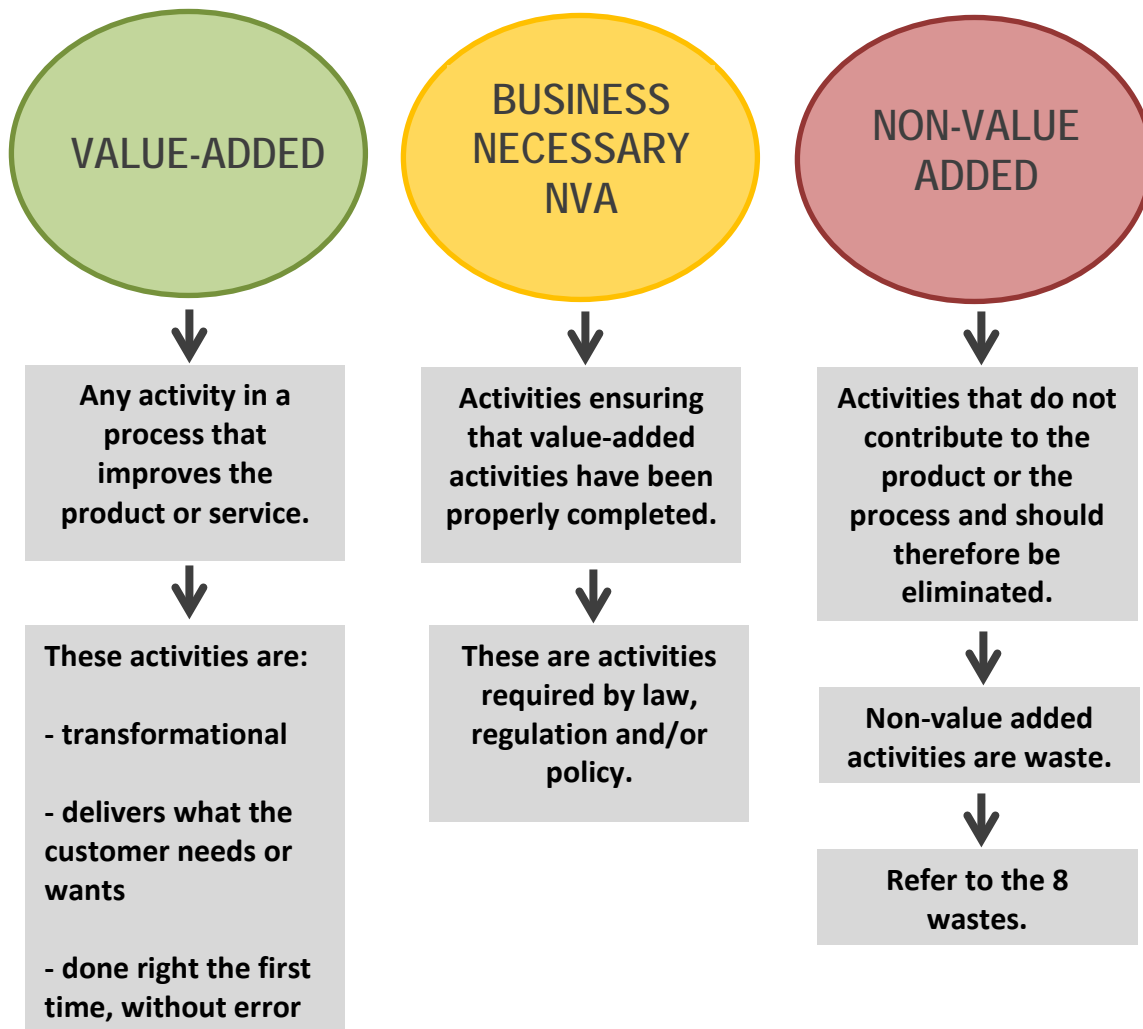The Value Stream is the sequence of activities required to design, produce, and provide a specific good or service, and along which information, materials, and value flows. It includes all of the activities, both value added and non-value added that are required to deliver a product or service to a customer.

Is it Value Add?

Map all the activities in the process and evaluate each activity to determine if it creates value for the customer. Ask is it value-added, business necessary, or non-value added?

VALUE-ADDED	BUSINESS NECESSARY NVA	NON-VALUE ADDED
Any activity in a process that improves the product or service.	Activities ensuring that value-added activities have been properly completed.	Activities that do not contribute to the product or the process and should therefore be eliminated.
These activities are: - transformational - delivers what the customer needs or wants - done right the first time, without error	These are activities required by law, regulation and/or policy.	Non-value added activities are waste.
		Refer to the 8 wastes.

By identifying which activities do or do not add value to a given product, one is able to assess whether or not it *should* be eliminated or reduced. By identifying whether or not a activity is business necessary, one is able to assess whether or not it *may* be eliminated or reduced. By measuring these three categories, the overall value of each activity may be seen in contrast to the process as a whole.

Review each process activity, asking the following questions:

- Is the customer willing to pay for this activity?
- Does it change the product or service in any way?
- Was this activity done the first time without error?

- Is this activity required for legal or regulatory requirements?

Subject each activity in the process to a review of the 8 wastes, 5 "Whys" and 5-S.

Value-Added (VA) *"Would the customer be willing to pay for this?"*

What the customer wants or is willing to pay for (either directly or through taxes)

- Any activity in the process that improves the product or service for the customer
- Any activity that adds value from the customer's perspective

Business Necessary/Non-Value Added (BN/NVA) *"Would I get in trouble if I didn't do this?"*

Activities or actions that must be completed for legal or regulatory requirements

- Activities ensuring that the value-added activities have been properly completed
- These are activities that are required by regulatory agencies and/or policies and are often out of our control

Non-Value Added (NVA) *"Does this activity add any value?"*

Any step or activity that is not required to complete the process

- Activities that do not contribute to the product or the process and should therefore be eliminated
- Non-value added activities are waste (may be something that has always been included in the process, or even an internal requirement we have created, but does not add any value)