

# ENCAPSULATING SIX SIGMA WITHIN A COMPLETE MANAGEMENT PROCESS

by Malcolm Holden and Philip Atkinson

A major threat facing many organisations is not being able to change fast enough in an environment where the pace of change is accelerating, fuelled in no small way by developments in e business.

When the speed of change increases then decision-making has to speed up. However, if the process of analysing data is 'less than robust' all that will happen is that senior managers will make poor decisions faster! Continuous improvement alone is not good enough. Discontinuous improvement (breakthrough thinking and implementation) is a pre-requisite of survival. Growth is out of the question when competitors are analysing and implementing faster than ourselves.

Organisations are faced with a plethora of approaches all aimed at improving business performance. This fog includes: Balanced Scorecards, Baldrige, EFQM, Beyond Budgeting, Economic Value Added, Knowledge Management and Six Sigma, through to various ISO standards.

How do we cut through all of this? What is needed is a mixture of theory and best practice; something jargon free that can be quickly adopted and applied by companies; something that will flow strategically from the top of the organisation to swiftly generate breakthrough and continuous improvement activity very clearly focused on the customer as *the* number one priority.

All the best business improvement techniques world are of limited use if the culture of the organisation is not one where the entire workforce operates as one team. Without a determination to improve on the previous day's performance and to improve relative to our strongest competitors, change will not happen. A prerequisite to change is strong Leadership and Vision. The best Six Sigma programme is unlikely to realise its full potential unless a carefully honed and supportive 'cultural infrastructure' is in place. Managers talk about culture all the time but very few understand:

- What corporate culture is;
- How to measure corporate culture;
- How to focus upon those specific aspects of the culture that drive corporate performance;
- The relationship between Vision, Leadership, Behaviour and Business Results;
- How to implement the required cultural change; and
- How the technology of Six Sigma can be driven through the culture.

Years of research and practical experience of

the 'softer' issues of culture change and the 'harder' issues of systematic process improvement point to a simple solution that is not wrapped up in the complexity of scoring systems of one form or another. The solution is to encompass chosen approaches within the umbrella of a complete Management Process, something that shows how the company actually operates; the key events throughout the year, inputs to those events, what happens at each event, what outputs are produced and where they go. In essence, a totally 'closed-loop' system.

Is this complicated? Not necessarily. All companies have a Management Process. It may be well defined and pro-actively managed or at the other end of the spectrum it may 'just exist' with no indication of how well it is performing from one day, or one year, to the next.

Everything that we do is a process with a beginning, a middle and an end (the outcome). The trouble is that most processes are stored in unreliable areas - inside the minds of those who operate the processes, rather than those who manage them. Frequently, the operator or staff member moves on and knowledge is lost; best practice is not captured, and instead, reversion to unreliable historic anecdotal data takes place. Accidents to key people may result in permanent loss of the ability to monitor and control processes.

An effective solution needs to be rapid, because time does not stand still, and dynamic. It should operate around three very simple concepts:

- Assessment - 'Where are we now?'
- Planning - 'Where do we want to be?' and
- Deployment - 'How will we get there?'

Bureaucracy is the enemy of change and blindly applying a clinical generic methodology does not guarantee that the methodology will deliver results.

Business results are dependent on two factors only: first, create the right culture; and second, develop seamless processes that operate across the organisation geared primarily to customer retention and customer acquisition.



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