



Six Sigma 1.0 → 2.0



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Background of Six Sigma

A Very Brief History of Quality

- Masters & Craftsmen – < 1800s
 - Masters guaranteed the work of apprentices
 - Face - to - face contact with customers ensured quality
- Fred Taylor System of Scientific Management – Late 1800s
 - Separation of Planning and Execution – Specialization
 - Quality was ensured by a “Chief Inspector” and his team
- The Japanese Quality Revolution – post-WWII
 - Quality starts with top management
 - All levels must be trained in quality management
 - Quality improvement must be continuous

Six Sigma Development

- ❑ **1987:** Motorola Chief Executive declares Motorola will be at 6σ by 1992 (5-year goal)
- ❑ **1993:** Larry Bossidy of AlliedSignal embraces a new approach to 6σ : Dedicated Black Belts with a supporting infrastructure
- ❑ **1995:** Jack Welch of General Electric adopts Six Sigma
- ❑ **1999:** Starting to see exponential growth. ASQ offers 6σ courses.
 - J&J, Air Products, Maytag, Dow Chemical, Dupont, Honeywell, PraxAir, Ford, BMW, Johnson Controls Samsung

Motorola / Juran (Mid 80's & Earlier): Drive toward Zero defect = A **GOAL**

Motorola / Others (Late 80's & early 90's) = A **METHODOLOGY** to achieve the goal.

AlliedSignal / GE (Mid to Late 90's) = Comprehensive P.I. **SYSTEM** using a methodology to achieve the goal.

Today = A **metaphor** for Business and Process Excellence.

Six Sigma is the longest running business initiative in the world



Six Sigma 1.0



Success Factors

The Reasons for Success of Six Sigma

- Delivered results in the language of Management
- Created a robust infrastructure to manage as a process
- Built internal competence to sustain the process
- Involved Business Leaders to assign their best people on the most critical problems
- Rigorous methodology that was directed at optimization
- Focus on 'Control' – sustenance of improvements

A person is standing in a modern office with large glass windows, looking at a tablet. The office has a high ceiling and a curved wall. The person is wearing a dark suit and is holding a tablet in front of them. The background shows a cityscape through the glass windows.

Challenges

Challenges Faced by Six Sigma

- Lack of integration with strategy
- Does not easily work / integrate in high growth environment
- Problems take too long to solve
- Limited to a smaller part of the organization, typically core operations
- Training relatively complex and long to include all
- Six Sigma methodology not efficient for all type of problems. At the same time, an obsession with Six Sigma leading to simpler issues taken up as projects
- Six Sigma is 'extra' workload
- Requires an underlying process to improve / optimize

Six Sigma 2.0

Turbo-charging Your Efforts towards Excellence

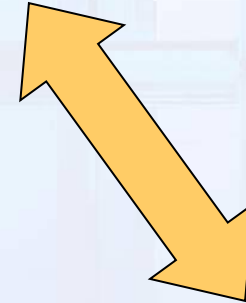
Six Sigma 2.0

The following are the elements in the evolution to Six Sigma 2.0:

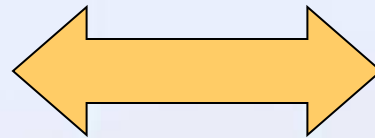
- Greater integration between strategy, operations and Business Excellence
- Tame the Obsession: Using the right methods and tools for the right problem
- Don't just jump on to the bandwagon: Adopt Six Sigma correctly
- Enhance the Six Sigma toolkit
- Getting the right level of the organization involved
- Cultural transformation rather than an initiative
- Exposure of the whole organization to the methodology
- Shorten cycle time for project completion

Integration with Strategy

**Strategy /
Budgeting**

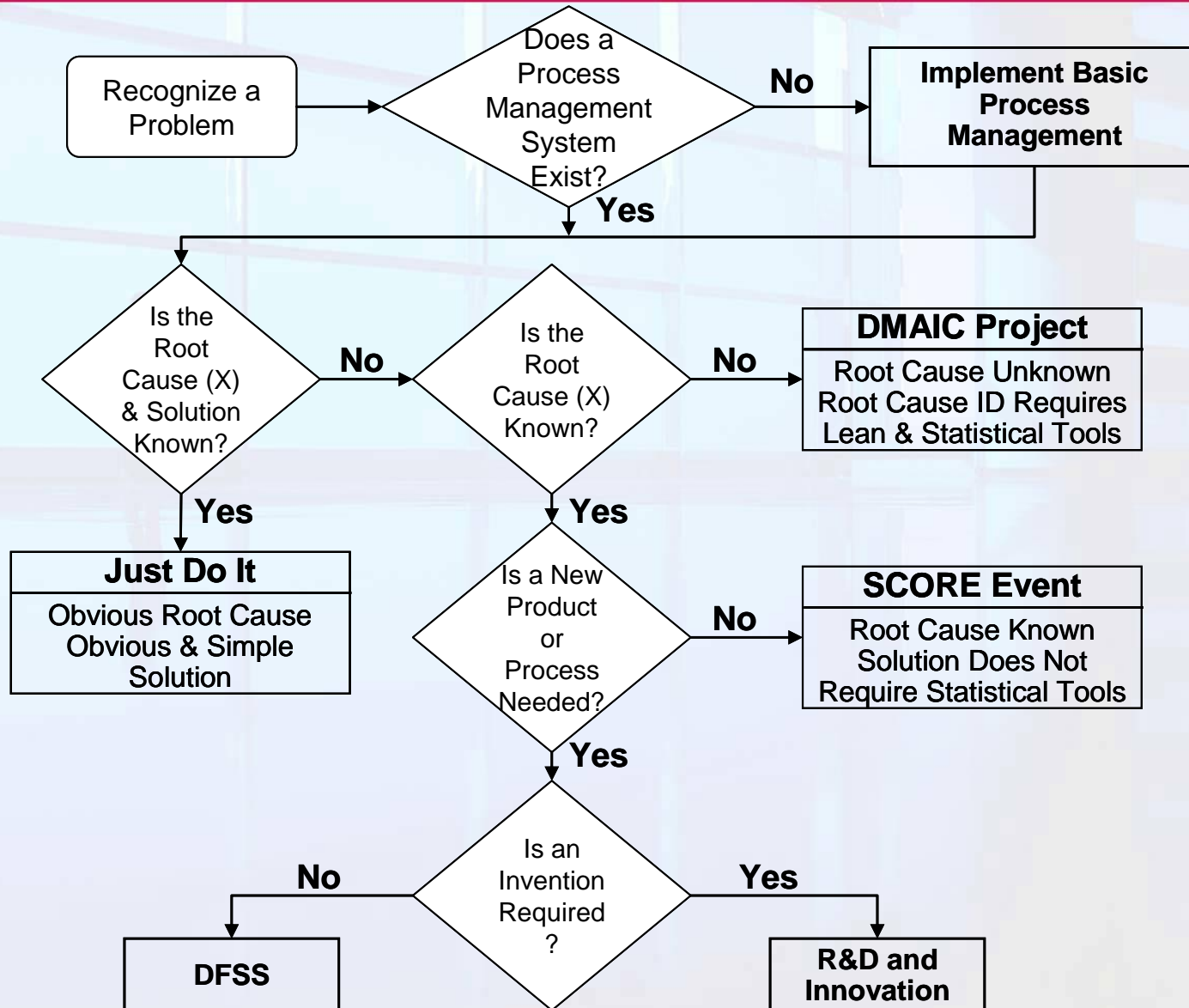


Operations

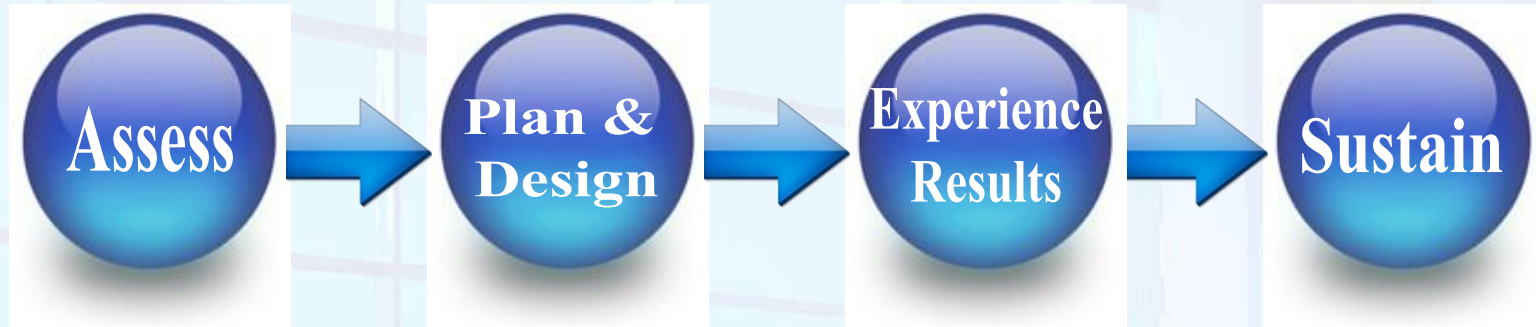


**Business
Excellence**

Selecting the Method

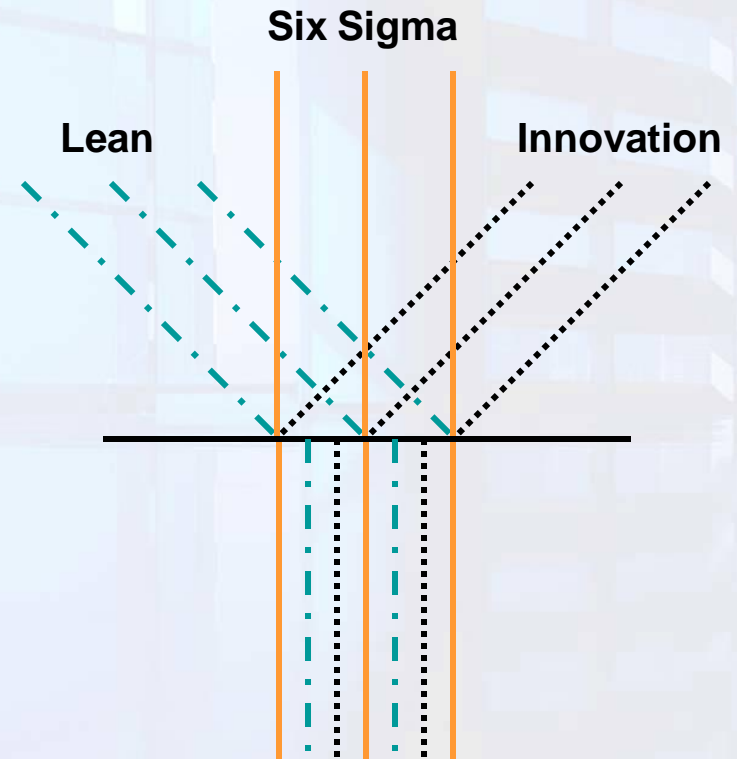
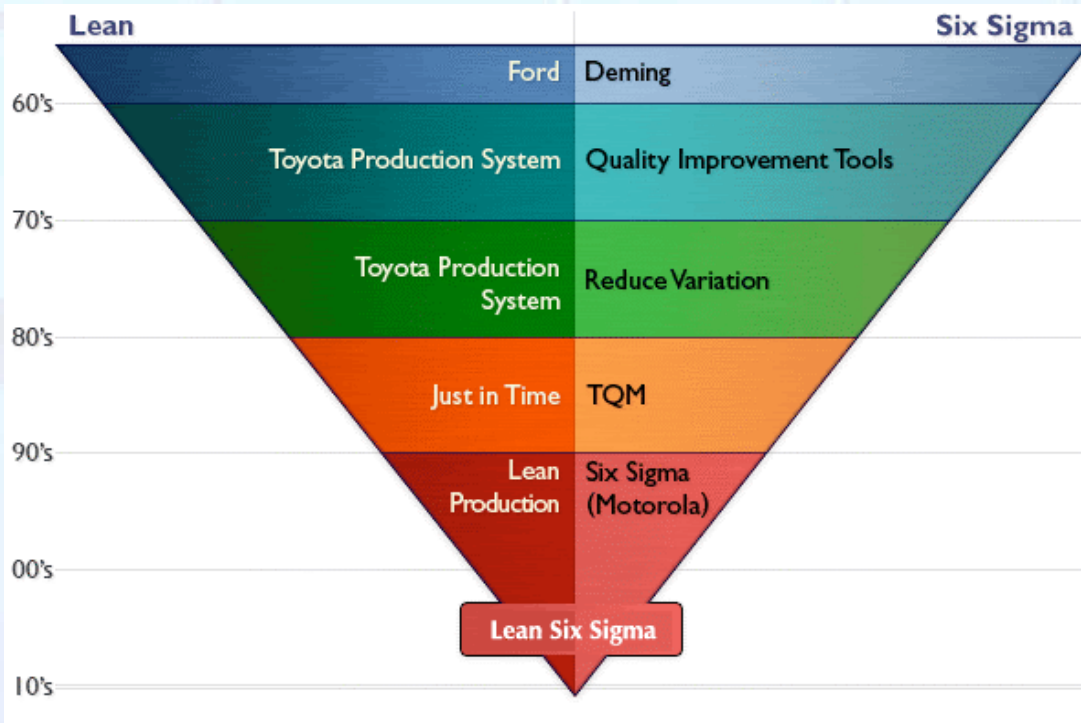


Six Sigma Deployment Approach



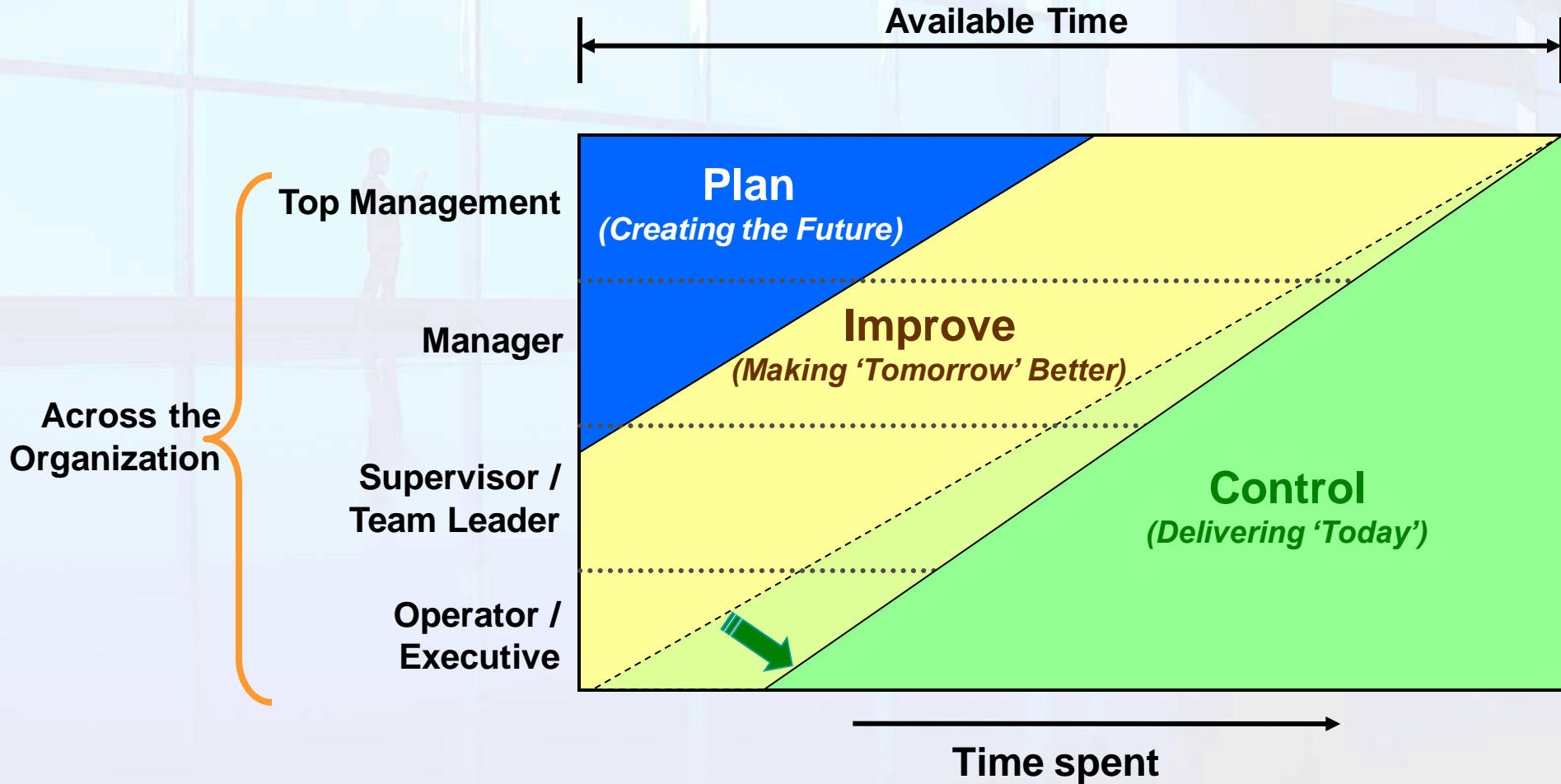
- **Assess:** The purpose here is to understand the organization's need, challenges faced and expectations of the key stakeholders from an excellence initiative. The assessment is carried out to identify the big **resource (money, time, quality) killers** in the system and quantify potential benefits which can be generated by attacking those.
- **Plan & Design:** The objective of this phase is to define the vision and the goals of the initiative for the short term and long term (e.g., typically for Year 1, 2 and 3) and policy infrastructure in terms of policies and procedures
- **Experience Results:** This phase focuses on execution of the identified opportunities so that the organization can experience results in line with the expectations. The results experienced, would include both improvements as well as internal capability building for practitioners to solve problems independently.
- **Sustain:** The initial success experienced by your organization in the selected areas is driven through your own resources with the support. To enable the expansion and long term sustenance, specific capability building interventions are carried out like Black Belt and Master Black Belt development program, Change Management and Train-the-Trainer workshops so that internal resources can independently carry the baton further.

Enhancing the Toolkit



What's in a name?

Cultural Transformation



Cultural Transformation

- How is our thinking process evolving?
- Do we react to point measurements?
- Are we living in the world of averages or going beyond?
- How do we reward and recognize?
- How do processes get reviewed for effectiveness?

Exposure of the whole organization

Though the origin of Six Sigma lies in the manufacturing operations, it can be applied to all industries and functions. A few samples:

Sales Performance:

- Improving sales conversion ratio from X% to Y%
- Improving sales productivity from Rs X Lacs /sales man-month to Rs Y Lacs /sales man-month
- Reducing accounts receivables from 45 days to 20 days
- Improving sales forecasting accuracy from 25 % to 90%

Marketing Performance:

- Increasing short term sales from X to Y % on Promos
- Increasing brand visibility by X%
- Improving effectiveness of advertising spends

... Exposure of the whole organization

Finance and Accounts:

- Reducing invoicing errors from 5 % to 0.1 %*
- Reducing account reconciliation errors from 15 % cases to 1 %
- Improving yield on funds by 1 %

HR

- Improving employee satisfaction for parameter A from 3.0/5 to 4.0/5
- Reducing attrition rate from 15 % to 11%
- Reducing recruitment cycle time by 50% over baseline
- Improving training effectiveness from X% to Y%
- Improving key message retention for 3 months and above for 90 % of the staff

IT:

- Improve system uptime from 98 % to 99.4 %
- Reduce MTTR for computer requests by 15 % over current baseline / Ensure 98 % of MTTR within established norms
- Improve Change request adherence to 98% service levels

Faster Project Completion

ACCELERATE SIX SIGMA!

BY APPLYING THESE TOOLS IN A KAIZEN ENVIRONMENT,
LEANSIGMA REDUCES SIX SIGMA FROM 4-6 MONTHS TO 6-8 WEEKS.

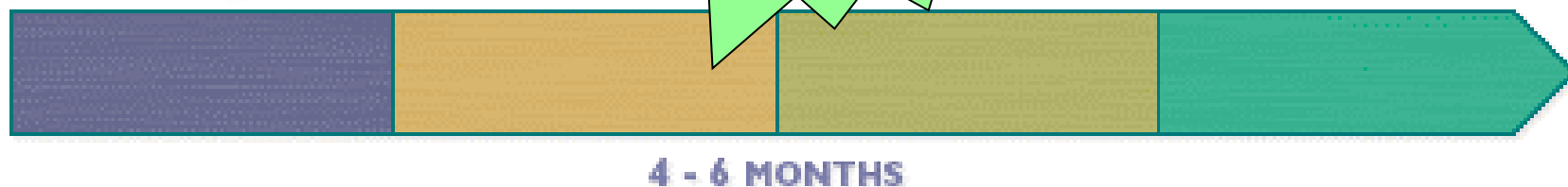
SIGMA KAIZEN PROJECT*



Develop
Action Bias



SIX SIGMA PROJECT





About BMGI

World Leader in Performance Excellence



BMGI Today



BMGI Facts & Figures

- World Leader in Performance Excellence Methodologies
- Over 200 active clients worldwide
- Over 100 successful deployments worldwide
- More than 150 full-time consultants across the globe
- Global headquarters in Longmont, CO USA with 15 International Offices



200+ World-Wide Customers



\$15+ Billion in Benefits

Questions?



Thank You!