To eliminate the lean wastes identified in the processes of XYZ Tech's outsourcing of testing, we can implement specific strategies. Then, we'll adjust the Value Stream Map processes to reflect these improvements.

Eliminating Lean Wastes:

Overprocessing:
Strategy: Implement a streamlined requirement analysis process focused on critical functionalities and compliance aspects. Use templates and standardized documentation to avoid over-detailing.
Impact: Reduces time spent on low-impact details, focusing efforts on high-value activities.

Waiting:
Strategy: Streamline internal decision-making processes. Introduce a pre-approval framework for certain decisions and use parallel processing for vendor evaluation and internal approvals.
Impact: Speeds up the vendor selection process by reducing delays in decision-making and approvals.

Overproduction:
Strategy: Adopt a phased test planning approach. Initially, focus on high-risk areas and expand as needed, based on early testing results.
Impact: Prevents the creation of unnecessary detailed plans for unlikely scenarios, saving time and resources.

Inventory (Excess Test Cases):
Strategy: Implement a lean test case design approach. Prioritize test cases based on risk and likelihood of occurrence. Regularly review and prune test cases to ensure relevance.
Impact: Reduces excess test cases, focusing on the most impactful ones.

Motion (Inefficient Communication):
Strategy: Introduce efficient communication tools and protocols. Schedule regular, brief update meetings and use collaborative platforms for real-time information sharing.
Impact: Enhances communication efficiency, reducing delays in defect management.

Defects:
Strategy: Implement early testing and continuous feedback loops during the testing process. Encourage proactive defect identification.
Impact: Reduces the time and resources spent on reworking and correcting issues identified late in the process.

Skills Underutilization:
Strategy: Assess and align skills with tasks both in-house and with the vendor. Encourage cross-functional training and knowledge sharing.
Impact: Optimizes resource utilization and enhances project outcomes.

Revised Value Stream Map Processes:

Streamlined Project Planning and Analysis:
Activities: Focused requirement analysis, critical functionality identification, resource allocation.

Lead Time: 1.5 weeks. More efficient analysis using standardized templates.

Non-Value Added Time: 2 days. Reduced by avoiding over-detailed analysis.

Accelerated Vendor Selection:

Activities: Market research, streamlined RFP process, parallel internal approvals, vendor selection.
Lead Time: 3 weeks. Faster due to pre-approvals and parallel processing.
Non-Value Added Time: 3 days. Minimized through efficient decision-making.

Phased Test Planning:
Activities: Phased test strategy development, focusing initially on high-risk areas.
Lead Time: 1.5 weeks. Faster due to phased approach.
Non-Value Added Time: 2 days. Reduced by avoiding over-planning.

Lean Test Design:
Activities: Risk-based test case creation, regular review and pruning of test cases.
Lead Time: 2.5 weeks. More focused on high-impact test cases.
Non-Value Added Time: 3 days. Reduced by eliminating excess test cases.

Efficient Test Execution:
Activities: Executing prioritized test cases, defect logging, regular status updates.
Lead Time: 4.5 weeks. Same as before, crucial for thorough testing.
Non-Value Added Time: Minimal.

Enhanced Defect Management:
Activities: Efficient defect analysis, resolution, re-testing with improved communication.
Lead Time: 1.5 weeks. Improved through better communication and early detection.
Non-Value Added Time: 2 days. Reduced by streamlining communication.

Performance and Compliance Monitoring:
Activities: KPI tracking, quality checks, performance reviews.
Lead Time: 1 week. Same as before, crucial for compliance.
Non-Value Added Time: Minimal.

Proactive Feedback and Improvement:
Activities: Early and continuous feedback collection, quick implementation of improvements.
Lead Time: 5 days. More proactive approach.
Non-Value Added Time: 1 day. Reduced by early identification of issues.

Skill-Optimized Project Closure:
Activities: Final reporting, resource release, utilizing skills optimally until project closure.
Lead Time: 5 days.