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#### Webcast

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# Value Stream Mapping

This webcast deals with how to select the right value streams and processes as "managed processes" – how to align value stream mapping to your goals and priorities, and how Value Stream Mapping can help you set priorities and schedule Kaizen events. The duration is 1 hour.

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# Webcast Objectives

- What is a value stream?
- What is a managed process?
- How do I select the right value streams?
- How do I use value streams to set the right improvement priorities?
- How do I align resources to managed processes?

### **Definitions**

**Process** – A series of steps to produce an intended output. A process may be part of the Value Stream for a product/service or a business process necessary to run the business and help employees and departments do their jobs.

**Value Stream** – All the processes required to produce a product or service of value to a customer. The term value stream applies to product families or individual products or services. The value stream includes the flow of materials in production as well as information flow. The customers of a value stream could be internal or external.

## **Definitions**

**Managed Process** – A process selected by senior management for improvement. This process might be selected during strategic planning or other coordinated leadership activities. Managed Processes have a process owner, master trainer, and SME assigned to improve the process. Managed Processes have a team assigned for Kaizen, Six Sigma, or other Process Maturity improvement activities as appropriate.

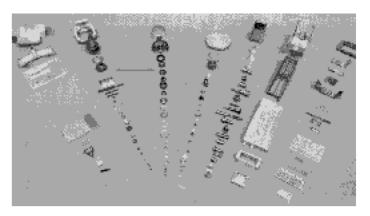
**Value Stream Map** - A tool used to develop a clear view of how a process is performing. Using a value stream map and associated tools enables a group of people who work in the process to agree on how things are done today ("current state") and how things could be done in the future ("future state"). The value stream map identifies specific processes and typically documents things like wait time, cycle time, lead time, actual work time, travel time, and more.



# Groups

- Part Numbers
- Families
- Groups





## **How to Select the Right Value Streams**

- Complete your annual improvement plan
- Use the goals and targets to select the most important value streams
- Align improvement priorities to your goals
- Select "Managed Processes"
- Align resources to your goals

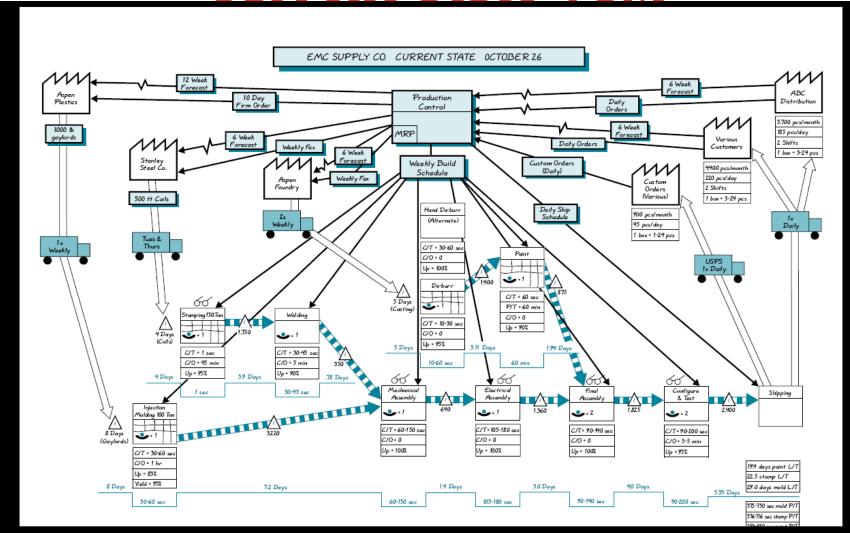
### **Value Stream Selection Matrix**

Your Goals	Value Stream #1	Value Stream #2	Value Stream #3	Value Stream #4	
Improve Lead Time	5	4	3	2	
Improve On-Time Delivery	5	3	2	4	
Improve Quality	2	4	1	1	
Total	12	11	6	7	

5 is high impact on the goal; 1 is low impact - highest total is the value stream that has the most overall impact on the goals



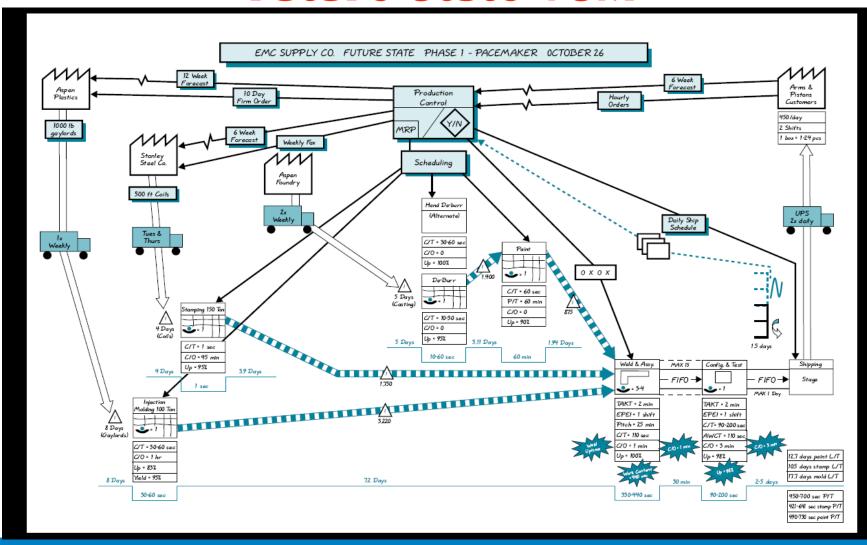
#### **Current State VSM**







#### **Future State VSM**







# Align Resources to Managed Processes

Value Stream	Managed Process #1	Managed Process #2	Managed Process #3	Managed Process #4	Managed Process #5
Measurable Objective	Improve setup from 2 hours to < 20 minutes	Improve delivery to 100% on- schedule	Improve quality to less than 200 PPM	Reduce lead time from 10 days to <1 day	Improve delivery to 100% on- schedule
Process Owner	Jim	Bart	Carol	Kim	Jeff
Master Trainer	Betty	Bill	Dave	Lance	Suze
SME	John	Janie	Carl	Sean	Joe





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## **Problems of VSM**

#### The Problem of Over-hype

Authors and consultants claim unrealistic benefits and applications for VSM. At the same time, customers and managers tend to look for the "silver bullet." This situation sets up unrealistic expectations and diverts attention from important aspects of complex problems. As with the "miracle garden tools" advertised on television, beware of anything that promises to solve all your problems. It takes more than a claw hammer to build a house. One needs a saw, level, tape measure and many other tools.

#### Non-Technical Aspects of Lean Value

VSM is a technical tool that examines the physical system, processes and interconnections. Equally important for Lean Manufacturing success is the people side. Factories are complex socio-technical systems that require an integrated approach. For example, Lean Manufacturing requires leadership and workforce development for motivation, coordination, skill-building, and problem solving. It requires an effective mobilization of the collective intelligence of the organization. There may also be quality issues that the company could address through Six Sigma or TQM techniques. 6S can clean up the plant, improve safety and further raise productivity. VSM addresses none of these directly. This is especially important in manufacturing where many managers have a technical bent and limited awareness of the human issues.





# **Reading List**

- Learning to See Rother, Shook, Womack, Jones
- → Value Stream Mapping for Lean Development - Locher
- → Lean Office Kremer
- → Lean Manufacturing for the Small Shop
  - Conner

## Thank You



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