

What is Six Sigma (6σ)?

This presentation provides an introduction to the history and benefits of the Six Sigma



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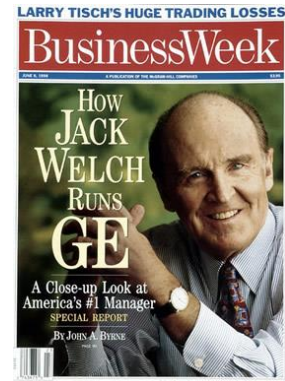
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The History of Six Sigma



Six Sigma is an improvement process that was originally developed by Motorola

It became widely adopted after dramatic success seen at GE and others



A recent study indicates Six Sigma has saved Fortune 500 companies over \$427 billion since 1987!

Put simply ...

6σ

Six Sigma, symbolized as 6σ , is doing something correctly in a quality way 99.99966% of the time. That's literally near perfection. Reality is most processes operate at about 3σ or about 65% perfection. Although the issues might sometimes appear small or be unseen by the end customer, about a third of all we do in industry varies and is a potential improvement opportunity.

On the one hand, we don't want to be alarmists. After all, most of the time, the customer doesn't know we messed up ... **or do they??!!**





The truth is variation costs, whether the customer finds out or not. There are real costs associated with quality excursions and having to rush or redo work. These costs include expediting, overtime, increased inventory levels, and loss of production capacity. The ultimate impact, if it goes on long enough, is the loss of the customer. “Close enough is good enough” is no longer acceptable for industry-leading companies.

Six Sigma DMAIC+L

To achieve Six Sigma performance levels, a systematic “DMAIC+L” methodology is used to reduce variation ...

- + **Define** the business need and benefits
- + **Measure** the process
- + **Analyze** with statistics
- + **Improve** the process
- + **Control** the new process so progress is sustained
- + **Leverage** the improvements across the organization



Long-Term Six Sigma Success

- For sustained long-term results, the improvement effort originates with a well defined implementation process
- This involves educating employees to successfully lead and direct Six Sigma implementation plans
- The elements of a successful Six Sigma initiative typically include:
 - + Development of specific business needs/financial goals
 - + Leadership development and buy-in
 - + Development of cross-functional Champions
 - + Training of Green and Black Belt “change agent” project leaders
 - + Rigorous project selection and review focused on profitability improvement as driven by customer requirements

Six Sigma Benefits

Six Sigma benefits stem from a step change improvement in process performance, which in turn results in

- Increased revenue from removing process capacity limits
- Increased revenue from new products and the improvement of existing products
- Reduction in defects, cycle time, and cost
- Reduced reliance on inspection for quality
- Improved customer satisfaction
- Reduced costs from rework and elimination of non value-added work



Keeping Six Sigma practical ...



- Six Sigma is not for the faint of heart
- Successful Six Sigma implementations require a strong, charismatic leadership team
- Most companies begin with Maintenance Excellence and Lean and then follow with Six Sigma (and/or Theory of Constraints)
- Outside coaching and mentoring is suggested

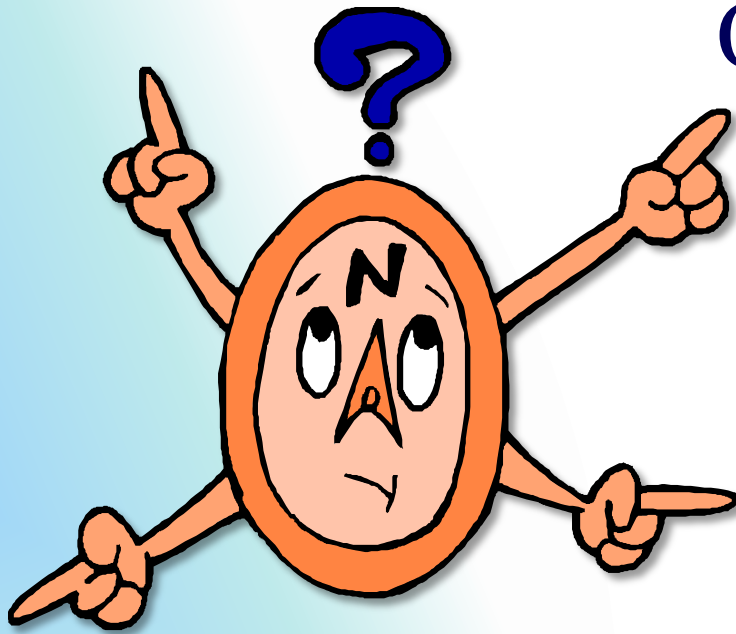
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The Numbers ...

- 97% of the attendees at Abidian's workshops and kaizens have rated the knowledge of their workshop facilitator as excellent.
- 94% of all workshop and kaizen attendees rated the hands-on exercises and practicality of the illustrations provided as very good or better.
- 100% of all attendees have given their kaizen improvement event or workshop an overall rating of very good or excellent.
- Projected savings identified by our clients from our recent workshops, kaizens, and onsite efforts are well over \$80 million.



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to get started?

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