

What is (and isn't!) value-added work?

Origin of the term

While several definitions of value-added work exist, we like this one (complements of BusinessDictionary): "Activities that further the purpose of an organization by generating output that is considered more valuable by its internal and/or external customers than the inputs consumed in producing it."

Non-value-added work, conversely, neither enhances the customer experience nor supports the business process. According to an explanation on Toolbox.com, "If the activity could be removed from the process, with no effect on the end-product or service, it's an NVA activity. This type of work is also referred to as "waste work."

Value-added work can apply to every industry, and every role.

While the idea of value-added vs. non-value-added work was born in manufacturing, it has grown into a concept that applies to any company in any industry. With the technological landscape expanding on practically an hourly basis, and companies clamoring to adopt efficiency-boosting technology, an interesting side-effect presents itself: in the quest to become more efficient, companies end up introducing a host of inefficiencies.

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When you think about your own organization, there are likely multiple "sources of truth" for information: CRMs, ERPs, accounting systems, marketing automation software, SharePoint or similar file storage systems, spreadsheets with customer data on disparate machines, Word documents with tabular data, internal contact sheets, and paper files in semi-organized cabinets. Combine that with multiple devices and platforms through which you access that information, and you've got a veritable bramble bush of business complexity.

As business complexity rises, the number of processes you automate should rise correspondingly. Without closing that "efficiency gap," you risk increasing operational costs, losing a level of business agility, and giving your competition the opportunity to get ahead of you.

A prime way to start doing this? Automating as much of the non-value-added work in your organization as you can, and connecting systems to create a single "source of truth" for information.