

## The seven signs of value!

By: David Shaked.

One of the most common Lean Thinking tools is the “Waste Walk”. Here, participants in an improvement workshop (often called a Kaizen event) are asked to follow a process as it is executed (or follow it on a process map) and identify all sources of waste. Waste is broadly defined as any activity that adds costs or complexity and not value to the products or services that the company offers to its customers. The search for waste in processes follows the seven types of waste as defined in Lean Thinking:

1. Defects - Not doing it right the first time around, causing rework or scrap; any aspect of the product or service that does not conform to the customer’s needs.
2. Overproduction - Making what is unnecessary, when it is unnecessary and in unnecessary amounts. Trying to add more value to a service/product than what your customers actually want or will pay for.
3. Unnecessary Transportation - Any transportation of parts, documents and materials from one place to another.
4. Waiting - Waiting for work, information, approvals, parts, materials, tools, equipment availability, etc.
5. Inventory - Any goods that are retained for any length of time, inside or outside the facility.
6. Unnecessary Motion - Any movement of people, machines or equipment not really needed to perform an operation.
7. Over Processing - Operations and processes that may not be necessary. Unnecessary complexity.

This waste-elimination effort typically alleviates the pain the organisation feels in the shorter term. However, the waste never

seems to go away. In fact in many cases, new forms of waste are being generated or discovered!

In my previous article, I explained how the use of positive language and compelling images can be a powerful engine for change. It is also well documented that our brains are far better at processing and responding to a positive affirmation (for example: “I’m going to hit the ball right on target”) than they are at processing and responding to a negative affirmation (“I should not hit the trees at the back”)<sup>1</sup>. This fact is widely used in the area of performance coaching (and especially in sports coaching).

If negative affirmations are proven to reduce the chances of achieving superior performance in sports, it is also possible that they reduce our chance of success in our process improvement initiative.

So instead of teaching people everything we do not want to have in our processes, we could point out to them the signs of good processes or, even better, give them the tools to appreciate what is working in their own environment?

If we apply this principle to the ‘Waste Walk’ exercise, we can completely transform it into the ‘Value Walk’. This would mean that we will actively look for examples of:

1. Perfect outcomes – Parts of the process where perfect outcomes are generated consistently.
2. Exact production – Where in the process can we observe the production of exactly what is needed for the next step?
3. Shortest distance travelled – Where in the process can we observe information, parts or people either staying where they are needed or travelling the shortest travel possible?

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<sup>1</sup> This phenomena was first described in Jack Nicklaus’ book ‘Golf My Way’ (1974)

4. Just in time - Where parts or information are provided when needed.
5. The right quantity – When we get exactly what we need: the right amount of parts or information to complete the task.
6. Easy to reach and pass on – When parts, tools or information are kept where we need them.
7. Simplicity – When process steps are completed in the simplest way possible.

The examples of value should come from the actual process being improved so that the improvement team will gain the confidence about that process. By learning from current good practices and expanding them, we ensure a smoother transition from the “as-is” situation to the desired “to-be” state.

These ideas may seem challenging to many successful problem solvers. We were trained under the assumption that every process is a problem waiting to be identified and solved. What would happen if we approached our improvement efforts with an underlining assumption that every process is a result of an originally great idea and that in every process something works well and delivers value? After all, we can almost always point out areas where our current problems were once a good solution to another problem. This cycle of problem solving results in laying the foundations of the next problem and is not necessary at all.

If we dare to suspend our basic suspicion about every process, we may find and access more creative ideas, greater motivation for change and the innovation that is so essential for survival in the marketplace. This approach also creates a pull, attracting more and more people in the organisation towards our improvement efforts. As many of us know, the success of change initiatives requires the wide engagement of large groups of people<sup>2</sup>.

The energy gained by engaging people in problems and waste is short lived as people quickly recognise more and more waste and realise what a daunting assignment it is to eliminate it all. The pull generated by identifying value and strengths is far stronger, longer lasting and enables a smooth transition to an improved future state. This pull is very similar to the pull most of us feel towards people who genuinely believe the glass is always half full rather than half-empty. In the current economic climate, this positive attitude has never been so important!

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<sup>2</sup> When people are not engaged, another waste (often referred to as the eighth waste) occurs – waste of underutilised people

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(losing time, ideas, skills, improvements, and learning opportunities by not engaging or listening to employees).