

Measure The Success of Your Journey

A Lean Six Sigma Meter

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Some well-known companies have been “doing Six Sigma” for years. They keep doing improvement projects in all kinds of business and support processes, rolling it out in Sales and R&D. They are extending the application of Six Sigma to the entire value chain - suppliers and customers – in their drive for sustained performance improvement. They are successful in building the Six Sigma principles into their daily business life and using this powerful approach as a vehicle to drive cultural change.

Other companies pilot improvement initiatives like Six Sigma by running a couple of improvement projects, then recognise that the journey toward improved business results will be a long and difficult one that requires a turn-around in the mindset of managers. A post-mortem analysis of a failed Six Sigma effort usually points to the lack of management commitment and lack of attention to the business and cultural investment needed to reach and sustain new levels of performance. What practical steps can be taken to maintain the focus and drive needed to reap the full benefits that Six Sigma offers?

Implementing Six Sigma is a “Project” itself

Handle the implementation of Six Sigma as a project. Balance the “soft” (cultural) and “hard” (business investments and benefits) of deployment. On the cultural side:

- **Check the Readiness** of your organisation for a complex process excellence approach such as Six Sigma. Six Sigma Companies like General Electric or Johnson & Johnson prepared the field before they started with their Six Sigma journey. They did (and still do) competitive assessments that quantify where improvements are needed most as well as management’s resolve to lead an integrated change effort.
- **To Get Buy-In, You Have to Sell.** If the organization has experienced a string of initiatives that were started in the past but are still open, unsolved, and unsuccessful, then business leaders will have to work extra hard to win credibility for Six Sigma.
- **Create and Communicate a Shared Need** in order to make sure everybody understands why Six Sigma is needed and why it is needed now. Make sure everyone in the organisation is able to find a personal benefit in the companies undertaking. Communication is the key.

On the business investment and benefits side:

- **Define your mid-term and long-term Goals** in terms of results such as tangible and intangible deliverables and quick-wins but also in terms of investments in training, coaching and resources dedicated to Six Sigma.
- **Define Milestones** to identify the steps for accomplishing the stated goals.

- **Implement a Tollgate Review** system to check the progress frequently. At the beginning it is necessary to measure the investments, i.e. the number of Leaders, Belts and staff trained and informed, the number of projects started and the progress in each project. After a couple of months you need to move the focus from tollgate reviews toward results.

Managing Six Sigma as an investment project with expected business and cultural outcomes forces the discipline of putting “blocking stones” behind the progress that is made i.e., institutionalizing reviews and changes in operating procedures needed, including policies and KPIs, to sustain the benefits that have been made.

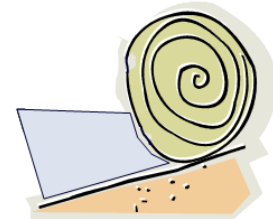
Assessing the status quo at different stages is a key success factor in implementing a Six Sigma system. Looking at the above mentioned companies and their approach to conduct this

assessment, you will find different ways to do it. One company uses their own Corporate Audit Staff and their own criteria to audit the Six Sigma implementation; another one has their own Assessment system similar to Malcolm Baldrige’s Framework. Other companies link the Six Sigma assessment with their ISO 9000 audit system.

Transformation
Without Blocking Stones



Transformation
With Blocking Stones



Assessing the Six Sigma Implementation

A Power Generation company based in Germany built its own assessment system called the “Six Sigma Meter.” The assessment was developed one and a half years along their Six Sigma journey. The Deployment Champion wanted to know what to do to maintain the momentum after a successful launch. He wanted to get a reading of the “health” of the system and the gaps between the “as-is” and the “should-be” status of their Six Sigma deployment.

The assessment categories in the “Six Sigma Meter” are:

1. Leadership
2. Project Effectiveness and Efficiency
3. Communication and Implementation in Everyday Activities
4. Customer Impact
5. Organizational Transformation

The “should-be” situation is described in detail for each of the above categories.

The category **Leadership** includes:

- Envisioned results are championed and role model for behaviours is provided
- Priority projects are scoped



- Leadership orientation workshops have been actively participated
- Deployment champions are in place
- Process drivers and deployment minimums are defined
- Business-level indicators are defined
- Strategic business opportunities are identified

The category **Project Effectiveness & Efficiency** checks whether projects demonstrate sustainable results in improving and/or designing new processes and products:

- High impact projects are selected
- Projects are broken down in different categories such as GB/BB, Lean/DMAIC/DFSS
- Master Black Belt development program is in place and GB/BB training is conducted internally
- Black Belts have sufficient resources to complete projects on time
- Team leaders and team members are nominated for project work
- Results and approach are validated and publicized
- Town hall meetings are held to review and showcase projects

Results: Leadership
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6 Sigma Quality clearly a business initiative
Regular communications from leaders
Strength of Business Excellence team – deployment strategy, training and consulting
Consistency of approach globally
Monthly project review by Business units and some Sponsors
Definition of core processes/owners Units
Insistence by leaders in dedicating the best people to project work
Reduction of COPQ tied to Bonus of business unit level
Business Leader review of scorecards that include process, customer and employee as well as business goals.

The category **Communication** consists of the following items:

- Managers are promoted based on their leadership and process competencies
- Ongoing communication of project and rollout status is in place
- Employee awareness created
- Communication plan created and enrolment throughout the organization has started

The category **Customer Impact** assesses the following items:

- Customers are involved in joint Six Sigma improvement efforts
- Drivers of customer (dis)loyalty are identified
- Systematic ways to capture the voice of the customer are created
- Customers are invited to present their perspective
- Customers are segmented by expected value to the company

And the category **Organisational Transformation** covers:

- Dashboards are used in business planning and performance reviews
- Customer and supplier dashboards are developed
- Dashboards are used for project prioritization and selection
- Expected process management competencies clarified
- Managers are trained to use dashboards as proactive tool
- Black Belts are selected based on their performance (career path)
- Employee and climate surveys are conducted
- Dashboards of key process measures are created and owners assigned
- Critical processes and enablers are defined
- Desired outcomes are selected by strategic business unit

These top-level requirements are supported by a list of well-defined and carefully customised topics needed in order to achieve the overall objectives.

The method for the assessment consists of interviews with Senior Management, Deployment Champions, Black Belts, Master Black Belts, Sponsors, shop-floor employees. It includes attending team meetings and coaching sessions. Additionally, all performance indicators (the dashboard system) as well as the project database are reviewed.

The results are shown overall and per core business process. Especially the “Improvement Needs”, are a great help identifying weaknesses and the next steps for fine-tuning the implementation of the changes.

The Power Generation company conducts this assessment once a year and holds a reward and recognition event at the same time to celebrate successes.

Conclusion

The need for applying a Six Sigma Assessment depends on the stage of deployment in which each organisation finds itself. Experience shows that a major weakness in the process of changing an organisation is that of sustaining the gains. Short-term successes are more or less easy to achieve and nice to show, but changing a culture means being able to maintain focus and drive for three to five years. A Six Sigma Assessment is a way to anchor changes in the organization as well as keep the list of improvement priorities on the “soft” and “hard” side of deployment in balance. Taking a disciplined approach to the investment in an integrated improvement system that Six Sigma represents, helps ensure the 10 times payback the successful companies have learned to expect.

About the Author

Dr Uwe H Kaufmann is the Singapore-based Managing Director of Centre for Organisational Effectiveness Pte Ltd, a management consulting company focusing on the Asian Market. He helps companies understanding the Voice of the Customer and translating it into actions. He has extensive experience in implementing process and organisation improvements for various industries.

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