



Miles Value Foundation

Bruce Lenzer, President

2015 - 2016 Annual Report

Note from the President

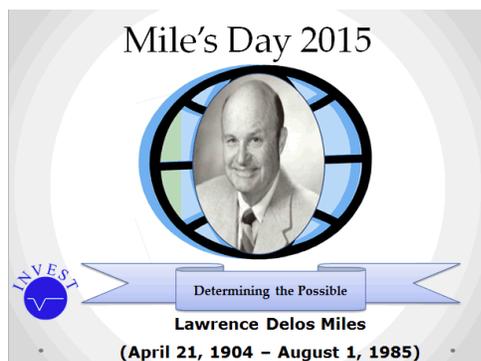
I am pleased to publish this report surrounding the many contributions and advances that the Lawrence D. Miles Value Foundation has completed or worked on this year. As a team of volunteers, we contribute numerous hours and personal resources for the advancement of the value methodology.

Many thanks to Don Parker, who served on the foundation over 30 years since its inception in 1977 culminated in serving as the Foundation President until 2015. Don, Hal Tufty, Larry Miles and others formulated the foundation in mid-late 70's. The foundation named after Lawrence (Larry) D. Miles was officially recognized by the IRS in 1985. Don served as Chairman of the Foundation from 1977 – 1986 and President from 2003 – 2015. Don's contributions of time, personal resources, and many donations have been invaluable to the causes of advocating, innovating, and educating the practices of the Value Methodology profession. Don agreed to continue serving on the Foundation as a Director to help wherever possible, and to transition his role to the current Foundation leadership.

Under the leadership of Dr. Stephen J. Kirk the development of the new Function Guide has consumed most of our volunteer hours the past year. The guide is complete and now published. The foundation publically acknowledges our collective appreciation for the many hours Dr. Kirk and those of us who were part of authorship team.

The board appreciates Jay Mandelbaum for his continued efforts to keep our web site current. Mary Hart continued to lead efforts to get our other E-Books published. The E-Book initiative is the best contemporary method to get excellent VE books into the global marketplace.

Tribute to Larry Miles – Larry Miles Legacy



April 21st is great day today for all of us. It is the Birthday of the Father of Value Methodology.

This year is the 31st year since his passing. Jim Rains, Past-Chairman of the Foundation, took on a leadership role to video record remembrances of Larry for those of us who were fortunate to know him. The Foundation appreciates Jim's help to bring about this collection of memories. This project is complete and will be rolled out at the 2016 SAVE International Conference.

Miles Value Foundation “Innovation Forum – Using FAST for Innovative Ideas”

Our MVF and innovation forums during the 2015 SAVE International Conference focused on presentation and discussion of “FAST Diagramming for Innovative Ideas.” It is part of the continuing series of new, innovative techniques and approaches within the value methodology (Value Enhancing Methods) framework. It is consistent with what Larry Miles encouraged in the expansion of VE.

This forum was about FAST diagramming and its use in discovering innovative ideas. The Forum included presentations of FAST diagram examples in projects, products, and processes, and stimulated discussion on the diagrams, but more importantly how they lead to innovative ideas. Participating in the Forums was:

*Moderator: Dr. Stephen J. Kirk, FAIA, FSAVE, CVS-Life, LEED AP
Jim Bolton, CVS-Life, FSAVE, PE, Director of MVF, Executive Director of SAVE International
Richard Harrington, CVS-Life, PE, Director, MVF
Muthiah Kasi, CVS-Life, FSAVE, PE, ASTM, Member of Certification Board
Stephen Kirk, CVS-Life, FSAVE, FAIA, PhD, VP of Education MVF, VP of Education SAVE
Bruce Lenzer, CVS-Life, FSAVE, CQM/OE, CLA, CAQMSA, President, MVF
Jim Rains, CVS-Life, FSAVE, Chairman of MVF
Rob Stewart, CVS-Life, FSAVE, Director MVF, VP of Communications SAVE*

During the 2016 SAVE International conference/summit, there will be two main events to introduce the new Function Analysis Guide as follows:

Sunday, 13:00 – 17:00, June 5, 2016: Function Analysis Guide, moderated by Dr. Stephen J. Kirk

- Introduce the new Functional Analysis guide
- Present an overview of Function Analysis

Tuesday, 13:00 – 15:00 MVF Forum, moderated by Dr. Stephen J. Kirk

- Lawrence D. Miles Legacy Video, Presented by Jim Rains
- VE Development Through Universities, SAVE, and Industry, Dr. Celestine Aguwa
- Function Analysis Overview & Basics, Kirk, Lenzer, Stewart
- FAST Examples, Harrington & Rains

MVF 2016 Papers of the Year & Scholarships

61 Papers submitted for the 2016 conference were reviewed by Don Parker and Dr. Stephen Kirk. The winning paper was “Intake Manifold in Automotive Engines,” by P. Arjunraj. Mr. Arjunraj is hereby awarded the MVF Paper of the Year award in the amount of \$250.00. Papers were reviewed in the context of function analysis and overall value improvement.

The MVF also awarded a \$250.00 Scholarship to a winning VE team at Arizona State University. This was result of a project a group of students undertook during a VE course taught by Dr. Stephen J. Kirk, MVF Director of Education.

MVF Web Site

The Lawrence D. Miles Value Foundation (MVF) is all about advancing the value methodology by implementing initiatives to innovate, educate, and advocate. Its website is designed around these overarching tenets and has been updated throughout the year to reflect these tenets. However, one of the Directors has indicated we need to do more to manage the site such as:

- Consider assigning responsible board members to maintain and update various parts of the site.
- Fix the issue with Books offered by the MVF or SAVE which are no longer stocked.
 - How does someone buy books or resources we now offer but don't have a way to fulfill an order? Etc.
- Consider a credit card and Paypal mechanism to take charitable contributions or sell our products.

The Board will be addressing these needs during the next business year 2016 – 2017. The foundation has an opportunity to secure more donations and revenues if the Foundation can improve Website functionality to accept credit cards and Paypal for royalties related to book sales in hard cover, print on demand, and e-book.

MVF Launches E-books

SAVE International has gone out of the business of stocking and distributing VE books to its members and the public in general. Over the years the Foundation is the owner through gifts and inheritance of copyright to 5 classic books on VE that are no longer sold by the SAVE business office once the stock runs out.

Mary Hart completed the effort to establish an E-book program for the Foundation to continue the availability of its books. In 2014-2015 Convertabook was engaged to convert the copyright of our first book, the *Techniques of Value Analysis and Engineering*, 3rd Edition by Larry Miles, to digital book form to be readable on Kindle, as well as sold on a POD (print on demand) basis. This was successfully completed.

Our remaining 4 books were converted. These are: *Value Analysis* by Carlos Fallon, *VE Theory* by Donald Parker, *Value Engineering Theory & Practice in Industry* by Thomas King, and *The Complete Total Competitiveness Theory* by Dirceu Maramaldo.

The link to all Foundation publications is provided on our website under the Educate/Resources tab but you should also be able to find them through Amazon.com. The Foundation will embark on efforts to make sure the Website and links are working effectively and which are more user friendly or intuitive. We may need some assistance from a Web programming expert.

The board wishes to thank Mary Hart for her service on the Foundation and her success in setting up the mechanism now used through Convertabook, Print on Demand. Mary retired from the Defense Logistics Agency and will not be accepting a nomination to continue serving on the foundation as Director. The Foundation appreciates Mary's contributions and wishes her well in her retirement.

SAVE/MVF Function Analysis Guide

A MVF joint effort with SAVE developed the new Function Analysis guide being launched at the 2016 Niagara Falls SAVE International conference/summit. The intent of this new book is prepare clear guidance on the process & application of function analysis/ FAST for those that are new to value analysis as well as current practitioners. It will also assist those that are preparing to become certified by SAVE. Participants included: James Bolton, Richard Harrington, Stephen Kirk, Bruce Lenzer, James Rains, and Robert Stewart. Sara Lenzer supported the copy editing. Steve Kirk served as the project manager and liaison with SAVE International. The board wishes to express appreciation to SAVE International for funding \$8K to cover expenses to publish the guide. The foundation will split proceeds 50-50.

Kirk's education survey of the MVF BOD, SAVE BOD, the SAVE Certification Board, and general membership of SAVE identified Function Analysis & FAST as the number one area in need of improved educational guidance. This topic is also a core competency in need of educational improvement as expressed by the SAVE Certification Board. Currently SAVE has various documents such as monographs on the SAVE web site, VE books, papers, etc. concerning the topic. They are not consistent and cause confusion. A number of seasoned practitioners are not performing function analysis at an acceptable level according to the SAVE Certification Board. Those that take the certification exam have the most difficulty with this topic.

This Guide is now part of our SAVE Body of Knowledge along with our Value Methodology Guide. The document contains the basics of function analysis and FAST and includes a number of examples of FAST diagrams for projects, products, and processes.

SAVE/MVF Facilitation for Value Practitioners Guide

Following completion of the Functional Analysis Guide, another new Value Enhancing Method (VEM), Facilitation Guide for VM Practitioners project, was launched by Bruce Lenzer, MVF President. Steve Kirk confirmed this was the next significant core competency needed. Lenzer recruited and proposed a team consisting of Ginger Adams, Richard Harrington, and himself to produce the guide. Ginger Adams was nominated for an open director position in 2015. She was voted in unanimously. There was a request by the Certification Board and SAVE International to include a member from the Certification Board as part of this team. In addition, a couple of other volunteers also came forward to help. Ginger Adams will serve as the Project Manager and Chairperson for this guide project. The team also selected Randy Barber, from the Certification Board, to be a part of the team. Drew Algase, an additional volunteer, was also selected to serve as a team member. In summary, the project team consists of the following:

- 1.) Ginger Adams, Project Manager and Chair
- 2.) Drew Algase
- 3.) Randy Barber
- 4.) Richard Harrington
- 5.) Bruce Lenzer

Sara Lenzer will be supporting the team as scribe and copy editor for the project as she did for the Function Analysis Guide.

The “Function iTool”

The Function iTool access is now open for editing or changing on our website. This part of the site had been down for the past two years prior to the SAVE International 2015 Conference. This was corrected in May 2015 so we were able to make function definitions consistent with those created for the first draft of the new Function Analysis Guide. We continue to welcome your use of the iTool during any value study and ask for your feedback if there remains a need to change anything or add new items.

MVF Paper of the Year For Function Inspired Change

Judges Don Parker and Dr. Stephen J. Kirk evaluated all 61 papers to be presented at the 2016 SAVE Conference in Niagara Falls, Canada. The criteria and weighting of importance is as follows:

- Function Analysis, 20%
- FAST, 20%
- Function Ideas, 25%
- Creativity, 15%
- Change Identified, 10%
- Magnitude of Savings, 10%

Each evaluator independently scored the papers based on this criteria and weighting. The award winner P. Arjunraj will be recognized at the Awards Banquet at the 2016 SAVE Conference.

VM Executive Brochure or Pamphlet for Government

Several years ago, based on the anticipated final OMB circular-A131 revision, Michael Holt committed to create an Executive Brochure targeted for Government. Lenzer committed to help. Holt composed a draft. The draft was more what Michael termed a pamphlet. Due to the work on the Function Analysis Guide not much was accomplished in 2015. However, during early 2016, work commenced again. When sharing the work with Don Parker, he felt we needed something more concise. Therefore, Don graciously drafted a draft brochure that can be considered as an initial leave behind when meeting with government agency managers. A strategy to include a pamphlet or compendium of short stories is also a consideration. Holt’s recent draft can be considered or we can discuss how we can take what Holt has authored and publish it. Work will continue on this project through the remainder of 2016. Since Holt left the board, Algase and Parker, along with Lenzer, are helping with this task

VM “Cost-Function Analysis” Film Re-production:

This was 1 of three old films that the Foundation decided was worth transferring to 21 century media. In late 2014, it was converted using Costco services, but the company performing the conversion through Costco was unable to copy the sound track. Therefore, the film was handed over to Michael Holt who contacted Mr. Brian Smelter with FLICKO’s who is shipping it to their studio in Georgia that has equipment to extract the sound track. The cost to transfer is between \$180.00 to \$200.00. Lenzer did not request reimbursement of \$146.00 for the Costco media transfer as the film on DVD is useless without the sound track. This should task to be completed by the next board meeting.

MVF Exhibit

The Board is now using an exhibit table cover rather than a full display. This replaces the display that was lost in shipping several years ago. We used the new table cover at the 2015 Value Summit in San Diego. We will have an Exhibit at this year's 2016 conference.

MVF Annual Financial Report

The Foundation finance report is as follows:

Current bank balance of: \$ \$22,842.37.

- **Donors:** 1 donors (donor member)
- Based on last year's donations, we probably have \$400 due thru SAVE Membership for 2016
- We have not received any donations thru SAVE since Karen left.
 - Jim Vickers and Mary Ann spoke with them about this three months ago, but Jim has yet to receive anything.
- Our board, which usually contributes, is behind.

Accounts Receivable: \$ 100.00

Fidelity Investments: \$ \$45,424.00

Book Inventory: \$ 4,000.00

- Held by SAVE for sale

TOTAL MVF ASSESTS: \$ 72,366.37

The most notable financial item is that we finally received a large payment from Goal QPC. They paid \$370.33 two weeks ago to cover the first quarter and end of last

Patron members (\$1,000 and greater)

Sustaining members (\$500 - \$999)

Contributing members (\$50-\$99)

Donor members (\$100 - \$499)

Citizen members (\$25-\$49)

- Bruce & Sara Lenzer
 - Note: Lenzers pledge a \$500.00 donation this summer.

Thank you to all who have contributed their time and financial resources to make the work of the Miles Value Foundation a success.