

# General Electric NEWS

EVENDALE PLANT  
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## \$130 Million Defense Cost Savings Are Achieved In GE Since 1958

### Company Works With Military Services To Achieve Better Values; B-58 Powerplant Record Cited

U. S. defense funds conserved through cost-reductions on General Electric military products since 1958 exceed the \$130 million mark, the Company announced today.

As examples of the Company's joint economizing efforts with the military services, Vice President and Group Executive C. W. LaPierre cited:

- A 43 per cent slash in the production costs of the B-58 jet bomber powerplant, the Evendale-built J79 turbojet, with a further 7 per cent reduction expected this year. Total reductions will reach almost \$20 million.
- An \$8.7 million reduction in the production costs of constant speed transmissions and jet engine fuel controls for Navy and USAF aircraft.
- A \$3 million slash in the cost of armament and flight control equipment for the USAF F-105 fighter-bomber through use of General Electric-originated techniques of value analysis or value engineering.



C. W. LaPierre

Money saved . . . to buy "more work"

In one department of the Company, \$2.6 million was trimmed in the first six months of 1960 and almost half of this was made up of cost-saving innovations worth less than \$1,000 each. Documented reductions of \$17.7 million in another department resulted from some 2500 employee ideas.

Prime methods of achieving these economies, Mr. LaPierre said, were production contracts reducing unit costs of equipment, Company task forces studying all aspects of defense product costs, increasing use of automation in purchasing, manufacturing and accounting, help to subcontractors and small businesses in making similar cost reductions, increased

business, employee suggestions, and techniques of value analysis.

The economy in transporting ICBM/IRBM re-entry vehicles stemmed from development of a single multi-purpose trailer. It does the job faster and more safely than the two specialized vehicles previously required.

In addition to trimming \$3 million from the cost of equipment for the F-105 aircraft, Value Analysis techniques squeezed \$767,000 from the cost of a tracker serving as part of the ground guidance equipment for the Atlas missile. The techniques—originated by General Electric more than 10 years ago—produced a host of other savings through the scientific elimination of cost factors which do not contribute directly to the function of a product.

Mr. LaPierre said Company cost reduction task force analyze every aspect of a product's design, manufacture, distribution or delivery.

Awards—as high as \$7500 have been given to individuals for cost-cutting suggestions under a long-standing program.

Other examples cited by the General Electric Group Executive as part of the Company's \$130 million cost reductions on military equipment include:

- A 20 per cent drop in one year in the cost of the T58 turboshaft engine powering military helicopters, with a bonus of increasing engine performance.
- A reduction of \$1.3 million in Atlas guidance system costs by the use of electronic

## Savings

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ronic tubes by almost 300 cent.

• \$418,000 trimmed from clear equipment costs through methods of scouring radios "grime" from contact equipment.

• \$1.1 million cut from the laris Fire Control Program result of extensive use of analysis.

• \$2.4 million reduction in prices of transistors used in Minuteman missile guidance systems and other military electronic systems during 1960.

MR LAPIERRE WAS A GENERAL ELECTRIC CO VICE PRESIDENT