

DEFINITIONS

In this realistic framework, the established definitions of Value Analysis, Producibility, and Value Control will be more communicative.

Value Analysis

An arrangement of techniques which makes clear the functions the user wants from a product, service or organization; establishes the appropriate cost for each function; then causes the required knowledge and creativity to be used to provide each function for that cost.

Producibility

The introduction of manufacturing process information early in the product design cycle so that it can be produced at optimum manufacturing cost. (within normal organization channels)

Value Control

A system of defining, structuring, evaluating and measuring product functions. Focuses on integrating the various capabilities of the enterprise, to assure achievement of product cost objectives, based upon business goals.

A system for establishing and maintaining product value.

Conclusion

September 19, 1962

Mr. H. B. Miller

The Value Control System provides a first step in assuring appropriate cost to management by developing a plan which shows the over-all actions required, the specific actions required to accomplish the over-all, the period during which they must be accomplished and the standards to continuously measure the acceptability of the resulting work.

The second step is the use of good "do-it" techniques of conceptual engineering, design engineering, producibility, manufacturing tooling, manufacturing operation, purchasing and similar to produce the necessary results in the period allotted.

The Value Control System then provides the third important step which consists of monitoring and measuring results against suitable standards and suitable time schedules so that...

- (1) Increased resources can be concentrated on any lagging area to assure total acceptable accomplishment in the allotted time; and
- (2) As appropriate results are achieved in each area, resources can at once be transferred to other products to achieve or restore profitability on them.

L. D. Miles

Manager - Value Service

LDM:AEM

CC: C. W. Bryant

W. W. Beardslee