



## Value Added vs Non-Value Added Time

Understanding the differences between value added and non-value added time in operational processes is key for maximizing productivity and efficiency.

**Value added time** consists of process steps that directly contribute to outcomes the customer cares about. Examples include:

- Production of the core product or delivery of essential service
- Assembly of key components
- Testing to ensure proper functioning
- Final inspection of quality
- Packaging of finished goods

**Non-value added time** refers to activities the customer would not be willing to pay for that do not advance the product or service. Examples include:

- Transport of materials between process steps
- Waiting in queue before next step
- Rework to fix quality defects
- Inspection to find quality defects
- Excess processing not needed for function
- Downtime from equipment issues
- Production of defective items

**Goals for improving efficiency include:**

- Reducing non-value added time by eliminating waste
- Automating value added steps where possible
- Ensuring value added time flows smoothly without interruption

Analyzing the ratio between value added and non-value added time highlights opportunities to streamline processes. The ideal state is perfect flow at the pull of the customer with zero waste.