

LEAN & 6 SIGMA

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Lean Six Sigma has its origins in the electronics company Motorola. It was coined in 1986 as a methodology to reduce defects.

It is a powerful tool. Over the last few decades, companies all over the world have saved countless millions by incorporating Lean and Six Sigma strategies into their processes.

It has a long record of being applied successfully across many industries. Information technology, telecommunications, sales, healthcare, finance, and even the military have used Lean Six Sigma to transform processes with business process management ideas – often proving the key to staying ahead in today's busy marketplace.

It is the combination of two different concepts, combined together to form a powerful tool to improve business processes. Lean and Six Sigma.

What is lean?

Lean refers to reducing waste in your business. Waste is anything that doesn't benefit your bottom line or add value to your organization.

Do you regularly wait for product shipments? That's waste. Do processes go days without being actioned? That's waste. Do products sit in a room until they are needed? That's waste. The purpose of lean management is to synchronize all of your business processes so there is no downtime and your operation runs as smoothly as possible.

A lean approach will help your company eliminate activities that are devoid of value. A major benefit of lean is that you will deliver the same value to your customers but with less effort.

As such, Lean doesn't mean making employees work harder and faster, or at the very worst, make them redundant. A lean strategy will simply give your employees more time to spend on the value-adding processes that will add to your business's bottom line.

Lean is about working effectively, not quickly.

What is Six Sigma

If lean is about streamlining processes, Six Sigma is about improving the quality of what your business delivers, ensuring that variation is kept to a minimum.

Six Sigma refers to a method of statistical quality control and is effectively a data-driven problem-solving methodology. The original definition is 3.4 defects per million output units.

Why such a precise figure and how does this relate to the corporate world?

Six Sigma actually has its origins in the world of manufacturing. It is the mathematical symbol for a standard deviation (sigma).

Six Sigma is the ideal acceptable range of deviation from an ideal mathematical measurement.

"Unless you try to do something beyond what you have already mastered, you will never grow."

Ronald. E. Osborn

Where Lean Thoughts can become Reality

Lean, Six Sigma

Each level of Sigma allows a certain number of defects, with the number of defects reducing per level of sigma.

An occurrence that is six deviations from the mean should be incredibly rare, which works out to 3.4 deviations per million. That means 99.99966% of all processes should be completed without any inaccuracies or defects.

Easier said than done, I hear you say?

Many companies take on Six Sigma because it sets a goal that is in the realms of perfection – but realistic enough giving employees across an organization the desire and motivation to meet it.

Imagine if a busy train station had one million departures and arrivals every year. At Sigma level 4 there would be 5000 mistakes. Is that good enough?

At Sigma level 6 there would only be two mistakes.

Conversely, take a mobile phone which has thousands of components that must be assembled correctly to ensure the device works. A deviation worse than 99.9% would likely result in a device that doesn't work.

At the end of the day, the goal of Lean and Six Sigma is to eliminate waste, optimize processes, foster business process management and improve the quality of your product or service.

To summarise, Lean aims to clean up the activities between the value-adding processes and Six Sigma is about improving the outcome of the processes and the work being done.

Lean Six Sigma is a must for businesses of every size as it makes quality a quantifiable statistic. It enables businesses to observe and study processes in a scientific way with the end goal of eliminating waste.
friend?

8 Examples of waste

An easy way to remember the 8 examples of waste is DOWNTIME. Check out the picture below.

Waste is applicable to every industry and sector, from defence to hospitality. Here are examples of different kinds of waste and how they can affect your business.

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Lean Thoughts