Value Steam Analysis and Process Improvement in Challenging Times

This pandemic is forcing businesses of all types to re-evaluate the service they provide and the efficiency of their processes. It becomes that much more important to look at how you produce your product, and whether there are opportunities to eliminate waste. Not only does a strong analysis help in the current situation, but it places your business in a better position for the future; for when we re-open the economy and return to something that resembles a normal state. One way to evaluate your current situation in preparation for necessary improvements is to do a Value Stream Analysis.

The value stream is the entire collection of activities necessary to produce and deliver a product or service. Value stream analysis separates those activities that contribute to value creation or "Value Add" activities from activities that are wasteful. Waste falls within two categories. The first category is "Non-Value Add-But-Necessary" waste, such as the requirement to inspect, transportation of product, and movement of personnel. The other type of waste is "Pure Waste", such as returns, defects, repair/rework scrap and waiting. The reasoning behind Value Stream Analysis is to allow an organization to see the workflow, value flow and information required for a specific set of processes linked by a common theme or customer. Once you can see the entire process, you can start to identify the waste and move towards operational excellence.

The first step in a value stream analysis process is to build your Current State Map. The Current State Map shows your process as it currently is and by doing so, reveals the waste or inefficiencies. It shows WHERE it is in the system and how it affects the entire flow. By examining and deeply understanding the Process flow, Product flow and Information flow you can identify Value Add, Non-Value Add-But-Necessary and Pure Waste (or Non-Value Add).

As an example, many healthcare organizations are implementing new processes for Covid-19 testing. A Current State Map of such a process would define each step of the process, all stakeholders and all influences in the process. The process would include the ordering of the test all the way through to the results being given to the patient. Waiting for results is Pure Waste or Non-Value Add.

Once the Current State Map is completed by knowledgeable stakeholders, it is crucial to have all subject matter experts who participate in the process gather to review the Map and discuss what wastes are present and brainstorm the opportunities for improvement. Once the Current State is well understood, the multidisciplinary team creates a map of the Future State. This is a way to envision the way the team wants the process to work in a perfect situation. This is also an opportunity for the organization to redefine how to meet specific objectives concerning cost, service and/or quality. The Future State should directly address the organizations business goals and key performance indicators. In our example above, a key performance indicator would be the turnaround time for the test results.
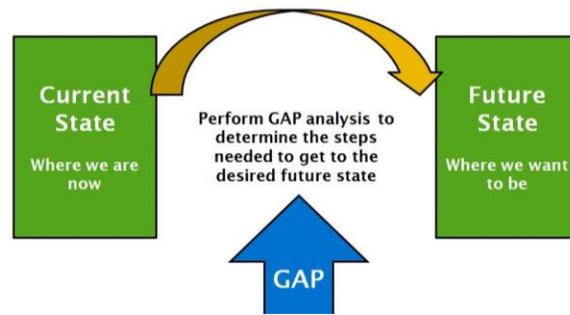
The success of this type of engagement also rests on a valid Implementation Plan that creates a roadmap from the Current State to the Future State. The team that does the analysis of the value stream should use it to identify opportunities for improvement and waste elimination.

This pandemic presents many opportunities for process improvement in not only healthcare, but in the manufacturing and service industries. This is the time to take stock of your business, and how you can improve your value stream. This can be accomplished, even in these challenging times.

OPS specializes in leading organizations through the Value Steam Analysis process by utilizing our facilitator's and coaches' expertise to assist you in building a stronger and more effective business. If you have any questions or need additional information, please contact us at www.opsinc.com or 410-871-0995.

Greg Thomerson
Lean Process Consultant
Operational Performance Solutions