

Diagnostic Questions: Does the company have an effective program for identifying and eliminating all forms of non-value-adding waste in all operations, including inventory and delays?

Does every employee understand and apply the concept of “value-adding”?

Level 1 Plan	Level 2 Pilot	Level 3 Deploy	Level 4 Integrate	Level 5 Excel
<ul style="list-style-type: none"> ▪ Value-adding and non-value-adding operations are not differentiated ▪ Improvement is unsystematic, typically responding to bottleneck of the moment ▪ No interest in Value Stream Mapping or Value Analysis 	<ul style="list-style-type: none"> ▪ People have a common understanding about the nature of waste and begin categorizing value-adding and non-value-adding activities in every process ▪ Improvement focuses on eliminating non-value-adding wastes (e.g., transportation, unnecessary motion or searching, overproduction, inventory, defects and scrap, equipment-related wastes, inspection, information, and creativity) 	<ul style="list-style-type: none"> ▪ Teams in all areas make concrete plans and pursue activities to increase overall value-adding rate by reducing critical wastes (value-adding time divided by total time less planned breaks and planned downtime) ▪ Improvements are made in every process 	<ul style="list-style-type: none"> ▪ Every pathway for every product, service, and decision is simple and direct ▪ Improvement activities have raised overall value-adding rate to 85% or better ▪ All analysis, planning, and continuous improvement activities are driven by the zero-waste principle ▪ Teams adopt a companywide effort to further reduce waste; all improvement activities are coordinated to maximize waste reduction in the company ▪ Each section reduces process steps by 50% 	<ul style="list-style-type: none"> ▪ Improvement activities have raised the rate to 95% or better ▪ Each section reduces process steps by 2/3