Value stream helps identify problems

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Once an organization has convinced itself of the need to embark on a continuous improvement or Lean journey, a logical first question is, "OK, where do we start?"

A tool called Value Stream Mapping is a common and rational first choice.

A value stream is the series of processes which result in the creation of a product or delivery of a service. Mapping the value stream involves taking a very high level view of those processes.

For example, a restaurant's value stream might include the process steps for seating customers, taking orders, preparing meals, serving meals and collecting payment.

A key requirement for a useful Value Stream Map involves capturing data to objectively describe the situation at each of the major process steps.

• What is the distribution of customer arrivals by time of day?

• What's our safety record in the kitchen?

• How frequently do we screw up an order?

• What do customer surveys reveal about the quality of meals provided?

• How many workers are assigned to each process step?

• What is the turnover rate among the wait staff?

Also key is the ability to record the amount of backlog in front of each step, both in terms of the quantity and wait time.

• How many patrons are waiting to be seated? For how long?

• How many orders are in the kitchen?

• What's the time from receipt of an order until it's ready to be delivered?

Finally, lines are drawn to show how information flows across the value stream. Specific issues associated with the various communication paths are noted.

• How are orders communicated from the wait staff to the kitchen?

• What software is used for calculating bills?

The first step associated with Value Stream Mapping is to create the Current State Map, the 10,000-foot view of what the value stream looks like today.

Next, participants identify what they want the value stream to look like in 12-18 months. This is called the Future State Map. It's important to note that we don't have to know exactly how we're going to get to the Future State, only that we believe we can attain it within the next year or so.

For immature value streams, perhaps those associated with a new manufactured product, this could involve a dramatic reduction in the number of process steps by combining processes.

For mature value streams, such as our restaurant example, it likely involves identifying new targets for those numbers that indicate problems.

The final step is to create the Implementation Plan. This is the plan for moving from the Current State to the Future State. What series of projects, problem solving activities and rapid improvement events are required? Who will be responsible for each and what is the rough schedule for completing them?

Value Stream Mapping is a useful tool because it forces us to look at optimizing globally across all of the processes associated with a product or service. Often, "improvements" made in one area cause more problems to prior or subsequent processes.

Since there always is a shortage of problem solvers and project managers, Implementation Plans allow organizations to more strategically allocate these critical resources. Projects and problems are assigned based on well-thought-out plans rather than knee-jerk reactions to today's hot issue.

Once the Future State is mapped, it creates a shared vision of where we're going. Employees have a tendency to get less frustrated with an obvious shortcoming in their jobs if they can see that the Future State addresses it, and that there is an activity in the Implementation Plan to make it happen.

Finally, Value Stream Mapping creates a safer environment for change. Employees can occasionally dig in their heels when participating in a rapid improvement activity, knowing their job might be radically changed during the course of a week.

Value Stream Mapping provides time for employees to adjust to the idea of change with the ideals of the Future State beckoning them forward.

WANT TO LEARN MORE?

Interested in learning more about Value Stream Mapping? "Learning to See," by Mike Rother and John Shook, is a wonderful primer.

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