

Six Sigma for the *Small Guys*

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Why is Six Sigma deployment considered to be largely restricted to large organizations? Why are small and medium sized businesses reluctant to implement Lean and/or Six Sigma techniques to cut costs and inflate their bottom-line? Why do process improvement consultants regularly fail to convince the experts that Six Sigma is just for business owners with fat pockets?

These are the few questions I often ask myself, and so do several other industry professionals in Quality. After all, small to medium sized businesses form approximately 75% of business activity in most regions of the world. That, to me, is too large a percentage to let go off. However, it is common perception that most quality management methods will fall flat on their face because the smaller firms won't have the cash or the will to streamline their processes.

From personal experience, I can assure you that small business owners experience considerable frustration due to time and capital wastage. Inefficient processes drive up the Cost of Poor Quality (COPQ) which could cost the business sometimes millions of dollars because problem-solving is largely done on an ad-hoc basis. These business owners and senior managers do not have either the discipline or the time (or both) to appreciate the direct and indirect savings that can result from establishing permanent parameters and measurement systems that will ensure one or all of time, cost and effort reduction.

Moreover, it is also unwise to just limit Six Sigma to... well, just Six Sigma. The term is usually a generalization of several integrated process improvement (PI) techniques such as Lean, Kaizen, Total Quality Management (TQM), Process Excellence (PE), etc. The end-goal is to achieve genuine improvement how an organization conducts business. This would inevitably result in savings that would allow resources to be re-positioned into another business activity to generate additional profit.

Some typical 'small-company' projects would include: splitting journal entries in the financial wing of a manufacturing company, lead time reduction in delivery of automotive spare parts, improving the plant layout to optimize workers' movements that would save time increase production of more *units*, are some of the few examples that six sigma consultants would potentially work on in under-sized companies.

A keen eye is required to identify typical 'pain-areas' within the value stream flow of the organization. One also needs understanding of the various business activities that are targeted for improvement. An appreciation of the corporate culture, management priorities and improvement expectations should also be made prior to any comprehensive implementation of Six Sigma or other PI procedures.

For a typical small-to-medium sized firm, a three-pronged initial strategy should be a good starting point to potential success in implementation of Six Sigma:

1. A *Six Sigma Lite* strategy needs to be employed. While, all essential statistical and process analysis tools and metrics need to be utilized, emphasis should primarily be on shorter projects of six months or less that will achieve quantitative results in hard dollars.
2. The teams should be heavy on Green Belts and Yellow Belts, with only a single Black Belt in the team or none! Yes, you heard me right. Green Belts are the typical ‘worker bees’ of Six Sigma projects and are well-grounded in basic statistical analysis and project management tools utilization. Thus, a senior Green Belt is quite capable of acting as Process Owners.
3. Training of company personnel should typically be at one’s own time with a pair of instructor workshops at each end of the self-study training for orientation and course-review, respectively. This will ensure considerable savings in cash that would have otherwise been doled out to trainers for anywhere between 20-100 educational hours.

There are various other aspects of project planning, mentorship, training and cost-statistical analysis that need to be studied further based on the specific requirements of the business. However, the idea of Six Sigma/PI implementation in small and medium sized organizations is genuinely achievable if the *right* individuals steer the decision-making process.

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