

HELPSCO, LLC

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Achieve Realistic Cost Savings Through Value Stream Analysis

Every business that makes a product or provides a service follows processes, even if those processes are undocumented or performed from memory. Over time, processes tend to layer with complexity and incur hidden costs, waste, and defects, all of which erode value for customers and the business itself. However, value stream analysis can help identify waste, reduce costs, and raise quality.

For example, in 2013 I completed a Lean Six Sigma project for a global petrochemical company with a *goal of reducing by 90% the occurrence of U.S. exempt employee late salary changes*. Missing the promised salary increase pay cycle caused employee dissatisfaction and cost the company tens of thousands annually in rework across multiple departments. In this process, the customer was the employee.

The existing exempt salary change process was undocumented, siloed, backlogged, manual, rife with complaints and fire-fighting, and had no controls. Yes, the process felt inefficient, but it had never been analyzed or quantified.

After documenting and analyzing the existing process 'value stream', only 0.2% of the total processing time was adding value. By comparison, 10% or more is typical for such a business process. Using the value stream document as a reference, I lead my team through brainstorming sessions and root cause analyses,

which resolved the critical sources of time delays. I then focused the team's efforts on creating an improved process that *reduced late salary changes by over 99%*, eliminating costly rework and far exceeding the goal. The resulting efficiency was 81%, up from 0.2%. Value stream analysis works.

Key Takeaway:

Every business has some processes that can be improved to save time and money, requiring little, if any, investment. With the right process analysis, businesses will achieve realistic cost savings and earn a stronger competitive advantage by improving customer satisfaction and value, without risk.

About Helpsco, LLC

Affordable Quality for Your Success

Helpsco, LLC is an insured business management consulting company based in Slingerlands, NY, owned by Jeff Collette (MBA and Lean Six Sigma Black Belt), who has 30 years of experience in business management, Lean Six Sigma speed and quality improvement, financial controllership, managerial finance, project management, regulatory compliance, reporting, analytics, problem solving, sales, and customer service.

Helpsco helps businesses manage and control costs, improve quality using proven and objective quality management tools, and achieve returns on invested capital greater than your weighted average cost of capital.

Please call HELPSCO at (518) 760-1254 or email service@helpsco.com to get started.