Accounts Payable - II
Value Stream Mapping
Learning Objectives

At the end of this module, you will be able to:

• Use a case study to practice applying concepts
• Apply lean thinking and analysis tools to an office process
• Sketch a future state value stream map
• Recall the impact that variability has on process performance
Agenda

• 15 minute Table discussion on answers for Questions 1-4

• 30 minute class discussion on Questions 1-7

• 10 min team discussion of future state process map

• 5 min class wrap up on future state VSM
Steps for Creating a VSM

1. Define customer value
2. Create a “current state” map
   - “Walk” the process to identify tasks and flows
   - Gather data on resources, time, quality for each
3. Analyze map to determine opportunities for improvement
   - Identify value-added and waste
   - Brainstorm actions to eliminate waste and add value
4. Create “future-state” map to visualize the desired state
5. Create action plans to move towards future-state
AP Future State VSM

• Regroup with your team and sketch a future state process map for Accounts Payable using postits.

• Identify what some of the unknowns are that you would need information on to finish the process map and add data to make a VSM

• The class will conclude with discussion of a candidate future state VSM
General Tips for Creating Future State VSM

- Visualize what the “ideal state” would be
- Reflect on the goals and constraints given by your sponsor
- Consider what from that can be achieved in the “future state”
  - Maybe there are constraints which limit what can be done now
- What is the expected takt time? Can you achieve it?
- What is the expected lead time? Can you achieve it?
- Are process and information flows clear and visible?
- Include actual or estimated times, resources, etc.
Wrap Up

- Case studies are a useful approach for learning how to apply lean tools for “beyond the shop floor” activities.

- A data driven VSM approach can identify where the real bottlenecks are.

- Drawing a future state VSM requires insight into what is possible in any given situation.
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