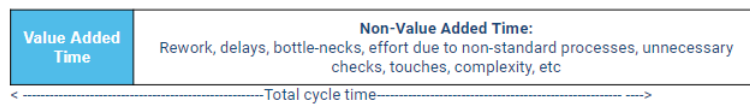


## Inixia Resource Materials: Operation Management

### Quality, Speed, Cost

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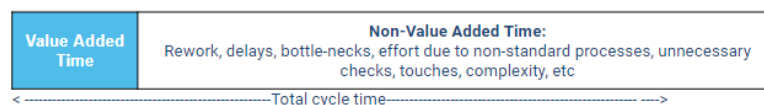
### Value and Non Value Added Time



In any process, you have:

- Value Added Time – Time taken for steps that add value in the eyes of the customer
- Non Value Added Time - Time taken for all other steps, e.g., delays, queues, etc.

### Process Cycle Efficiency (PCE)



Typically, to increase efficiency, we focus on reducing Value Added Time.

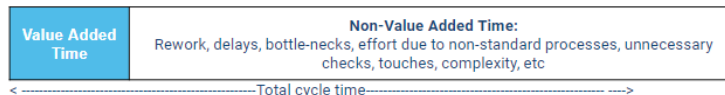
However, that will not provide the best returns as:

- Value Added Time is a smaller percentage of the total time cycle to begin with; AND
- Typically, automation is needed to reduce Value Added Time

Better gains are obtained by reducing Non-Value Added Time

## Improving Efficiencies Methodologically

### Non Value Added Time



**Standardize:** Reduce Process Variants (Process Harmonization)

1. Standardize inputs, outputs, process steps

**Six Sigma:** Reduce Defects/ Variability

2. Use Six sigma tools

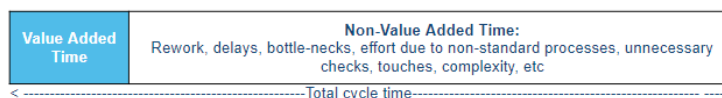
**Simplify:** Reduce Complexity

3. Eliminate steps via Value Add analysis
4. De-skilling (Convert Judgment based steps to rule based steps)
5. Bucketize process (based on complexity, \$ value, key customers/ vendors)

**Speed Up:** Identify and Remove Bottlenecks and waiting time

6. Use 24X7 via shifts or Follow the sun
7. Start Feeder processes earlier
8. Do Load Balancing
9. Restructure Teams
10. Re-seating
11. Use multiple machines
12. Multi-skilling
13. Revisit Prioritization Rules (based on FIFO, \$ value, due date, key customers/vendors)

## Overall steps in the New methodology:



**(A) Identify Opportunity Areas:**

Use "[value stream maps](#)" to identify at which point in our processes do you see the drivers of non-value added time and effort. These are the opportunity areas which need to be addressed.

**(B) Identify solutions to address opportunities:**

Use the [check-list of common interventions](#) to address the opportunities identified by the Value stream map.