Motorola initiated Six Sigma in the 1980’s to improve product quality. Within this deployment, employees were trained in Six Sigma tool usage and then mentored by experienced practitioners when they applied the techniques to their area of the business.

GE initially embraced Six Sigma in the mid 1990’s. GE’s strategy was to execute quality improvement projects, where there was a defined financial benefit. With this Six Sigma implementation, GE developed a project-by-project improvement strategy and an infrastructure of support roles. These roles included executives, champions, black belts, and green belts, where black belts were a dedicated resource for project execution. The success of the GE model in generating validated financial benefits (now in the billions of dollars) stimulated many corporate Six Sigma implementations.

Both large and small businesses can benefit from a project-by-project improvement strategy, where projects are aligned to business needs. However, organizations often do not track these business needs as an enterprise, which consists of many interconnected processes. When implementing Six Sigma using an integrated enterprise approach, business is tracked as an integration of processes using a statistical-based reporting methodology. This will allow Executives to quantify what processes have accomplished in the past and statistically predict what the processes will do in the future – unless something is done to improve the processes. This understanding enables Six Sigma Champions to identify process improvement projects based on business needs.

Tabular annual reports, bar charts comparing monthly outputs to previous years, and even balanced scorecards can lead to unproductive activities that significantly drain limited available resources when they do not look at the enterprise as a collection of processes. An example high-level business metric (satellite-level) is profit, which could be tracked monthly over several years in a time-series fashion and then collectively analyzed to predict the future. Organizations can further benefit when they create and statistically track mid-level functional hand-off metrics (30,000-foot-level), which are aligned with the satellite-level metrics. These so called statistically-based, 30,000-foot-level metrics can yield a reduction in fire-fighting the problems of the day, which can waste much resource. With this approach, decisions that drive priorities for projects become data-based, with the appropriate statistical analysis.

The existence and excellence (E) of both large and small businesses depend on more customers and cash (MC^2); i.e., E=MC^2. Small business can become much more competitive when they use a Six Sigma project-by-project approach that focuses on improving their operational metrics and implementing strategic goals. These tools can, for example, dramatically improve marketing and sales processes through the creation of a system where change is accomplished through the integration of organizational wisdom and data analysis.
A step-by-step approach for integrated enterprise excellence is:
1. Create a strategic plan from the organization’s vision, mission, and goals using baseline historical data.
2. Create a system to track the business at the satellite-level, including voice of the customer (VOC) needs.
3. Describe the flow of product and information through the organization, along with the enterprise’s accompanying 30,000-foot-level operational metrics.
4. Assign accountability to all 30,000-foot-level metrics through employee performance plans.
5. Align Six Sigma projects to operational metric improvements needs and strategic plan objectives.
6. Create a weekly reporting structure where 30,000-foot-level metrics are reported and project status is given that is aligned to improvement goals for these metrics. For example, a 30,000-foot-level metric might be the weekly reporting of new sales prospects from telephone or internet inquiries. The status report should then reflect the recent activities of any Six Sigma project that is to improve these metrics.

Improvement efforts need to focus on what would be beneficial to improve the organization’s satellite-level, business metrics; i.e., $E=MC^2$. To make improvement, both small and large businesses need to create a system where decisions are data-based and much emphasis is given to obtaining and addressing customer wants, needs, and desires. With the integrated enterprise approach, 30,000-foot-level metrics describe the outputs of activities aligned with both product and information flow throughout the business. The wise integration and use of both statistical and non-statistical Six Sigma and Lean tools can accelerate the improvement of these metrics. If small businesses do not create such a system for generating long-lasting process improvements, it can be difficult for the business to survive and grow.

The team at Smarter Solutions, Inc. not only teaches the above methodologies to both their large and small clients but they have found the approach very helpful to manage their own business.

About the Author

Forrest Breyfogle is President and CEO of Smarter Solutions Inc. (www.SmarterSolutions.com), which he founded in 1992 after a 24-year career with IBM. Smarter Solutions Inc. has helped leading companies throughout the world in implementing Six Sigma. Mr. Breyfogle has authored or co-authored six books on Six Sigma. He has been interviewed by many leading business publications, radio, and TV talk shows, including CNNfn and CNBC. Mr. Breyfogle is a professional engineer and a fellow of American Society for Quality (ASQ). He is on the board of directors of the University of Texas Center for Performing Excellence. He is an ASQ fellow.