



**DYNAMIC VALUE STREAM MAPPING FOR PRODUCTION LEAD TIME
IMPROVEMENT USING FUZZY TRIANGULAR ANALYSIS**

By

THULASI A/P MANOHARAN

**Thesis Submitted to the School of Graduate Studies, Universiti Putra
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Philosophy**

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Abstract of thesis presented to the Senate of Universiti Putra Malaysia in
fulfilment of the requirement for the degree of Doctor of Philosophy

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January 2023

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Value Stream Mapping (VSM) is one of the lean tools that visualize a production process at the plant level and illustrate the flow of materials and information in the entire supply chain. The ongoing rise of digitalization is currently a major feature of production that increased demands for flexibility in the production system. Even though VSM application helped in visualizing the benefits of applying lean principles, it had several limitations that prevented it from being applied in a broader perspective. In high-variety and low-volume factories, the conventional VSM which is more static in nature, unable to give a real vision of the variability problems concerning the production process. Secondly, the development of future state VSM is mostly based on the trial-and-error principle because the future state is not validated in conventional VSM. As of this lack of validation the findings remain in the investigation stage without being applied in the actual manufacturing scenario at all. Hence the objective of this research is to determine process variability using Fuzzy-Number in dynamic value stream mapping (VSM). A future VSM is designed by implementing lean improvement tools and integrating with Discrete Event Simulation (DES) to improve the accuracy of analysis. The hybrids of fuzzy VSM and DES are then validated by applying in an industrial case study. A conveyor manufacturing company was selected as a case study based on the high variety and low volume type of manufacturing process. Triangular Fuzzy Number (TFN) approach was used to analyze variabilities in process parameters to identify their mean, minimum and maximum values and remove all the outliers. A current VSM was then designed and highlights all the non-value -added activities processes that need to be improved. Based on the identifications, an appropriate lean improvement tools were applied to develop an optimized future VSM. Both the current state and future state maps were verified using ARENA simulation models. ARENA simulation helps to simulate more than one future state alternatives and shows improvement ratio in terms of production lead time and value -added time and compares with current state values. As a result, second alternative of future state

map shows 71.74% and 19.45% of improvement ratio in terms of production lead time and value-added time respectively compared to current VSM. In the second case study, the total production lead time of future value stream map shows 49.88% improvement compared to current VSM. The result of simulation validated using p-value analysis. The significance value of p-analysis shows less than 0.05 which is considered to be statistically significant and the null hypothesis should be rejected. It is concluded that, dynamic VSM is a suitable tool to visualize the value added and non-value-added activities in a flexible manufacturing system and apply appropriate lean tools in order to reduce the total production lead time and work-in-progress (WIP) inventory. This study can be further extended by investigating how the reduction of lead time and WIP inventory can be helpful in cost reduction of a company.



Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia
sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

PEMETAAN ALIRAN NILAI DINAMIK UNTUK PENAMBAHBAIKAN MASA PENGELUARAN MENGGUNAKAN ANALISIS FUZZY SEGITIGA

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Nilai stream (VSM) adalah merupakan salah satu alat 'lean' yang boleh menggambarkan proses pengeluaran dari segi tahap kilang dan menunjukkan aliran barang dan informasi dari segi seluruh rangkaian bekalan. Peningkatan digitalisasi yang berterusan menjadi ciri utama dalam pengeluaran yang meningkatkan permintaan untuk fleksibiliti dalam system pengeluaran dan dengan itu, melibatkan pengubahsuaian jangka pendek dan lebih murah kepada aliran nilai. Walaupun, aplikasi VSM membantu dalam menggambarkan faedah menerapkan prinsip 'lean', ia mempunyai beberapa batasan yang menghalangnya daripada digunakan dalam perspektif yang lebih luas. VSM konvensional yang bersifat lebih statik, tidak dapat memberikan gambaran sebenar tentang masalah kebolehubahan berkaitan proses pengeluaran di kilang-kilang yang mempunyai kepelbagaian tinggi dan isipadu rendah. Kedua, pembangunan VSM masa hadapan kebanyakannya berdasarkan prinsip percubaan dan kesilapan kerana keadaan masa hadapan tidak boleh disahkan dalam VSM konvensional. Disebabkan oleh kekurangan pengesahan ini, penemuan telah pun kekal dalam peringkat penyiasatan sahaja tanpa digunakan dalam senario pembuatan sebenar. Oleh itu objektif kajian ini adalah untuk menentukan kebolehubahan proses menggunakan Nombor Fuzzy dalam pemetaan aliran nilai dinamik (VSM). VSM masa hadapan direka bentuk dengan melaksanakan alat penambahbaikan 'lean' dan menyepadukan dengan Simulasi (DES) untuk meningkatkan ketepatan analisis. Sistem hibrid yang merangkumi fuzzy VSM dan DES kemudiannya disahkan dengan menggunakan dalam kajian kes industri. Sebuah syarikat pembuatan yang membuat tali penghantar telah dipilih sebagai kajian kes berdasarkan proses pembuatan yang mempunyai kepelbagaian tinggi dan jenis isi padu yang rendah. Pendekatan Triangular Fuzzy Number (TFN) digunakan untuk menganalisis kebolehubahan dalam parameter proses untuk mengenal pasti nilai purata, minimum dan

maksimumnya serta membuang semua nilai yang terperinci. Dengan menyepadukan TFN dengan VSM, ia memberikan sifat dinamik kepada VSM konvensional. VSM semasa kemudiannya direka bentuk dan menyerlahkan semua aktiviti yang tidak mempunyai nilai tambah dan proses kesesakan yang perlu diperbaiki. Berdasarkan pengenalpastian, alat peningkatan 'lean' yang sesuai telah digunakan untuk membangunkan VSM masa hadapan yang dioptimumkan. Kedua-dua kepetaan untuk keadaan semasa dan keadaan masa hadapan telah disahkan menggunakan model simulasi ARENA. Simulasi ARENA membantu mensimulasikan lebih daripada satu alternatif keadaan masa hadapan dan menunjukkan nisbah peningkatan dari segi masa utama pengeluaran dan masa nilai tambah dan membandingkan dengan nilai keadaan semasa. Hasilnya, alternatif kedua peta keadaan masa hadapan menunjukkan 71.74% dan 19.45% nisbah peningkatan masing-masing dari segi masa utama pengeluaran dan masa nilai tambah berbanding VSM semasa. Dalam kajian kes kedua, jumlah masa utama pengeluaran peta aliran nilai masa hadapan menunjukkan peningkatan 49.88% berbanding VSM semasa. Nilai keertian p-analisis menunjukkan kurang daripada 0.05 yang dianggap signifikan secara statistik dan hipotesis nol perlu ditolak. Disimpulkan bahawa, VSM dinamik ialah alat yang sesuai untuk menggambarkan aktiviti nilai tambah dan bukan nilai tambah dalam sistem pembuatan yang fleksibel dan menggunakan alat 'lean' yang sesuai untuk mengurangkan jumlah masa utama pengeluaran dan inventori WIP. Kajian ini boleh dilanjutkan lagi dengan menyiasat bagaimana pengurangan masa utama dan inventori WIP boleh membantu dalam pengurangan kos sesebuah syarikat.

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This thesis was submitted to the Senate of Universiti Putra Malaysia and has been accepted as fulfilment of the requirement for the degree of Doctor of Philosophy. The members of the Supervisory Committee were as follows:

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LIST OF ABBREVIATIONS

CSM	Current Stream Map
DES	Discrete Event Simulation
FTN	Fuzzy Triangular Numbers
ICT	Information and Communication Technologies
JIT	Just in Time
LR-type	Left and Right type
LP	Lean Production
LPT	Lean Production Tool
MES	Manufacturing Execution System
RM	Raw Material
VSM	Value Stream Mapping
VS	Value Stream
WIP	Work in Process

CHAPTER 1

INTRODUCTION

1.1 Introduction

Product variation due to increasing customer demand refers to the process of adapting or modifying a product to meet the changing needs and preferences of customers. This can include introducing new features, changing the design, or offering different sizes, colors, or styles. Product variation can be a good way for companies to stay competitive and meet the evolving needs of their customers (Abdulmalek et al., 2017). Due to the implementation of lean manufacturing concepts, numerous industries increased their internal flexibility and refined their operating procedures in response to these market-driven needs. Examples of key lean principles include continuous process improvement, waste reduction, and a shift in production management toward demand-oriented production that allows a quick response towards varying market demands.

Lean manufacturing is a production philosophy that emphasizes the elimination of wastes and the continuous improvement of processes in order to increase efficiency and reduce costs. Information and Communication Technology (ICT) can play a key role in lean manufacturing by providing the tools and systems that help companies achieve these goals. By integrating ICT with lean manufacturing principles, companies can gain a more comprehensive and accurate view of their operations, and can use this information to identify opportunities for improvement (Lugert & Winkler, 2018).

Lean manufacturing work towards removing any activities that produce zero value to the customers through a strained and levelled production system in order to achieve customers' expectations and need in a better way especially focusing on the manufacturing products (Zahraee et al., 2020). Analyzing value stream that consists of activities of both value-added and non-value added that are carried out during production to convert an item from raw material to finished goods is considered as a first necessary action that need to be carried out in order to achieve lean manufacturing objective. Eventually, for introducing a levelled flow within the remaining process that contribute to value, all the identified wasteful processes need to be stopped (Singh et al., 2017).

Utilization of minimal resources during production that includes work force, working space, equipment, less engineering output and less inventory to develop and create the same or better output as developed by traditional mass production system is the system defined as "lean" (Braglia & Zammori, 2011). Lean manufacturing is an extensive system comprised of tools, techniques and practices that have the purpose of enhancing the performance and effectiveness of a production system by removing wastes (Abdulmalek & Rajgopal, 2017). The

primary goal of lean manufacturing is the recognition of wastes or as known as “Muda” in Japanese term. The definition of waste is ineffective manufacturing activities or practices that creates zero value to output by using resources which add unproductive cost to the products (Jordan et al., 2020). The causes of wastes can be grouped in two classes such as behavioral and information factors (Hashim et al., 2019). Hashim conducted study on pickle manufacturing company to reduce non-value added activities by eliminating wastes. The root of each waste distinguished by behavioral and information factors.

In order to attain the basics goal of any company that includes improving productivity, enhancing flexibility, minimizing costs and to prioritize activities that are beneficial from customer`s perspective, wastes need to be removed (Taj et al., 2016). Value can be anything where customer ready to pay either for a product or for the services that comes after, from the customer's perspective (Pacchini et al., 2019). As such, lean manufacturing focuses on the flow of material, starting where the material enters the process until it ready for shipping to the customer.

Lately, manufacturing businesses have faced numerous challenges in the distribution and use of lean tools in manufacturing systems, which prevent them from reaching their lean objectives. Many researches have investigated lean application in manufacturing systems. Many research papers (Busert & Fay, 2019; Rafique et al., 2019; Hashim et al., 2019 and Kumar et al., 2013) have looked at the implementation of lean manufacturing techniques, but due to ongoing changes in product model and technology, lean projects have long since collapsed. From the standpoint of the value stream, both internal and external difficulties and barriers may hinder the lean transformation from being successful.

Due to external sources, there are external obstacles that includes: high demand variability, competitive cost and quality, shorter product life cycles, product customization, fluctuating markets, a significant degree of supplier uncertainty in delivering the requested quantity, and the ability to fulfill on schedule (Singh & Mann, 2018). On the other hand, the external challenges will develop a number of internal challenges that includes, product complexity, production variability, different routings, high product variety-low volume production environment, numerous required parts in assembly lines, similarity between parts and subassemblies, and quality problems, turbulences in schedule due dates, priorities and variance in the cycle times for each process.

Digitalization, or the integration of digital technologies into various aspects of business and industry, is having a significant impact on various industries. Some of the ways that digitalization is affecting different industries. For instance, in manufacturing with the help of digital technologies, manufacturers can now monitor and control machines, equipment and processes remotely, optimize production and reduce downtime (Valencia et al., 2019).

Therefore, focusing just on the machining process on the machine tool itself is insufficient to fulfill the requirements. Instead, it is necessary to take into account both the links to the material flow and the intralogistics components for material handling.

1.2 Problem Statement

Even though value stream mapping strategy assisted in reaping the rewards of putting lean ideas into practice, it carries several drawbacks that hindered it from being applied in a broader perspective. In order to implement lean techniques in today's complex and dynamic manufacturing systems, VSM must overcome its current limitations, which include its more static nature and inability to provide a clear picture of the variability issues pertaining to the investigated production process. The traditional VSM approach becomes difficult and ineffective in factories with high variation and low volume (Mudgal, 2020).

In a more dynamic operation process, the variabilities have increased and the method to control the variability become more complex. As an example, there is a manufacturing company which is a high-variety, low-volume conveyor chain manufacturing facility is situated in Balakong, Malaysia. High work-in-progress (WIP) is caused by high product variety and high process unpredictability, which results in longer waiting times and greater production lead times that can be up to 1.5 months according to company's annual performance report (Kendek Group, 2017). High WIP, distorts the effectiveness of the material requirement planning (MRP) system. As a result, the production lead time becomes longer and delayed delivery time to customers from 3 to 4 months (Annual Output Report, 2020). This problem causes dissatisfaction among the customers and leads to poor performance of the company. However, the detailed root cause of this situation cannot be easily represented and solved using a conventional value stream map.

According to the conventional value stream mapping, the identification of a product family is the first step in the optimization of VSM in industrial practice, which is then followed by an analysis of the current value stream, the development of a better future state, and the implementation of optimization measures at specific locations (Liu, 2020). However, because the future state has not been validated, real implementation is typically dependent on the trial-and-error principle (Kumar et al., 2018). As of this lack of validation and the associated absence of hard facts about the parameters of manufacturing processes, the findings remain in the investigation stage without being applied in the actual manufacturing scenario at all (Mojib, 2020).

In addition to that, in practice, designing an alternative system is very rare and only a single future state is commonly pursued. At the same time, the variability of internal elements like technical availability, cycle times, setup times, or idle

periods, as well as variability of external factors like variations in demand, are not included in a value stream map that has been retrieved from a volatile production system (Deshkar & Korde, 2018).

Hence, this study provides a realistic picture of the variable issues affecting the production process. It is necessary since it appears that there is a dearth of technical work addressing this criticality. Besides that, one of the key downsides of VSM is that it ignores the true unpredictability of a process. In fact, variability is one of the primary sources of waste and must be thoroughly examined and managed in order to shorten the lead time for production.

1.3 Objectives

For attaining the objective of a comprehensive progress on the production system-level, the approach of value stream mapping should be optimized and validated. The previous studies show the actual application is mostly based on the empirical nature due to non-validated of the future state. Besides that, in most cases, a value stream map which is obtained from an elusive production system does not include the unpredictability of internal factors like technical availability, setup or idle times, cycle times, as well as variability of external factors like variations in demand.

Hence, in order to shorten the total production lead time of conveyor manufacturing company and to give the real vision of the variability problems related to the production process, this research seek an improved procedure model which is to integrate fuzzy triangular analysis with simulation to optimize value stream that is more dynamic in nature.

To fulfill the primary objective of this study, this present study holds the four key research objectives as follows:

1. To determine process variability using fuzzy-number in dynamic value stream mapping (VSM).
2. To design future value stream mapping by implementing lean improvement tools.
3. To integrate the fuzzy VSM with Discrete Event Simulation (DES) to improve the accuracy of analysis.
4. To validate the future state value stream mapping with DES by applying in an industrial case study.

1.4 Scope and Limitation of the Study

This study aims to determine how dynamic value stream mapping can improve the production lead time in a conveyor manufacturing company in Malaysia. The

data for this study come from a local manufacturing firm. This study relies on the data collected from the manufacturing processes of the company and information gathered from the production line leaders to test the research model of the proposed study.

A 100 sets of data were collected and carefully examined by production experts to produce an adequate sample for further analysis. In order to generate a descriptive statistics of the sample at least a 100 groups of observation data relevant to the process cycle times, volume of raw materials, WIP and finished products were gathered.

This study uses Edraw Max software to capture the current situation of the production floor. The software helps to draw current value streams of material and information flow in a more systematic way. For the data analysis, the study uses fuzzy distribution to control the variability of the collected data to design future value streams to show an improved production performance.

The future value stream of the study was simulated using discrete event simulation (DES). DES simulates multiple potential future value streams that indicate various ways to improve production performance with less production lead time. However, it is not practical to apply all the suggested methods in the production. Hence multidimensional fuzzy assessment is used to determine the most suitable value stream alternative.

Among many multidimensional fuzzy assessments, Triangular Fuzzy Number is used to derive multidimensional decisions in this study. Lastly, the findings of this study apply in the production floor to validate the outcome of the result of this research study.

1.5 Organization of Thesis

This thesis is organized in six chapters. The first chapter provides background information of the topic that is going to be discussed and investigated in this study. This chapter shows the existing study related to the topic and the research gaps that need to be investigated further especially in the manufacturing firm in Malaysia. This chapter further explains about the existing problem in the manufacturing industry and highlights the objectives of this study that correlate with the problem statement. By outlining the study's scope and flowchart, this chapter comes to a close.

Chapter two discusses the literature review and tabulates the summary of previous research, their findings and recommendations for future study. This chapter also demonstrates the progress done within the research discipline to fill up the gaps left in the previous studies. The research model for the study and a related hypothesis are introduced at the end of chapter two.

Chapter three discusses further the steps that have been performed throughout this study to accomplish the research goals.

The study's findings are presented in chapter four along with a hypothesis test. The results of the experimental study and the case study are discussed in chapter five of the current study. The study is finally concluded in chapter six, which also suggests a direction for further research.



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