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Larry Miles, Father Of Value Analysis

by Pat Bryan

1 How did a youngster from a Nebraska farm come to develop an engineering technique that is respected and practiced by his peers in the U.S. and a dozen foreign lands; be the recipient of a whole bookshelf of medals of commendation; author a textbook that has been translated into twelve languages? Larry Miles of Royal Oak, this modest but impressive man, took a few turns his road of life during his early working days, but for the last 40 years has not deviated from his chosen course.

2 His premise that seems simple in theory but becomes complicated in practice, consists of analyzing in creative detail all possible means of reducing the manufacturing cost of a product while maintaining its quality and functioning ability. Too often manufacturers are willing to settle for cutting corners to put out cheapened products. Larry's credo stresses both quality and proper cost.

Not until he had tried out his early working wings as a high school principal, then as a bank



Larry and Eleanor Miles

3 cashier who then secured an engineering degree, was he summoned east for a position with General Electric, although the company was struggling in the depths of the depression. During six long years with the industrial giant, he constantly observed production waste. At last he rebelled. "Doesn't anybody around here care what things cost?" he asked. His boss cared.

Soon Larry was placed in the purchasing department, on trial to prove that cost cutting and quality can go hand in hand. Study of the cold control box of the GE refrigerator provided one of his first challenges. "If you can take another nickel out of its cost,

4 "I'll eat my hat," the department manager declared. Even sprinkled with salt and pepper, the hat must have been indigestible, but the man did have to eat his words because, as Larry recalls, "We checked each piece of material to determine whether it was the proper one for the job. For instance, the control unit cover was held in place by a springy bronze clip for which we were spending \$7,000 a year. We didn't need a clip with all that springiness since its only function is to hold the cover in place. We found one made of tin plated spring steel for 50% less." That and other small replacements for the cold control unit alone saved GE \$500,000. for the year.

At the Society of Value Engineers meeting at the Miles' home members cheer on their favorite crab in a crab race.

5 Impressed by Miles' early successes, his superiors assigned him twelve men whom he trained carefully in value analyzing techniques, and who, in turn, were to train 1,000 men a year. "Value analysis technique is not for everybody," Larry stresses. "It is a technique for smart, effective, productive people." The first training course that he taught after endless hours of planning, lasted one month of full working days. This was in 1952. Over the years it has been shortened to three, then two weeks and now is standardized to one intensive week of studying

6 fundamentals. "We don't just train engineers, but businessmen, buyers, outstanding people in their respective departments." Although Larry is still constantly invited to take part in various courses, he only occasionally makes a single presentation.

Trying to put across low cost, high quality ideas to any government official would have frustrated a less dedicated man than Miles, but he persevered, remembering always that the government is us, the taxpayers. It did happen, however, that Admiral Leggett, then Chief of the Bureau of Ships of the Navy, heard of Larry's concepts and asked to see him. The Admiral

7 was impressed and after a few intervening sessions, asked that a whole group of technicians in his Department, be trained in value analysis. In 1957 the Department acknowledged Miles' contributions by conferring on him the Distinguished Public Service Award. Since that time, the government use of value analysis techniques has had its ups and downs, fortunately more of the ups, but always dependent on the vision of current personnel.

In the private sector, value analysis was picked up by GE's competitors without any concern on the part of the parent company. It is good for all industry. Then, of course, foreign concerns got into the act. By 1961 when Miles wrote "Techniques of Value Analysis in Engineering", he had already authored numerous articles on the subject; he and his cohorts had trained company representatives from England, France and Japan. When the second edition of his book came out in 1972 more copies were sold in Japan than in the U.S. In those distant days anything labeled "made in Japan" was automatically considered inferior. No wonder the Japanese were sensitive to their great need to learn to produce high quality goods at competitive costs. History has proved how well they learned.

The first Japanese delegation to

8 this country to study Miles' techniques, arrived soon after the Society of Value Engineers had been formed by Larry, who had long sensed the importance of gathering together a group of dedicated engineering authorities. Starting with about 50 members in 1960, the numbers have now swelled to some 1,500 members, most of whom have been trained in value engineering and all of whom want to spread knowledge of it. "It should be much larger," says its founder, "but not enough is known about it. We're a bunch of technicians, not communicators. Of course, many practice it who are not members of the Society. At General Electric alone, we have trained 10,000."

Although he is now an alert and vigorous 79, Larry does not attend most of the Society's quarterly board meetings, but he always enjoys the annual September gathering that takes place at his home, "Sedgefield" in Royal Oak. The other members would miss it only if they had an unavoidable engagement in Timbuktu, or were combatting a horrendous disease, because Larry's wife, Eleanor, an extraordinarily capable home and kitchen executive, lavishes gourmet meals and overflowing hospitality on the guests. This lady, a widow and successful business woman when she married her husband fifteen years ago, has, with mutual happiness,



At a banquet in Japan held in his honor, Larry is fed with chop sticks.

9 shared every phase of his life since. She insists that wives be included in the Sept. gatherings that she has engineered for 13 years. What a delight for these intellectual couples, after the board members have combed each others' minds for the betterment of all, at day long conferences, to swap stories around the patio fire at twilight, gather at a splendid Eleanor-prepared dinner, or connive to outwit each other at an evening's marathon poker session. Their admiration for their host and hostess was expressed this past Sept. by a handsome plaque, an award for "A value in life: Eleanor and Larry Miles, who by their lives exemplify and contribute to the understanding of

10 value as a living concept." About 25 board members, many wives and occasional international visitors delight in their warm hospitality.

Several prominent Japanese industrialists who have visited the Miles at "Sedgefield" have become fast friends, nevertheless, Larry was surprised and touched last fall by an invitation to visit Japan and bestow an award on the companies or managers of departments who had been most successful in cutting costs without sacrificing quality during the preceding year. This honor was named in perpetuity, not for one of their own country men, but for Lawrence Delos Miles, the father of value analysis in recognition of the enormous contributions he had made to their present day production of quality products.

His eyes sparkle when he describes how he and Eleanor savored the feel of visiting royalty. "They have customs that just melt your heart. For instance, at a beautiful reception with food and drink of all kinds, nobody could come in after us. Everybody was standing, not eating or shipping. Then, as we entered, the host clapped his hands once and the whole group broke into a roar of applause. It took my breath away. At the end of the party nobody could leave before us."

The award presentation was

11 also arranged with Japanese finesse. "It took place on a large stage where Eleanor and I, the seven recipients and other honored guests were seated. An industrial leader introduced each winner, then a beautiful young girl dressed in the traditional kimono, picked up the medal from the table, bowed, gave it to me, bowed to the recipient and I presented it to him. Both Eleanor and I were invited to give speeches. Eleanor likes to add the memory of another evening when they were guests of the Japanese Value Engineering Ass'n. at a 10 course "Japanese dinner", sitting on the floor, eating with chopsticks and served by ex-

12 quisite geisha girls who later danced in native style for the guests.

All of this took place last November, but this trip — Larry's third to Japan — was preceded by many other unforgettable visits to foreign countries, including one to Germany where the German Engineering Ass'n. presented Larry with its most important award, the medal of honor on which is inscribed, "Thank you, Mr. Miles for this great gift you have given the world of industry."

Invitations to speak continue to pour in from Canada, India, Mexico, South Africa, Scandinavia, but he accepts only a few. Since it is well understood that he and Eleanor, the devoted team of Miles and Miles are

13 never separated, the two of them did journey to Brazil last spring to take part in a value analysis program. At the end of the session, a telegram of thanks expressed the group's sentiment: "We have not only learned a lot about value analysis but also about human relations, because our people are unanimous to say that you both are an example to follow, as you are the nicest couple they have met."

But not all of the voluminous mail that comes to Larry at his retirement Shangri La on Maxmore Creek, has to do with exotic excursions. He receives and publishes information about

14 value analysis achievements throughout his own land as well. He happily points out that there is now a U.S. law requiring that a value analysis study must be made of the accepted bid for very large government expenditures. Only recently he was sent information about an enormous dam building project near Walla Walla, Washington, for which a bid of \$24,000,000 requiring three years of work was secured, but a team of value analysis engineers studied the specifications in minute detail and finally "made a quantum forward jump in the art of dam construction by building it for \$14,000,000 in 20 months time instead of three years.

15 Thus Larry Miles, who in his youth stirred his finger in the vortex of big industry, has experienced the enormous satisfaction of seeing his efforts develop into a self-perpetuating tidal wave that has benefited producers and consumers the world over.

