</u>	Brass	5,500	23.30		
Outside Quotation	"	5,500		4.50	80%
Outside Quotation	"	8,000		4.20	81%
Outside Quotation	Aluminum	5,500		3.60	84%
Outside Quotation	"	8,000		3.20	86%

C O P Y

<u>17-164 Switch Point</u>	Brass	100,000	1.25		
Outside Quotation	"	100,000		.95	24%
Outside Quotation	"	150,000		.90	28%
Outside Quotation	Aluminum	100,000		.81	35%
Outside Quotation	"	150,000		.78	38%
<u>7-354 Contact</u>	Sterling Silver	30,000	6.08		
Outside Quotation	"	30,000		1.53	75%
Outside Quotation	Coin Silver	30,000		1.49	75%
<u>17-1310 Strap</u>		10,000	1.08		---
Present Shop Cost indicates good value					
<u>17-1562 Insert</u>	Brass	15,000	6.72		
Outside Quotation	"	15,000		3.61	46%
Outside Quotation	"	25,000		3.35	50%
Outside Quotation	Aluminum	15,000		2.90	57%
Outside Quotation	"	25,000		2.72	60%

C O P Y

#11-302 Stop Pin



Present Shop Cost	lots 2400	\$3.29/C
Outside Supplier's Quotation	lots 2400	2.70
	lots 5000	2.35

Alternate material--Aluminum in lieu of Brass

Outside Supplier's Quotation	lots 2400	\$2.31/C
	lots 5000	1.86

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M/

#11-1527 Hinge Pin



Present Shop Cost	lots 40,000	\$1.01/C
Outside Supplier's Quotation	lots 40,000	.76
	lots 60,000	.66

Alternate Material--C. R. Steel in lieu of Drill Rod

Outside Supplier's Quotation	lots 40,000	\$.49/C
	lots 60,000	.48

Another supplier quotes on furnishing this part from a high carbon chromium alloy which is very tough.

20,000 Lot	-	\$5.80 per M
40,000 Lot	-	4.50 per M
60,000 Lot	-	4.05 per M

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M/

#13-1293 Stud



Present Shop Cost	lots 600	\$43.40/C
Outside Supplier's Quotation	lot 600	14.15
		(67% Reduction)
	lots 1200	11.35
		(74% Reduction)

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M/

#13-1367 Stud

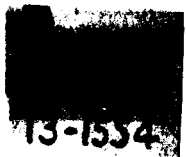


Present Shop Cost	lot 3500	\$12.70/c
Outside Supplier's Quotation	lot 3500	7.58
	lot 6000	7.38

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M/

#13-1554 Lock Screw



Present Shop Cost	lot 600	\$6.54/0
Outside Supplier's Quotation	lot 600	6.20
	lot 1200	4.80

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M/

#13-2005 Stud



Present Shop Cost	lot 20,000	\$1.70/c
Outside Supplier's Quotation	lot 20,000	.98
	lot 40,000	.93

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M/

#13-2121 Screw



Present Shop Cost	lot 3000	\$49.30
Outside Supplier's Quotation	lot 3000	7.70
	lot 6000	7.50

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M/

#13-2469 Thumb Screw



Present Shop Cost	lot 5500	\$23.30/C
Outside Supplier's Quotation	lot 5500	4.50/C
	lot 8000	4.20/C

Alternate Material--Aluminum in lieu of Brass

Outside Supplier's Quotation	lot 5500	\$3.60/C
	lot 8000	3.20/C

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M/

#17-164 Switch Point

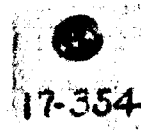


Present Shop Cost	lot 100,000	\$1.25/C
Outside Supplier's Quotation	lot 100,000	.95
	lot 150,000	.90

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M/

#17-354 Contact (Sterling Silver)



Present Shop Cost		
(Made on screw machine)	lot 30,000	\$6.08
Outside Supplier's Quotation		
(Made on a header)	lot 30,000	1.53

Alternate material--Coin silver in lieu of Sterling
(Coin silver is better suited for contact purposes)

Outside Supplier's Quotation	lot 30,000	\$1.49/C
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VALUE ANALYSIS DIVISION
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M/

#17-1562 Insert

17-1562

Present Shop Cost	lot 15,000	\$6.72/C
Outside Supplier's Quotation	lot 15,000	3.61/C
	lot 25,000	3.35/C

Alternate Material--Aluminum in lieu of brass

Outside Supplier's Quotation	lot 15,000	\$2.90/C
	lot 25,000	2.72/C

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