

# RefineM

## Value Stream Mapping

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CEO/Enterprise Agile Coach



# Agenda

Section	Topics
1	Introductions and Expectations
2	What is Value Stream Mapping
3	When to Use VSM
4	Steps to Create a VSM
4	VSM Template & Example
5	Best Practices
6	Quiz
7	Conclusion, Q&A



Helping organizations achieve excellence in delivering business outcomes within 8-12 weeks through Agile Coaching



# NK Shrivastava, Certified Enterprise Agile Coach

*MBA, ICP-ACC, ACP, CSP, SPC4, PMP, RMP*

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## CEO/Enterprise Agile Coach @ RefineM since Dec 2011

- Agile Transformation/Coaching (IBM, Charter, Wells Fargo ...)
- Project Management/Process Improvement Consulting
- Project Management and Agile Training
  - ✓ PMP Exam Prep - <https://refinem.com/pmp-exam-prep-course-public/>
  - ✓ PMI-ACP Exam Prep - <https://refinem.com/pmi-acp-exam-prep-course-public/>
  - ✓ Agile Leadership - <https://refinem.com/agile-leadership-course/>
  - ✓ Self-Paced Online Training - <https://refinem.com/self-paced-online-trainings/>
- Product Creation for Project and Agile Professionals
  - ✓ Essential Gear for Project Managers - [RefineM.com/products/essential-gear-for-project-managers/](https://RefineM.com/products/essential-gear-for-project-managers/)
  - ✓ PMP Exam Simulator - [RefineM.com/pmp-exam-prep-practice-test/](https://RefineM.com/pmp-exam-prep-practice-test/)
  - ✓ Agility Assessment Tool - [Agility.RefineM.com/](https://Agility.RefineM.com/)
  - ✓ Videos – PMP and Agile - <https://vimeo.com/search?q=RefineM>

## 25+ years of successful Agile & Project leadership before Launching RefineM

- ✓ Successfully led hundreds of projects of all sizes using Waterfall and/or Agile
- ✓ Recovered many projects, saved millions of dollars
- ✓ Implemented numerous process improvements
- ✓ Coached/mentored hundreds of PMs and executives
- ✓ Board member of SWMO PMI Chapter (2008-2014)

# Survey Question

What are your expectations for this webinar?  
Why are you here today?

**Go to [menti.com](https://www.menti.com) to answer**

# What's New at RefineM

Upcoming Free Webinar	Date
<a href="https://www.projectmanagement.com">Value Stream Mapping for Projectmanagement.com</a>	Feb 21

RefineM Products	Self-Paced Online Training
<a href="https://RefineM.com/products/">Essential Gear for Project Managers</a>	<a href="https://RefineM.com/course/agile">Agile Fundamentals Self-Paced Course</a>
<a href="https://Examprep.RefineM.com">PMP® Exam Prep Test Simulator</a>	<a href="https://Refinem.com/course/project-management-fundamentals/">PM Fundamentals Self-Paced Course</a>
<a href="https://Agility.RefineM.com">Agility Assessment</a>	<a href="https://vimeo.com/ondemand/refinembusreq">Agile BusReqs Self-Paced Course</a>
<a href="https://vimeo.com/ondemand/refinempdus">PDU Bundle</a>	<a href="https://Udemy.com/course/backlog-grooming-for-agile-requirements/">Backlog Grooming Self-Paced Course</a>

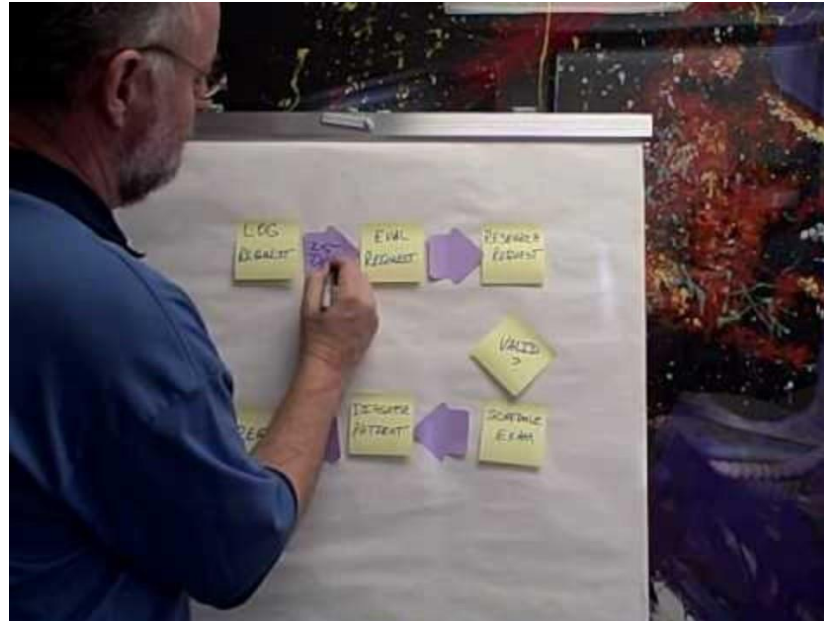
# What is Value Stream Mapping?

**Value stream mapping** is a paper and pencil technique used to document, analyze and improve the flow of information or materials required to deliver a product or service for a customer.

## **Main Goals:**

1. Optimize existing processes
2. Deliver with high quality
3. Improve lead time predictability
4. Improve employee satisfaction
5. Provide slack to enable improvement
6. Simplify prioritization
7. Provide transparency on the system design and operation

# An Example of VSM



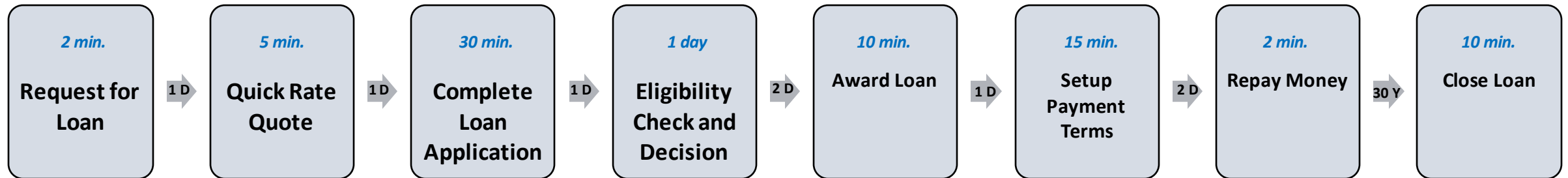
There are two types of Value Stream Maps:

- Operational
- Development

# Operational VSM

Operational value streams are sequences of activities needed to deliver a product or service to a customer. They represent the flow of the business.

Examples: fulfilling an order, delivering a professional service, manufacturing a product, **processing a mortgage loan application**

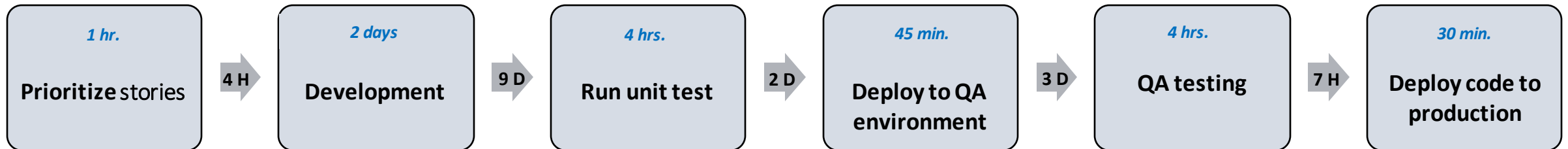




# Development VSM

Development value streams are sequences of activities that support operational value streams by improving systems and capabilities that the operational value stream needs to function.

Examples: developing a software application or website



# Value Stream Mapping – Basic Concepts

**Value Added:** All the activities required to provide an outcome.

**Waste:** Activity that consumes resources but adds no value.

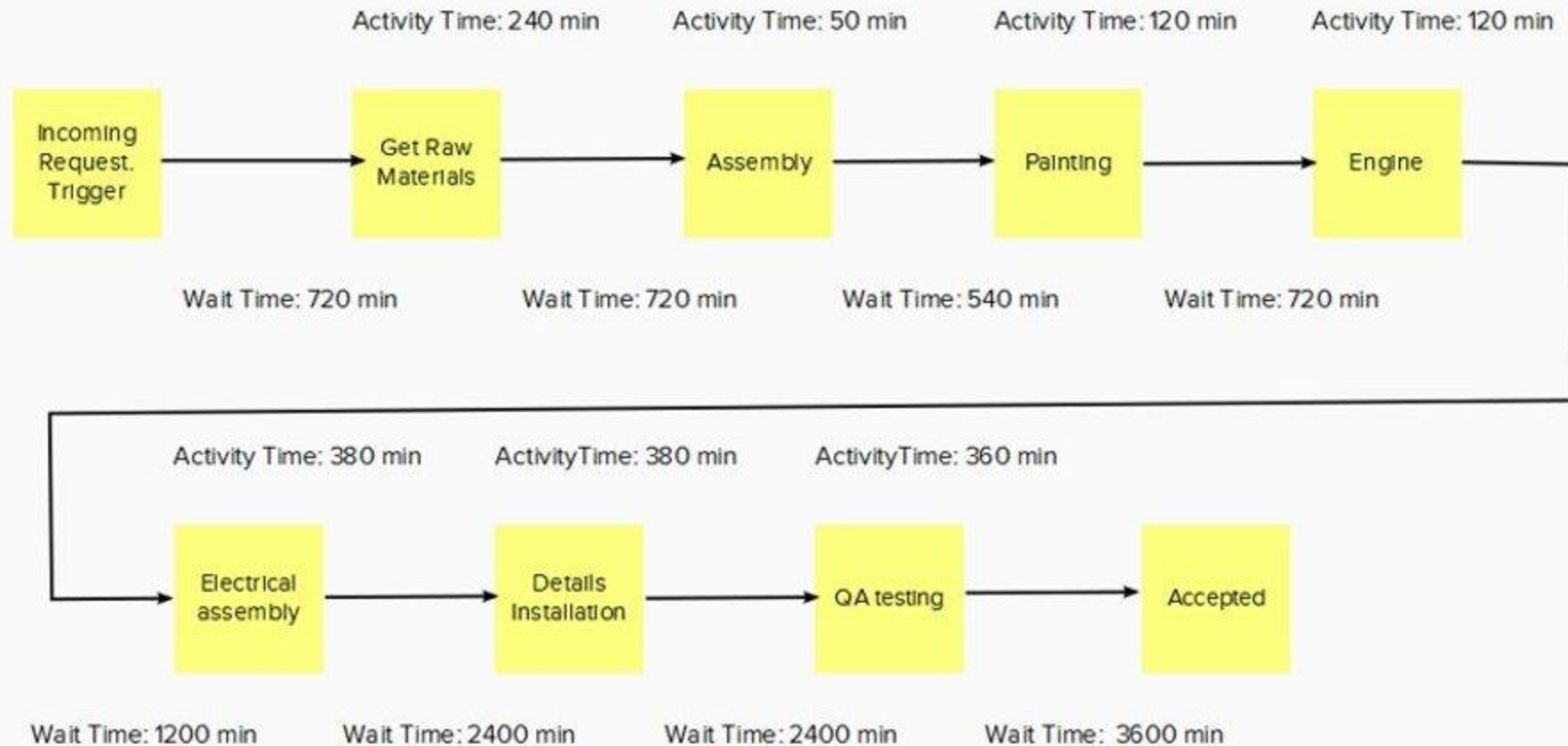
**Activity Time:** Required working time to move a product from one stage to other.

**Wait Time:** Time spent waiting the product to be ready for next activity to be actioned.

**Total Cycle Time/ Lead Time:** This is the result of “Total Activity Time” plus “Total Wait Time”.

**Process Efficiency:**  $(\text{Total Activity Time}) / (\text{Total Cycle Time}) \%$

# VSM Example: Car Order



*What kind of VSM is this?*

# Value Stream Metrics

Total Activity Time (AT)	1650 minutes
Total Wait Time (WT)	12300 minutes
Total Cycle Time (CT)	13950 minutes

Process Efficiency (PE) =  $(AT/CT) * 100\% = 11.8\%$

What does this number tell you?

# When to Use Value Stream Mapping?

VSM can be useful when...

1. Improving an existing process
2. Designing a new process
3. You want to facilitate clear communication and collaboration
4. Implementing Kanban



# Steps to Create a VSM

1. Identify activities
2. Put them in a flow
3. Identify who (role) performs an activity
4. Identify pains/challenges associated with each activity
5. Estimate/guess activity time for each activity
6. Estimate wait time between activities
7. Calculate Process Efficiency (PE) for your VSM



# VSM Template

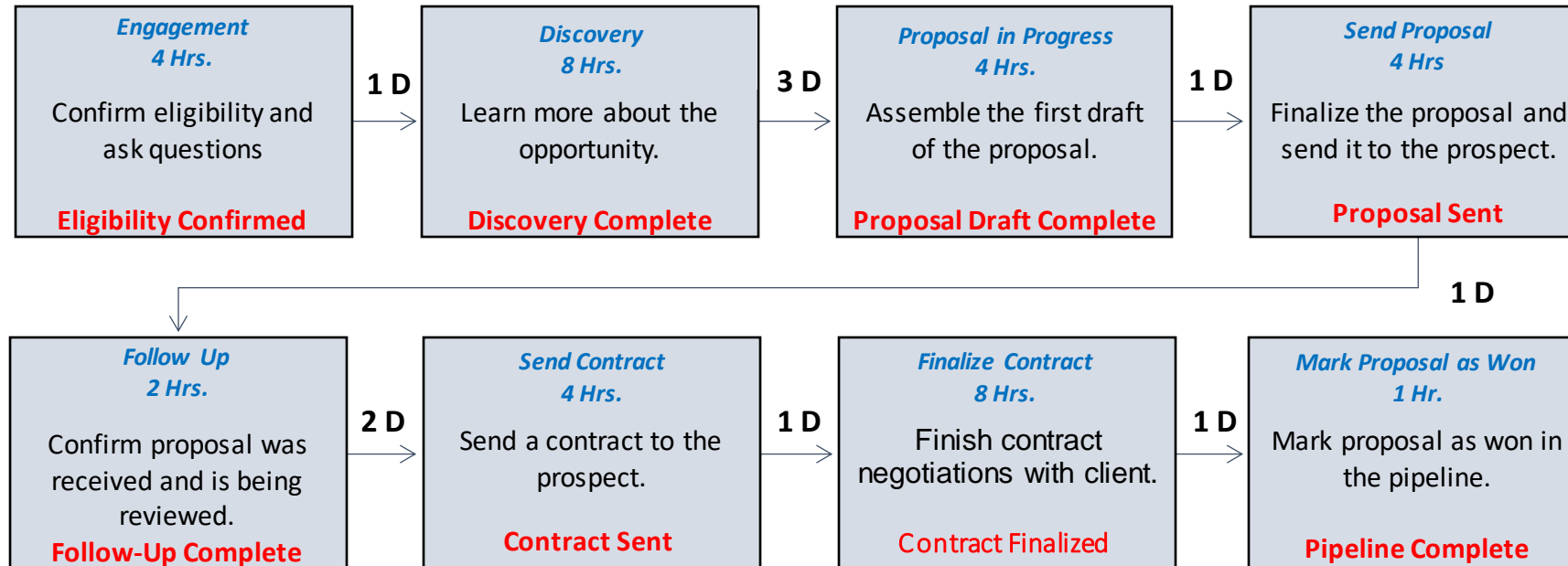
VSM Template-Blank ↕ ↻ 📄 👤 🕒 🔒 Facilitator All changes saved 👤 1 📄 SHA

	1	2	3	4	5	6	7	8	9	10	11	12
Activity	A	A	W	A	W	A	A	A	A	A	A	Close
Who does it?												
Exit Criteria												
Pain Point												
Process Metrics	Total Activity Time (AT)				Total Wait Time (WT)		Lead Time (AT+WT)		Process Efficiency (AT / Lead Time)			

KPIs

- KPI#1
- KPI#2

# Value Stream Mapping- Sales Pipeline Example



**Activity Time (AT): 35 hours**

**Wait Time (WT): 80 hours**

**Cycle Time (CT): 115 hours**

**Process Efficiency (PE) = AT/CT = 30%**

**What kind of VSM is this?**



# Value Stream Mapping Exercise

Create a value stream map for fulfilling an order for an e-commerce site such as Amazon



**10 minutes**

# Value Stream Mapping- Best Practices

1. Pick the processes that matter (strategic, customers, OKRs...)
2. Start with a process that matters the most (customers, employees ...)
3. Be specific about the scope of the value stream (start & end points)
4. Include the right people in developing the VSM
5. Plan for the right amount of time to complete VSM
6. Set clear metrics to measure progress



# Quiz

Go to [menti.com](https://www.menti.com) to answer



**Top 2 Winners get free access (100% discount) to one of RefineM's products of their choice**

1. Essential Gear for Project Managers (\$89)
2. PMP Exam Prep Simulator – 3 months (\$100)
3. Agility Assessment – 3 months (\$99)
4. PDU Bundle - 2 months (\$98)
5. Self-Paced Online Course (\$100 each)
  - Agile Fundamentals, or
  - Project Management Fundamentals

## Questions?

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 @justrightpm



Let's continue the convo!  
Connect with me via LinkedIn.

***Contact me if you would like a VSM Workshop/Webinar delivered to your team/organization***

# Training Opportunities from RefineM

Agile Courses	Online
<u>Agile Fundamentals</u>	Feb 13
<u>PMI-ACP® Exam Prep</u>	Feb 13
<u>SAFe Agilist (SA)® Exam Prep Course</u>	Feb 20
Project Management Courses	Online
<u>PMP® Exam Prep</u>	Feb. 3
<u>CAPM® Exam Prep</u>	Jun. 10
<u>Project Management Fundamentals</u>	Feb 6
<u>Generative AI for Project Managers</u>	Feb 9
Leadership Courses	Online
<u>Leadership Skills for Project Managers</u>	Oct 27
Data Analytics	Online
<u>Dashboard in a Day with PowerBI</u>	Jan 31

# How to Earn 1 PDU for this Webinar?

<b>1. Log in to <a href="https://ccrs.pmi.org">ccrs.pmi.org</a> and Click on “Report PDUs” link.</b>	
<b>2. Click “Courses and Training” and Input the following:</b>	
<b>PDU Claim Code</b>	39904UN6G3
<b>Activity Name</b>	<i>“Value Stream Mapping”</i>
<b>Provider</b>	“RefineM LLC”
<b>Date Started/Completed</b>	October 19, 2023
<b>Contact Person</b>	NK Shrivastava
<b>Contact Phone</b>	(417) 763-6762
<b>Contact Email</b>	<a href="mailto:Trainings@RefineM.com">Trainings@RefineM.com</a>
<b>PDUs</b>	1.00 Ways of Working.
<b>3. Check “I agree this claim is accurate” box and then Submit.</b>	

**Please claim your PDU by end of March 2024.  
Claim code will expire after that date.**