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POWDERS MANAGER

To: MR. C. HUGHES  
- VALUE ANALYSIS MGR. KINGSTON

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VALUE ANALYSIS

- A. Major points to note from the exercise :-
- the group worked well and achieved good results because :-
    - \* the main functions involved in the decision making process were represented and forced into a committed team.
    - \* the group had the authority and backing from the Board.
    - \* the group had the necessary detailed knowledge and resources to ensure the quality of decisions was high.
  - the exercise exposed weaknesses in the IBL decision making process :-
    - \* the success should have been achieved earlier and through the normal day to day processes without a special one off effort.
    - \* the main problems appear to be the difficulties of managing across function boundaries and too much detailed analysis at senior level.
  - little progress was made in the buying, engineering and distribution areas. It is significant that these functions were not represented in the group; the problem was not a lack of co-operation but was probably a natural lack of commitment and enthusiasm for other peoples objectives.
  - the group was not helped by the lack of proximity of the Head Office and Factory locations.
  - less frequent and longer meetings would have been an advantage.
  - a mechanism for pursuing the initiatives after the group disbands will be necessary. Highlighting again the inability of the existing organisation to cope!

- B. Major speculative opportunities discussed which should be reported but did not result in specific projects :-
- reduced complexity through further site, organisation and product/pack rationalisation.
  - increased use of subcontracting particularly in the context of uncertainty and in areas which are not our core expertise.
  - increased buying efficiency through both the threat of own manufacture and acceptance of greater interdependency.
  - distribution savings in packing materials and handling/storage anticipating the changing distribution pattern.
  - product concentration.



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