Improvement & Prevention System

Variation (Sigma) and Non-Value Steps (Lean)

Changing the way things are done in order to meet customer demands and increase profitability has become one of the foremost business issues of our day. Unfortunately, this quest has met with varying degrees of success and a graveyard filled with "programs of the month." Yet the objective of improving or gaining customer loyalty and enjoying its result through increased profit is valid. It's valid because competition in business is stronger than ever. As a result, the necessity to get better has never been more critical. Many organizations are implementing changes through a strategy of process management which has improved customer satisfaction, growth, profitability, and identification of new business opportunities. This approach, too, has been referred to as Six Sigma, Total Quality Management, Lean, etc.

We prefer not to name it, just to help define and implement what would work on an individual basis given a specific situation or an articulated strategy.

What's in a Name?

If we can learn from history, it would tell us that giving a common name to a strategy not only trivializes it, but also puts it in the category of what others are doing. Our experience is that every organization is different and what worked for Motorola or GE may or may not work for your organization. There are differences in needs, culture, and market dynamics. However, one thing is certain … standing still is not an option.

Our belief is that tools are only a means to an end, not the end itself. Therefore, we focus upon what an organization is trying to accomplish and then implement the simplest approach possible to get there. As a result of this thinking, we have developed a unique way to implement a strategy of process improvement. We help define the difference between process management and task management, and then we help implement the skills, attitude, and knowledge necessary to allow it to happen. This ideally is begun at the senior management level and then cascaded into the entire organization thus creating a culture to accept the changes. Our success creates an integrated systems approach rather than simply working with a tool kit.

Which Tool Kit To Use

Improving business processes can take one of two tracks: Root Cause Analysis to eliminate variation or Cycle Time Reduction to eliminate non-value added steps. The problems are different, therefore, the tools and approach need to be different. Common to both approaches is that the people working in the process are trained, using the appropriate tools, in order to improve it. This brings learning into the organization which establishes strong buy-in that makes the gains sustainable. Under our approach, people skills and understanding team dynamics are crucial to long-term success. This unique approach accounts for the high success rate of this integrated system approach.

Results

By reducing variations in a process, an organization is able to prevent problems from happening by building quality in rather than inspecting out defects. The level of improvement can be measured by "sigma" (defects per million), by time, by cost, by ROI, by customer satisfaction, or other measurements that may be specific to your market or industry. However, one thing is certain, both literature and our experience indicate that when properly implemented and for the right reasons, there is no down side. In fact, process management becomes an investment rather than an expense.

The Benefits have been shown to include:

- Improved profitability
- Improved customer loyalty
- More loyal employees – less turnover
- Increased productivity
- Less waste and improved operating costs
- Less rework
- Improved effectiveness
- Quicker time to market
- Greater innovation
- Lower unit costs
- Improved risk management

Implementation

Implementation will vary based upon your organization's specific needs. However, a tailor designed approach makes the most sense. Depending upon your experience and needs, we could begin by conducting a two day executive seminar or go directly into team implementation.

Time

Speed is critical, so we view the teams as "Rapid Deployment Teams." They are assigned a process, conduct an analysis to discover "root causes" of a problem, design fixes, make recommendations, and then implement the final decision. When addressing a Cycle Time Reduction problem, the team will complete their analysis and make their recommendations in one week. Process variation teams may take a little longer, however speed is of the essence.