



TenStep Supplemental Paper

14 June 2007

Optimizing Returns from Six Sigma

Quality management tools such as Six Sigma yield optimal returns only when aligned with the business, processes.

Key Learnings:

- With more companies adopting Six Sigma initiatives, most of the original methodology have been ignored
- Most projects are implemented without any alignment to the organization's strategic goals
- If the Champion stays out of the Six Sigma process, the long term results may take a beating though the short term goals may be achieved

Recent studies across companies of various sizes and industries reveal that Six Sigma initiatives should be strategy driven, process focused and project enabled for optimal results. Motorola was pioneer in implementing the Six Sigma methodology to enhance its margins while quality and efficiency upgrade were the byproducts. The technique and discipline of Six Sigma included the strategy, process and project elements. However, as Six Sigma technology advanced over the past two decades, most of the elements of the original methodology have been done away with.

Motorola originally implemented Six Sigma based on the 8-step process namely recognition, definition, measurement, analysis, improvement, control, sustenance and institutionalization. With organizations increasingly adopting the Six Sigma quality process, two components of the original Six Sigma methodology and discipline have been altered. These include the initial and concluding phases of the methodology and the role of top management, especially the Champion, in the choice and support of the projects.

Six Sigma parameters focus on the key phases of project execution. These parameters include Define, Measure, Analyze, Improve and Control (DMAIC), and direct the project team in its operations under the leadership of a Black Belt or Green Belt. The crucial phase of Recognize, which is important for choosing projects linked to strategic goals, is not mentioned often. The same applies to the Sustain and Institutionalize phases. The Champion who takes charge of the project drives the three phases.

As is evident above, most of the projects are initiated without a link to the organization's strategic goals. On conclusion of the project, the management is not clear of the technique that can be used to quantify the outcome. Certain Six Sigma project teams identify these missing links and focus on the control phase to incorporate activities critical to support and quantify their gains.

For optimization of the Six Sigma project team's activity, it has to be backed by the Champion's involvement and accountability. If the Champion is not an integral part of



TenStep Supplemental Paper

the process, the long term benefits of the entire quality process may be compromised upon. With intense pressure to reveal some results in the Six Sigma segment, projects are chosen without major focus on the strategic goals of the organization. Project teams are established with a Black Belt or Green Belt to take up charge, while the project is not strategically aligned to the business interests of the organization. Moreover, team members may not be able to devote sufficient time to the work unless it is in line with their job objectives. Such projects require more time for execution than those that have been aligned with the organization's strategic goals.

Initiating Six Sigma

To start with, the management team should ensure that the Six Sigma initiative is aligned with the organization's strategy. In case the organization's top management is not well versed with Six Sigma, sufficient training should be provided. Once the top management has sufficient knowledge of the Six Sigma process, they can choose and guide projects that are linked to the organization's strategic goals. Thereby they can contribute to the organization's bottom-line performance. In the next step, the management should select project teams with appropriate support. The project Champion takes charge of the project and guides the project team on the project.

In every Six Sigma project, adequate focus is necessary on the process involved to ensure optimal quality. In fact, the Define, Measure and Analyze phases of the Six Sigma methodology are intended to help understand the prevalent levels of process quality. With adequate insights into the process, efforts are initiated to enhance the process and improve the quality of the product or service. In the Control phase, the project team lays the guidelines for the new process, trains its employees and frames a response plan to follow in case of any deviation in plans. The Institutionalize phase concentrates on organizational systems and structures that are altered to incorporate the newly improved process.

Focus is the key

Once the Six Sigma initiative becomes aligned to the organizational strategy and gets operational, the real goals of Six Sigma become a reality. If planned and executed with sufficient foresight and commitment, strategically selected projects can easily yield the primary objectives of Six Sigma, namely profitability and better margins.