



IENG

imagine engine

THERE ARE 8 KEY TYPES OF WASTE

D

DEFECTS

Mistakes that require additional time, resources, and money to fix
E.g. Incorrect data input or missing data, inaccurate documents, lack of standards.

T

TRANSPORTATION

Waste caused by moving things around
E.g. Moving documents between departments.

O

OVER-PRODUCTION

Producing even when those who receive the output either aren't ready or don't need it
E.g. Excessive reports, unnecessary information, processing paperwork before it is needed, excessive backups, inefficient control of emails

I

INVENTORY

Supply in excess of real demand, which masks real production
E.g. Unread emails or batch processing transactions, unfinished work, data/file graveyard, office materials.

W

WAITING

Work has to stop; because the next person is not ready or waiting for approval
E.g. Waiting for decision or approval maker(s), waiting for information waiting for systems, slow processes.

M

MOTION

Excess movement, whether by people or machines, that doesn't add value to the product, service or process
E.g. Walking to and from the copier, walking around the office for signatures, walking to meetings, nonergonomic workspaces.

N

NOT UTILISING TALENT

Not or under-utilising peoples' talents, skills and knowledge
E.g. Work being done by overqualified people (accountant doing admin work), poorly defined roles, capabilities not put to use, knowledge not used.

E

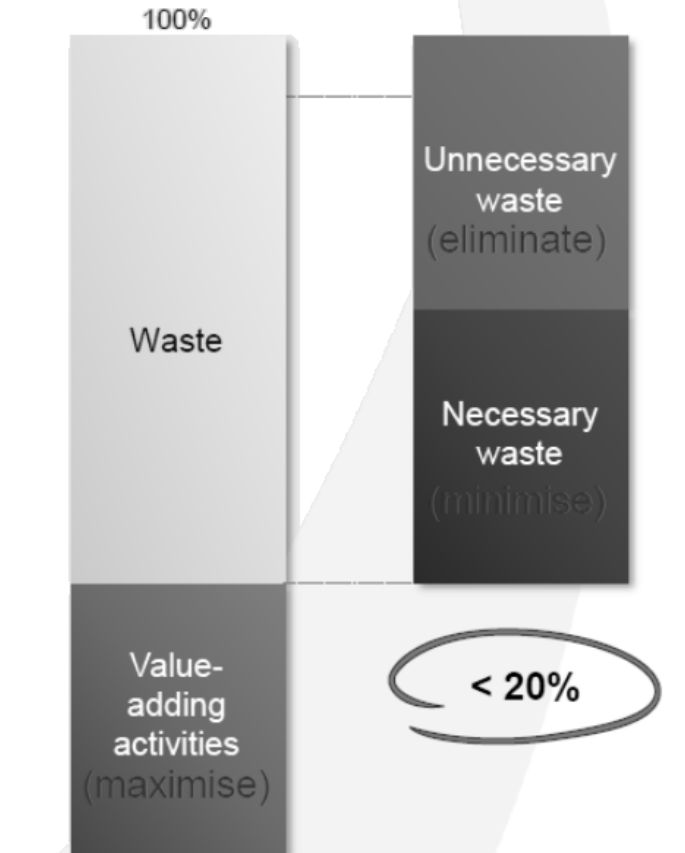
EXCESS-PROCESSING

Creation of multiple versions of the same task, process more than is required or poorly designed processes
E.g. Meeting inefficiency, unclear assignments, unnecessary reviews, lack of templates, different systems, double entries.

LEND
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THERE ARE 3 DIVISIONS OF WORK

SHARE OF VALUE ADDED



DEFINITION

- Activities that are not necessary from the customer point of view—no value added for product

- Activities that do not directly add value but are necessary for the process

- Essential activities for product / service provision
- The customer is willing to pay for this

EXAMPLES

- Rejects
- Troubleshooting
- Inventories
- Idle time

- Transport
- Tooling
- Health and safety

- Production
- Assembly

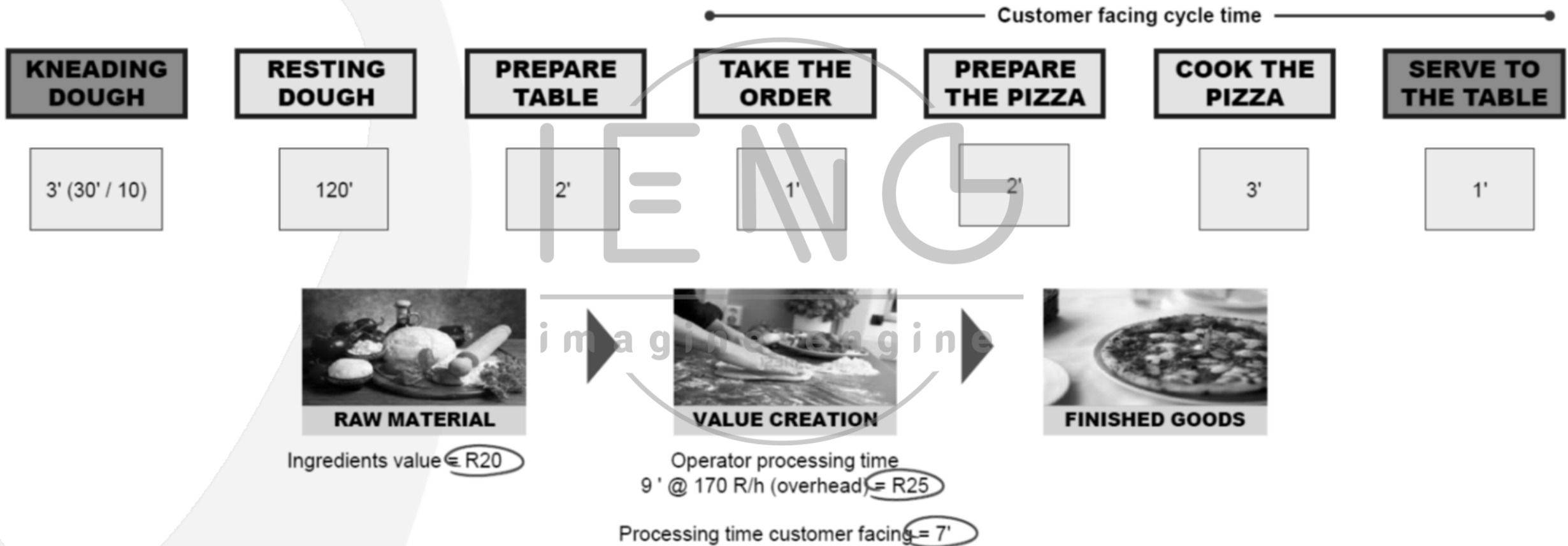
VALUE CREATION IS WHAT THE CUSTOMER IS WILLING TO PAY

WHAT IS IMPORTANT TO HAVE A GOOD PIZZA ?

- The dough has to be hand made, for chemical-mechanical reasons
- Wood-fired oven necessary for the high temperature uniformly distributed
- Ingredients have to be fresh (especially mozzarella and basil)

**HOW LONG DO YOU USUALLY WAIT FOR A GOOD PIZZA IN GAUTENG?
HOW MUCH DO YOU USUALLY PAY FOR IT?**

LET'S VISUALIZE THE VALUE CREATED FOR YOUR PIZZA (VALUE STREAM MAPPING)



**DO YOU PAY R45 AND WAIT 7MIN FOR THE BEST PIZZA IN GAUTENG?
IS IT ALL ABOUT MARGIN?**

HERE IS THE BILL MONSIEUR ... WILLING TO PAY FOR EVERYTHING ? (I/II)

	Ingredients	R 20	
	Processing for value creation	R 25	
WAITING	Idle time waiters	R 15	
OVER-PRODUCTION	Unused dough at end-service	R 5	
	Motion & transportation	R 10	TRANSPORTATION
MOTION	Additional time with client	R 5	EXCESS-PROCESSING
	Defective pizzas served	R 10	
DEFECTS	Obsolescence of ingredients	R 5	INVENTORY
	Interest of working capital	R 5	
	Operative Margin	R 25	
	TOTAL	R125	