



Increasing Business Effectiveness
Diagnostic & Intervention Services

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USING THE VALUETREE™

The ValueTree™ is a graphical representation of how money flows through the business on one page. It is designed to help people understand the interconnections and inter-relationships of money and what drives the value of the business. The ValueTree™ demystifies the money flows and helps people think like the CEO and CFO.

Based on the McKinsey valuation model that Return on Invested Capital (ROIC) is the best indicator for determining a firm's worth (stock price), the ValueTree™ begins with ROIC and breaks the dollars down to the specific budget line items a first line supervisor would impact, such as labor, over-time and supplies. Each kaizen, lean and continuous improvement concept is then linked to the ValueTree™ so that people are clear about turning their improvement effort into real value. A core belief of the ValueTree™ is

All improvement efforts are Muda (waste) if they do not drive a positive change in ROIC.

A soundly implemented Kaizen predictably delivers:

- 20% improvement in productivity;
- 50% reduction in space;
- 50% improvement in product quality;
- 70% reduction in WIP.

In summary, an accelerated improvement in value.

These can all be modeled on the ValueTree™ and plans put in place to reflect these improvements in the budget.

The ValueTree™ is **THE** tool for turning improvement efforts into real business value.

Call for:

✦ *Diagnosis*

✦ *Training*

✦ *Evaluation*

✦ *Strategic projects*