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What is

VALUE ADDED

And why does it matter ?

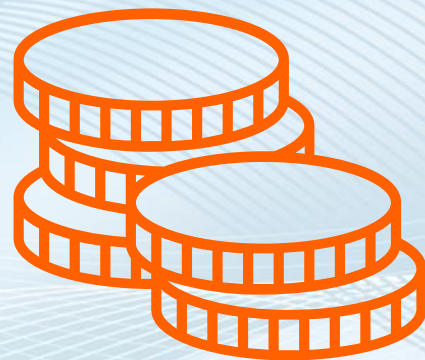
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1 What is Value-Added (VA) ?

Any activity in a process that adds value to a product or service that **the client is willing to pay for.**



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2 What is Non-Value-Added (NVA) ?

Any activity that consumes resources **without adding value** to a product or service.

Not all NVA can be eliminated but it needs to be reduced !
*** We call those activities **Necessary but NVA (NNVA)** ***



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3 When you order a pizza.... ...would you pay for...



- The onions on the floor ?
- The cheese the cook ate ?
- The electricity because the oven was on all night ?
- The crust ?
- The sauce ?
- The delivery guy ?
- The cooking ?



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4 What is the impact of NVA ?

- ↗ It increase your costs of operation
- ↘ It reduces the efficiency of your processes
- ↘ It affects your overall performance
- ↘ It makes you less competitive
- ↘ It reduces your profitability



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5 Did you know that...

- VA/NVA/NNVA ratios can be calculated
- NVA can be greatly reduced/eliminated
- It is applicable to all types of industries

It is a **fundamental** concept in
process improvement.



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Want to **reduce you costs** and improve your financial and operational metrics ? Let's chat !



info@koneconseil.com

We've helped dozens of organizations become more **performant !**