

[<< Return to Main Page](#) | [Print](#)

From the pages of Purchasing Magazine Online

Why value analysis matters

Douglas A. Smock, Editor-in-Chief -- 10/4/2001

We talk a lot at Purchasing Magazine about the importance of buying and how much it can contribute to corporate performance. In the past two years, we've particularly spent a lot of time talking about the Internet. The Internet is certainly a big opportunity, but I think many companies are missing a bet by not putting far more emphasis on value analysis, also called value engineering.

VA is an old saw—the subject of special issues of Purchasing going back decades. We define value analysis as the thorough ADVERTISEMENT review of how to most effectively make a product. It's impossible for any one company, or one internal engineering department, to stay on top of new technology and best design and manufacturing practices. To me, VA is at the heart of how a quality purchasing organization operates. The best VA ideas are what you don't know. The experts are the suppliers. The role of the purchasing department is to scout the technology and make sure it gets a fair hearing in new product design.

We revive the tradition in this issue with a VA Guide to Molding. Our cover story on Buell Motorcycles is a textbook case of good purchasing practice. That's not surprising because Buell is part of Harley-Davidson, which won our Medal of Excellence last year for their outstanding work in product development.

Buell operates two purchasing groups: an engineering group is an integral part of design, and an operations group takes over buying once a project moves into production. I met with eight members of the Buell product development team and it was hard to tell who was in purchasing, who was in analysis and who was in design. But they each understood their roles perfectly and worked like a team.

The result was a breakthrough application for a leading-edge technology called Thixomolding. Turn to page 27 for details.

The second article in our VA Guide to Molding points out problems still remaining in implementation of VA programs. Designers and manufacturers of molds complain that few buyers make the effort to understand how much value can be added by carefully planned and crafted tools. There's some truth to the mold builders' view, but there's plenty of room for improvement on their side as well. They make little effort to understand why a leveraged, strategic purchasing approach adds tremendous value across the enterprise. As a result, they are leading practitioners of back-door selling. OEMs will benefit from better communications and trust between moldmakers and buyers.

Send me ideas for other VA stories at dsmock@cahners.com.

[<< Return to Main Page](#) | [Print](#)

© 2007, Reed Business Information, a division of Reed Elsevier Inc. All Rights Reserved.