

→

Larry

Thank you
Roy

the VALVE NO. 1

83-1

A thought for your purchasing article
- its not a new idea - but still
useful - and not used enough.

Example :

Question : Can you roll a 3" diam thread

One Approach - Try to find a supplier who can
- use Thomas Register etc.

A better Approach - Call the company who ^{makes} ~~makes~~
the equipment - and find out -
if affirmative - asked who has one
of their machines. They can give you
the supplier nearest you -

In the above example - Call Reed Rolled Thread - ^{makes} ~~makes~~
- I've used this approach 1000's of times. ^{rolling} ~~rolling~~ ^{edge} ~~edge~~

Similar thing happened this ^{morning} - but with a twist
We were working on a break pedal (like on
your car) - but made in house. We said
how would an automotive company do it.
(over)

Sept 30, 1978

Dear Larry

Enclosed is the story you requested about reducing the scrap - and hence the cost of magnetic steel in an alternator on the Boeing 747.

Also I put in another note about using the manufacturer of equipment to answer the question "Can something be done ---" and then locating a supplier to do it through the company that makes the machinery to do it.

Hope it's useful!

Also thanks to you & Eleanor for all your hospitality - and just the opportunity to get together again. It was just great!!

Best wishes to you both
As Ever

Roy

Also - almost forgot

Commentary by Howard K. Sull ABC news.

Aug 30, 1978 - Thought you'd find it interesting

investigation showed that the high scrap was caused by the non-uniform thickness of the sheet being rolled from a small billet. That is, the ends & edges had to be cut off resulting in a very high scrap in order to get a useable uniform thickness.

Both steel mills were contacted ^{again} thru normal channels and both indicated even with larger volumes, a significantly better price would not be forthcoming.

The outside consultant ~~is~~ conducting the seminar, recognizing the potential increased usage of the material in all commercial aircraft (as well as military) if the cost could be reduced (really if the scrap could be reduced) told the team that he would call a personal acquaintance (a vice president in each company) and explain the situation and attempt to arrive at a better solution.

The Vice President of one company was called but he felt it was a production problem and not his responsibility. The Vice President in the second company was called. He recognized the potential, thanked the consultant for calling, and was a special trip to the steel plant location in another city. He reviewed the situation with plant and immediately obtained agreement to increase the lot size by a factor of 10, but still at the same price per sq. ft.

The Boeing Co., after considerable success with the application of Value Analysis to various commercial, military and space projects, decided to provide Value training to their major suppliers of components for the 747, which was soon to be released for full scale production. They invited their suppliers to send teams to Value Seminars conducted at various locations throughout the U.S. The supplier teams brought projects which were the products they were supplying for the 747. The only obligation the suppliers had to Boeing was to requote after they had time to review the proposals that were developed in the seminar.

One of the companies invited to participate made an alternator that required a very special magnetic steel that had been developed by two different steel companies especially for this application. Up to this point, it had only been made in small lots for prototype and limited production quantities. When the Boeing supplier requested quotes in larger quantities, essentially the same price per pound had been quoted, a price which did not seem out of line for this material.

During the seminar, the team found that this material was contributing to an excessive cost because of very high scrap. A further

Howard K. Smith

COMMENTARY
ABC EVENING NEWS
WEDNESDAY - AUGUST 30, 1978

Everybody else has explained our growing trade deficit and collapsing dollar. Now I shall try, chronologically.

At World War II's end, we had the only intact economy. More, our industry had improved drastically due to war production.

Destroyed nations scrambled for dollars, to buy from the only source, and as reserves, good as gold, for their own currencies.

Cold War rearmament produced spinoffs of new, needed goods. The intense Space race produced more spinoffs. The world scrambled for more dollars to buy them.

Lately two things happened. The world rebuilt itself with the most modern machinery, able to out-compete us. And we grew lax, invested less in plant, became easier to out-compete.

That sea of dollars in the world were less needed and began to fall in value. And as we bought more and sold less, the trade gap opened.

A stunning example, we used to sell Japan finished machinery. Now nine out of ten of our exports to Japan are raw goods, coal, lumber, soybeans. All ten main things Japan sells us are finished goods, autos, television sets, motorcycles. We have become the underdeveloped country, Japan the developed one.

Clearly, the trade deficit and the falling dollar are due to our declining innovation. Clearly the solution is, we've got to sacrifice to invest more in renovating our economy, and work harder to become competitive once more.

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