**Value Stream Mapping for Paying Monthly Bills**

Larry Shane Tinsley

Bellevue University

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Dr. Joseph Issa

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Creating a Value Stream Map (VSM) for paying monthly bills can help identify inefficiencies and optimize the process. Here’s a step-by-step guide along with a graphic version of the VSM.

**Step 1: Identify the Steps**

1. **Receive Bills**: Collect all monthly bills (e.g., utility, credit card, rent/mortgage, subscriptions).
2. **Organize Bills**: Sort bills by due date and amount.
3. **Review Statements**: Check each bill for accuracy and review any statements.
4. **Schedule Payments**: Determine payment dates based on due dates and available funds.
5. **Make Payments**: Execute the payments (online, by check, or automatic withdrawal).
6. **Record Payments**: Document the payments made for personal records.
7. **Verify Payments**: Confirm that payments have been processed and received by the payees.

**Step 2: Create the Value Stream Map**

Simplified Graphical representation of the VSM:

Step 1: Identify the Steps

1. Receive Bills: Collect all monthly bills (e.g., utility, credit card, rent/mortgage, subscriptions).

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2. Organize Bills: Sort bills by due date and amount.

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7. Verify Payments: Confirm that the payees have processed and received payments.

**Step 2: Analyze Lean Metrics**

1. **Cycle Time (C/T)**: The total time taken to complete each step.
2. **Lead Time**: The total time from receiving bills to verifying payments.
3. **Value-Adding Time (V/A)**: Time spent directly contributing to completing the payment process.
4. **Non-Value Adding Time (N/V)**: Time spent on tasks that do not directly contribute to the process (e.g., reviewing statements, recording payments).

A screenshot of a computer program

Description automatically generated

**Step 3: Optimize the Process**

Automate Payments**: Set up automatic payments for recurring bills to reduce the time spent on scheduling and making payments.**

Digital Organization**: Use a digital tool or app to organize bills, set reminders, and track due dates.**

Reduce Non-Value Adding Time**: Minimize the time spent on reviewing statements by setting up alerts for discrepancies or unusual charges.**

Batch Processing**: Handle all bills at a designated time each week or month to streamline the process.**

Electronic Billing**: Opt for electronic billing to reduce the time spent receiving and organizing physical bills.**

Following these steps and optimizing the process can streamline the monthly bill payment process, reduce time spent, and ensure timely and accurate payments.

To estimate the cycle time before and after optimizing the process, we will assign approximate time values to each step and then calculate the total cycle time. Here are the steps broken down with estimated times:

### Estimated Cycle Time Before Optimization

1. **Receive Bills**: 10 minutes
2. **Organize Bills**: 15 minutes
3. **Review Statements**: 20 minutes
4. **Schedule Payments**: 15 minutes
5. **Make Payments**: 30 minutes
6. **Record Payments**: 10 minutes
7. **Verify Payments**: 10 minutes

**Total Cycle Time Before Optimization**:  
10 + 15 + 20 + 15 + 30 + 10 + 10 = 110 minutes

### Estimated Cycle Time After Optimization

1. **Receive Bills**: 10 minutes (no change)
2. **Organize Bills**: 10 minutes (reduced due to digital tools)
3. **Review Statements**: 5 minutes (reduced by alerts and automation)
4. **Schedule Payments**: 5 minutes (reduced due to automated scheduling)
5. **Make Payments**: 10 minutes (reduced due to automatic payments)
6. **Record Payments**: 5 minutes (reduced due to digital recording)
7. **Verify Payments**: 5 minutes (reduced by automation and alerts)

**Total Cycle Time After Optimization**:  
10 + 10 + 5 + 5 + 10 + 5 + 5 = 50 minutes

**Graphic Version of the VSM**

Graphical representation of the VSM created in text format:

A screen shot of a computer

Description automatically generated