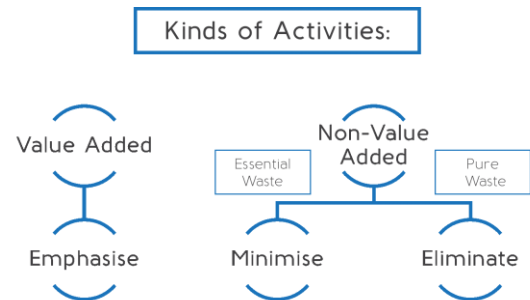


WHAT IS THE DIFFERENCE BETWEEN VALUE ADDED AND NON-VALUE ADDED ACTIVITIES?

We have a tendency to assume that every task we perform is essential in completing an operation or service, but after analysis from a Lean & Process Improvement perspective, you might be surprised to discover that many of your activities are actually costing the organisation time, money and resource.



At its core, Lean is a methodology that aims to eliminate waste in all areas, resulting in shorter lead times, improved quality and reduced cost. Identifying which activities are value adding and non-value adding is key to achieving these results. This will also help understand which activities are necessary to satisfy the needs of the client, without costing additional time, money and resource.

SO, WHAT IS VALUE ADDED ACTIVITIES

Any activity that **DIRECTLY** contributes to satisfying the needs of the customer

EXAMPLES

Construction – laying material

Facilities Management – mopping the floor

Manufacturing – shaping the part

Holidays – Flying to another country

SO, WHAT IS NON-VALUE ADDED ACTIVITIES

Any activity that takes **TIME OR RESOURCE** but **DOES NOT** contribute directly to satisfying the needs of the customer

EXAMPLES

Construction – collecting materials from the compound

Facilities Management – filling the mop bucket

Manufacturing – setting the jig

Holidays – Waiting at the airport for the flight

There are also **essential non-value added activities**. These take time, money or resource but are required to enable the process to happen. Using Lean methodology, these activities are reduced to a minimum and understood as to why they are part of the process.

Using Lean & Process Improvement tools Value Added activities should be emphasised, while eliminating non-value added activities and minimising essential Non-Value Added activities.

Do you know the **non-value added** activities in your business?