

Value Add and 8 Wastes

You would use this approach to enable your employees to talk about and identify opportunities to reduce wasteful activities in your business, by having a common language to describe waste.

Projected performance gains



Improved

- Flow
- Team work



Reduced

- Lead times

What investment is needed to understand the concept?

DIFFICULTY



Simple

Practise is the key!

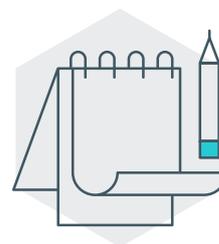
ACTIVITY



Team

This process can be conducted by an individual but best results will come from working in a team.

EQUIPMENT



None

No equipment is needed.

Explanation of the concept

Value Add and the 8 Wastes are a central concept in what is known as Lean Manufacturing. Value adding activities are any activities which are directly transforming incoming materials into the product or service which the customer requires.

Lean Manufacturing seeks to identify all activities in a business as either Value Adding or one of the 8 wastes. By reducing any of the 8 wastes, businesses will see improvements in performance.

The 8 Wastes may be remembered using the initials "TIM WOODS". By engaging team members in identifying and eliminating waste, companies can make great progress in avoiding the 8th waste.

THE 8 WASTES ARE:

1.



Transport

Any transportation is essentially waste, and should be minimised.

2.



Inventory

Any inventory above the minimum required to get the job done.

3.



Motion

Movement and Motion of people.

4.



Waiting

People or parts waiting due to any unsynchronised processes or activities.

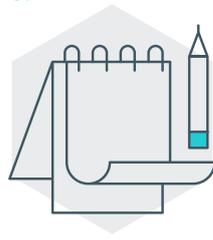
5.



Over-Production

Making products which are not yet required, too much or too early.

6.



Over-Processing

Additional processing steps beyond what is actually required.

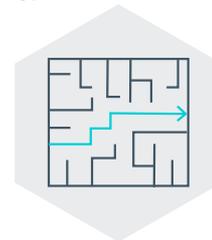
7.



Defects

Defective, Scrap or Rework.

8.



Skills

The 8th waste, refers more generally to the untapped potential of people, where ideas and creativity remain undeveloped or ignored.

What action should I take?

1.



Gather together a group of employees.

2.



Talk them through 8 Wastes, using the Identification of Waste checklist included at the end of the factsheet.

3.



Go on a 'waste walk' to identify examples of waste in the factory and/or offices.

Recommended resources



Mann, D. (2014). *Creating A Lean Culture*. 3rd Edition. Routledge. ISBN: 978-1482243239

Martyn, M., and Crowell. B. (2012). *Own the Gap*. SISU Press. ISBN: 978-0-9851354-1-6



[GC Business Growth Hub Factsheet 02: Concepts of Lean Manufacturing](#)

[GC Business Growth Hub Factsheet 06: 5S Workplace Organisation](#)

[GC Business Growth Hub Factsheet 08: Standard Work](#)

[GC Business Growth Hub Factsheet 13: Visual Management](#)

Glossary

Value Adding: An activity that the Customer is willing to pay for.

Waste: An activity that a Customer would not be willing to pay for.

Lead-time: The time it takes from order placement to the delivery of product or service.

For more advice, case studies and additional factsheets visit: www.businessgrowthhub.com/manufacturing

Change Management Checklist

[John P. Kotter Leading Change (1996), Harvard Business Review Press]

IDENTIFICATION OF WASTE	
KEY POINTS	OBSERVATIONS
Transportation (Moving items/ equipment)	
Inventory (More stock than required)	
Motion (Inefficient movement of people required)	
Waiting (or any wastes or delays of time)	
Over-Production (Doing too much or too early, at expense of other activities)	
Over-Processing (Additional steps which are not actually necessary for serving the customer)	
Defects, Rework, Scrap (rework, repair, spoilage)	
Skills (Failure to utilise the skills available correctly)	