

# TIM U WOOD

THE BAD GUY

SIMPLER. FASTER. BETTER. LESS COSTLY.

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# Value Added (VA)

- Value Added Activities (VA)-Transforms information into services and products the customer is willing to accept
- VA Activities Must Meet Three Requirements:
  1. **Done right the first time**
  2. **Transformational**
  3. **Customer is willing to pay for**

Typically 1 - 5% of a process is Value Added

# Add Value

- Does the task add form, feature, or function to the product or service?
- Does the task enable a competitive advantage (reduced price, faster delivery, fewer defects)?
- Would the customer be willing to pay extra or prefer us over the competition if he or she knew we were doing this task?

# Non Value Added (NVA)

- Non-Value Added Activities (NVA)
- Consumes resources
- Does not directly contribute to service
- Customer does not care

# Non-Value Added

- We do this within the process
- Not really sure why
- Somebody said “we have to”
- Is it a “Band-aid”
- Is it “really” required
- We have always done it this way

# Non Value Added but Necessary (NVAN)

- Non-Value Added but Necessary (NVAN)
- Customer does not care
- Required to perform the step by current statute or law



# Transportation

- Transport from office to office
- Transport from floor to floor
- Transport from building to building
- Trucking



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# Inventory

- Finished product
- Storage
- Printed in advance
- Work in Process
- In the warehouse

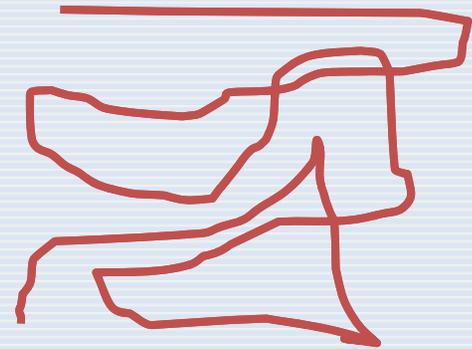


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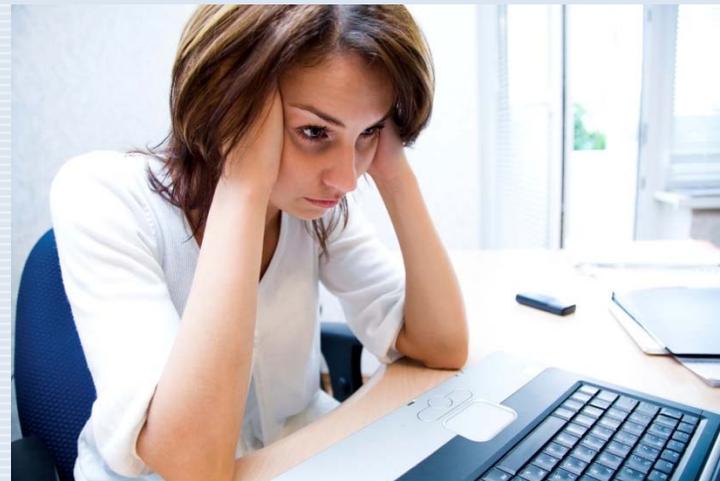
# Motion

- Inter-office movement
- Office to office
- Cubicle to cubicle
- Going to the copier/scanner
- Going to the FAX
- Going to the storeroom
- Reaching
- Bending



# Underutilization

- Employees
  - Office Space
  - Technology
  - Equipment



# Waiting

- Non productive time
- Waiting for:
  - Copier
  - Scanner
  - Delivery
  - Catch up
  - The person upstream
  - Mail/UPS
  - Computer



# Over Production

- Making too many
- Making in advance of requests
- Throwing excess away
- Things get outdated
- “We have to be ready”
- Not cautious, but wasteful



# Over Processing

- Adding things that nobody wants
- Report that nobody reads
- “Gold Plating”
- The best
- Better than good enough
- Beyond meeting customer expectations



# Defects

- Mistakes
- Broken
- Inaccurate
- Can't read
- Can't understand
- Wasted materials
- Returned



# Causes of Waste

- Functional Organization
- Technology Gaps
- Excessive Controls
- Dated Process Design
- No Back-up/Cross Training
- Unbalanced Workload
- Batching of Forms
- Data Entry Batching
- Changing Government Practices and Policies
- No Decision Rules
- Poor Visual Control
- Disorganized Workplace
- Lack of Training
- Obsolete Forms or Form Design
- Poor Layout
- Government Regulations

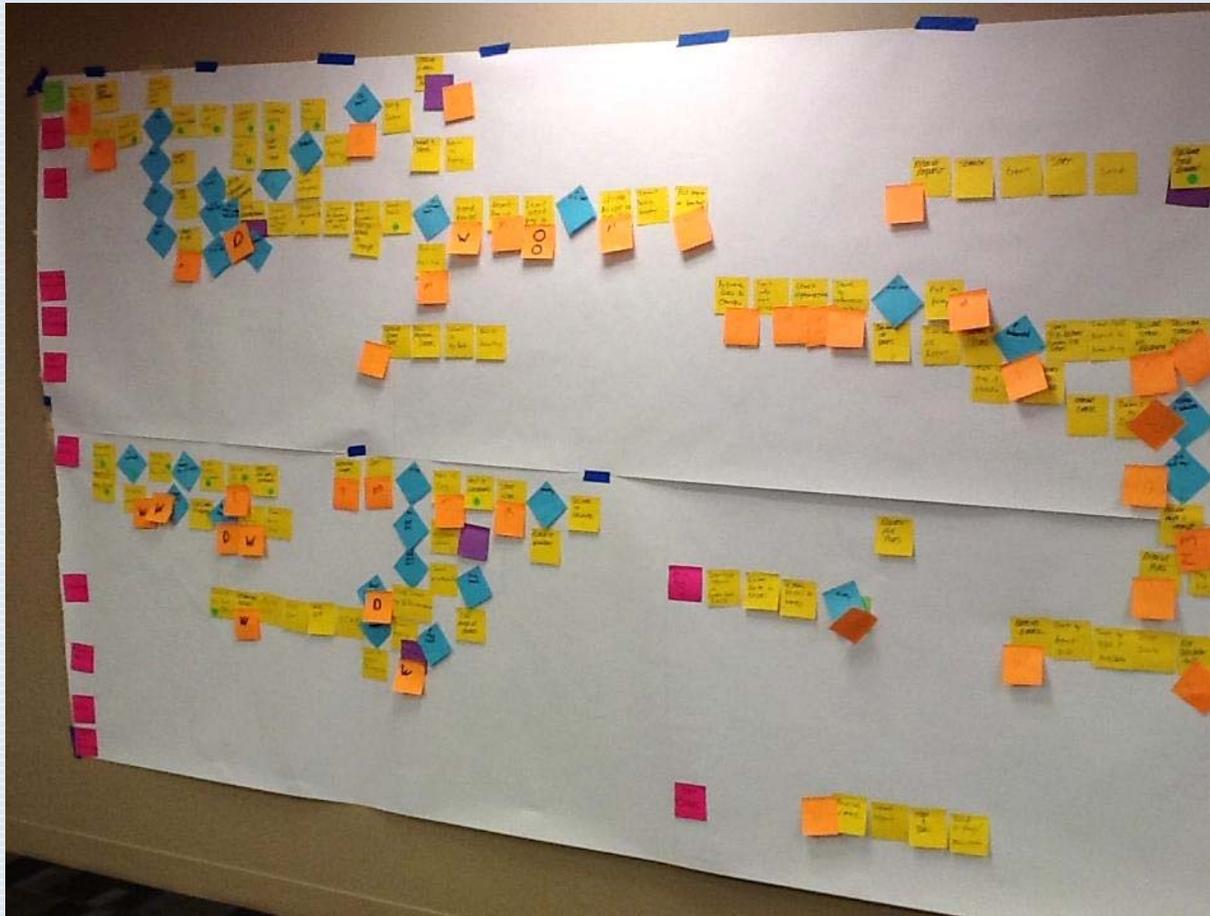
# Team Identifying TIM U WOOD



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# Delta-Northwest Airlines Merger

## IN THE BEGINNING: BRIDGING

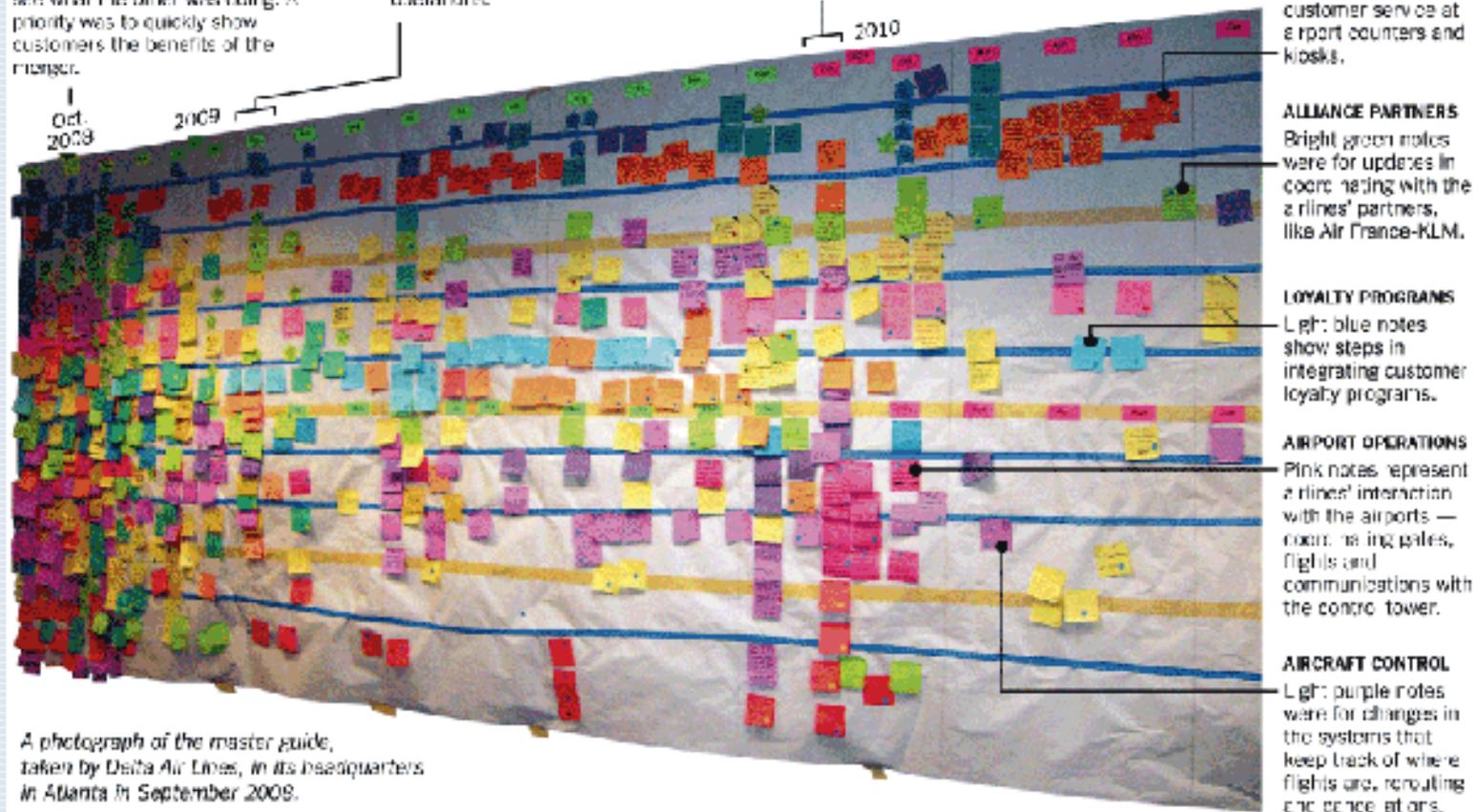
In the months around October 2006, when the merger was closed, there was a flurry of "bridging" projects: opening up access between the airlines' computer systems so each could see what the other was doing. A priority was to quickly show customers the benefits of the merger.

## THE NEXT STEP

About five months after the merger, the two airlines began "cross-fleeting," when critical systems like reservations had to start talking to each other. But they remain separate operations.

## ONE AIRLINE, ONE BRAND

Delta received final government approval to operate as a single airline in January 2010. At that point, all the computer systems could be switched to unified platforms. Many, like reservations and seat availability and pricing, had to be switched over at the same time.



A photograph of the master guide, taken by Delta Air Lines, in its headquarters in Atlanta in September 2008.