



Is Utility What We Really Mean When We Say Value?

Perhaps you'll agree that increased utility is what we really mean when we say "added value."

Value, especially added value, seems to me to be a crutch to prop up lazy thinking where it is easier to broadly categorize the benefits as "added value," rather than actually list and describe them. But in many cases, I ask, "Are there really any benefits to be had?"

The phrase "added value" is overused, overly broad, ambiguous, subjective and in many cases, invisible or opaque to all but the seller. Rather than describe the benefits to be received by the prospective customer, the ambiguity of the phrase "added value" provides a "packet of supposed benefits" without actually specifying them.

Vagueness is a feature not a bug when a seller uses the phrase added value, or value add. It is marketing speak for "trust me."

At best, if the benefits of the product or service are actually known and enumerable, added value can become shorthand for those benefits. For example, the phrase "cold-drawn steel bars the value-added steel," does not really specify the benefits of the cold-drawing process such as free of abrasive oxide scale, smooth, polished cold drawn surface, tighter dimensional tolerance and concentricity, improved mechanical properties (higher tensile and yield strength) and improved straightness. Together, this listing of features does encompass a significant number of "value adds" to the user if they "value" freedom from abrasive oxide, a smooth surface, tighter dimensions, concentricity and so on.

So, value add can be a useful shorthand descriptor, as long as both parties are aware of the list of "values" being shared.

But when one uses value add as the reason to purchase, rather than specifying any true features or attributes that are beneficial to the purchaser, value add adds no value. Instead, it clouds the decision with a smokescreen of vagueness or ambiguity that hides or prevents those attributes from being considered.

Value is itself a term fraught with peril, as the word stands at the conjunction of two opposed points of view. The buyer's point of view is that this value is worth having,

while at that exact same price point, the seller is saying, "I no longer want to have this." They agree on the value — but are of opposite opinions of worth — whether that value means that they should sell or buy.

Instead of added value, I have committed

to using the phrase "added utility" in my work. The concept of utility is underutilized in the business writing and communications that I encounter. Utility is easy to see — the usefulness of the feature or benefit is instantly apparent to the purchaser — if they are savvy enough to know that they do not want their machine sumps filled with hard abrasive oxide scale, nor the excessive tool wear and expense from trying to cut through such a layer on parts for precision machining. As a concept, utility is objective,




measurable and provides a clear reason for selection — not a vague homily to “goodness.” Rather, utility is a clear exposition of the usefulness and benefits to the buyer, should they choose to purchase the product or service.

Added value has become too easy a phrase to say in our commercial work, rather than doing the essential work of describing features and benefits. It is a Skinnerian conditioning prompt just to receive the dutiful nods of agreement. Added value is vague and is either a shortcut or smokescreen to reduce the work of the one using it to bolster their claim.

Added utility starts on the presumption of increased usefulness to the purchaser, and clearly states what useful attributes and benefits are available to benefit the buyer.

Our precision machining shops “add value” to bar stock, castings or forgings. So what? Or do they?

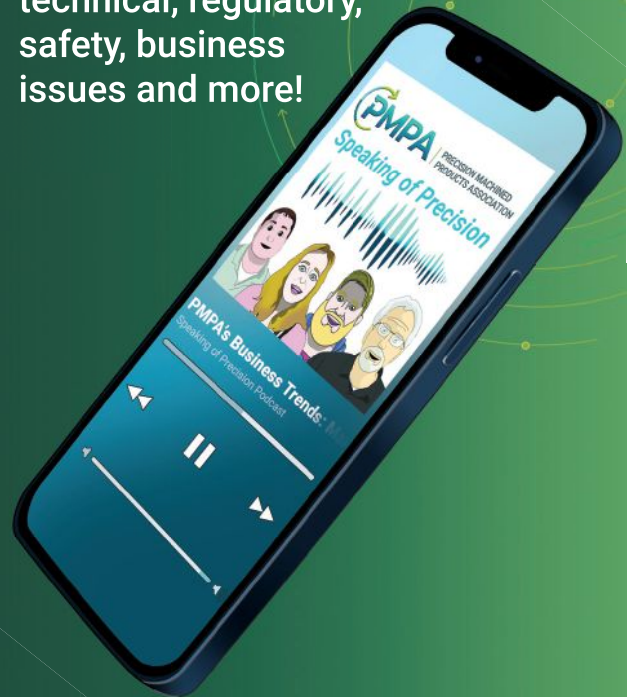
What our customers really seek is functionality. And by removing the waste — the excess material in the workpiece that is not needed for a component to function — our shops increase the utility of the material, enabling it to provide the customer with that needed functionality. Precision. Properties. Quality. Ensuring that their human safety critical device functions. Is that added value? Perhaps. Is it increased utility? You bet it is! Increased utility is quite easy to see. No vagueness in increased utility. Added value? Not so much. Think about it. How does removing 40-50% or more of the material (which we paid for) by machining it into chips add value? My answer is...by adding utility. Please join me in my quest for clarity and less ambiguity. Let added value stay in vagueness where it belongs. Added utility — that is what I will be sharing. 

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