

# LEAN Six Sigma

Lean  
Six Sigma

Lean and Six Sigma are both process improvement methodologies that have been successful in changing the way organizations do business for many years. With most companies it was an either/or approach. Either you focused on Six Sigma and improving quality down to 3.4 defects per million opportunities; or you focused on Lean and reducing your cycle time while improving quality to the Customer. Both were good initiatives – but neither alone solved all Enterprise problems.

Lean is about speed and efficiency, reducing waste and listening to the Customer define value. It is an excellent first step in the progression towards a company vision of lower cost, better quality and faster schedule. It does not focus as much on process capability, as it does on process capacity. Lean was developed as a method to help a small, disadvantaged automobile company overtake the leaders in global sales.

Six Sigma, on the other hand, is about precision and accuracy and using data to drive decisions. It evolved as a quality initiative to solve the warranty problems and costs associated with after sales pagers. It is excellent at eliminating defects, but does not focus on how to get more product out of the door faster, or be first to market with new products.

Each approach can result in dramatic improvement, but utilizing both, Lean Six Sigma, will help you identify and solve problems directly related to the bottom line of your company.

At its core, Lean Six Sigma is a principles-based methodology and a fundamental change in how one manages their business. It is a data-based structure, based on the principles of DMAIC, which drives how management makes reality-based decisions. This methodology is not appropriate for an organization that is simply checking the box or interested in selective application; it requires significant commitment from all levels of the organization. Senior decision makers most of all, must be willing to drive this relentlessly throughout their organization, starting with the Enterprise level value stream. Lean Six Sigma entails identifying and eliminating waste (from the Customers perspective) out of the multitude of processes and procedures required to perform work such that all remaining activities add value and address the Customers real needs and desires. Once all of the waste has been eliminated, Six Sigma tools are used on the steps left in the process to improve quality and process capability.

Lean Six Sigma allows the balance of process improvement, quality improvement and performance improvement that leads to sustainable competitive advantage.

As the most recent methodology sweeping the business world as the latest in a long line of management initiatives, enormous misunderstanding currently exists about what Lean Six Sigma is, how it works, DOES it work, and does it "fit my business"? All are relevant questions and each has a different answer based upon your individual business and what your objectives are at any given point in time.

Traditionally, Lean Six Sigma focuses on the manufacturing environment and all that it entails.

X-Stream

LEAN has developed specific methods and techniques to apply Lean Six Sigma in the Biz Ops (Business Operations) environment that is far more prevalent and needful in the business community today. Our approach has been validated with finance, purchasing, HR, accounting, legal, business development, engineering and design, and research and development examples in rich abundance. When applied rigorously and with a methodical and principled approach within an entire organization, Lean Six Sigma can have significant and sometimes dramatic impact on productivity, cost, and quality of service. Typical results we achieve with Lean Six Sigma in the manufacturing environment ranges from 20% - 40%. When we engage Biz Ops functions, we typically achieve results from 50% - 85%.

Check out our page on the types of businesses we have and are continuing to work with for more information about who uses Lean Six Sigma, or contact us to provide you with examples specific to your business.