EPICENTRAL

A Newsletter from Epicenter Development Group
highlighting ideas that improve organizations

Welcome to Epicenter Development Group's newsletter, EPICentral. The purpose of this newsletter is to highlight fundamental ideas that have helped organizations develop and maintain great manufacturing and service operations. We hope that you find our EPICentral newsletter helpful, and we would welcome your comments on its content.

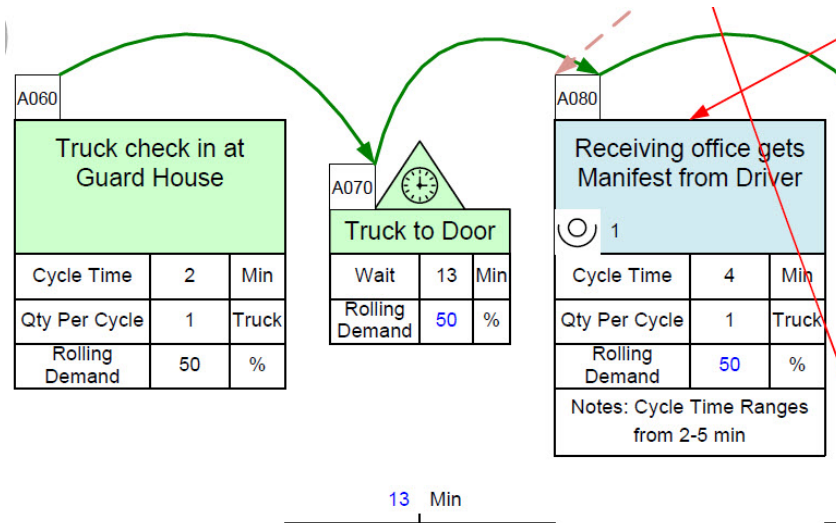## Value-Stream Mapping - A Bird's Eye View on Improvements

At the end of each year, organizations roll up their sleeves and identify operational improvement goals and initiatives for the next twelve months. Often, this is a painful process because the list of potential improvement opportunities is overwhelming compared to the list of available resources to implement improvements. The Value-Stream Mapping tool can help with this process by enabling organizations to focus their energies on the right activities to improve their bottom line.

If you are familiar with the Lean Thinking principles that are now being implemented in most industries around the world, you are most-likely aware that one primary goal of Lean is to focus on the "value stream" of your products or services. The "value stream" is the series of activities that occur from when the customer first places an order to when your "product" is in their hands. Any activity that occurs along this value stream is either "value added" (it has value to your customer) or "non-value added" (it has no value to your customer). By mapping out this stream from start to finish, you can then start to identify waste in your process and opportunities for improvement.

The Value-Stream Mapping Process

- Identify a critical process to study. This would be a key process of your operations that has a significant impact on your customers.

- Gather a group of people who are familiar with the process being studied.

- Educate yourselves on the value-stream mapping process. A great resource is the book, "Learning to See" by Shook.

- Physically walk-through the process and document the Current State of the process. This involves:

  - Identifying all steps of the material, people or information flow:
    - Process time to complete the activity for one order
    - Changeover time to change from one order to the next
    - Labor required
    - Batch size (if applicable)

- Quantifying the work-in-process level and/or delays between each process step.
    - How long does the product or paperwork sit before the next operation works on it?
    - How much work-in-process inventory will sit between operations (1 hour? 1 day? 1 week?)

A060				A070	Truck to Door			A080			
Truck check in at Guard House								Receiving office gets Manifest from Driver			
Cycle Time	2	Min		Wait	13	Min		Cycle Time	4	Min	
Qty Per Cycle	1	Truck		Rolling Demand	50	%		Qty Per Cycle	1	Truck	
Rolling Demand	50	%						Rolling Demand	50	%	
								Notes: Cycle Time Ranges from 2-5 min			

13 Min

Example Map Steps (using eVSM software)

- After the current "state" map is complete, create a one-year vision (Future State) of the process. The goal is to streamline the value-stream flow by eliminating delays and reducing processing times. This could include:

    - Combining adjacent activities
    - Eliminating non-value added activities
    - Reducing changeover times to reduce work-in-process inventory

- Identify specific activities that will be required to migrate from the current state to the future state process. These activities can be grouped into specific Kaizen (team focused) events.

- Finally, implement Kaizen events, monitor progress and make course corrections as necessary.

Considerations:

- The value-stream map does not need to be "pretty". People will sometimes focus on the aesthetics of the map and lose sight that the map is just a tool for identifying waste.

- Use a diverse group to do the mapping. The mapping team could include, for example, people from the production floor, Marketing, Accounting and Shipping.

- Assign a single person to be responsible for the value stream of the process (Value Stream Manager).

- Consider the use of a Spaghetti Flow Diagram to show the physical movement of materials and people in the facility (discussed in a past article).

- Use real data. Don't estimate value, but, rather, walk through the process and use actual data from the process (office or shop floor).

Next Steps

If you would like more information on this topic or other similar types of tools, please contact Bill Proctor with your request at wproctor@epicentergroup.com or 216-702-0952. You can also find previous issues of EPICentral at Newsletters.

Mr. Proctor also speaks on a variety of problem-solving and system design topics that can help companies significantly increase the success and profitability of their businesses. If you are interested in having Bill speak at one of your upcoming meetings/events or would like more information on any of the speaking topics, please visit Speaker Services or you can email sales@epicentergroup.com.

Epicenter Development Group is a unique consulting firm that seamlessly integrates the disciplines of Systems Engineering and Organizational Analysis & Development to create practical design solutions to your toughest challenges. It is on the cutting edge of problem-solving solutions and the creator of a unique process called GreenRoom Engineering. This process adds greater value and cost savings for clients as compared to traditional engineering methods.

William Proctor, Epicenter's founder and president, has provided services around the country to more than 100 companies consisting of a variety of organizations; and Epicenter continues to grow as a resource for firms of all sizes.

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