Lean Six Sigma: Deployment Issues and Successful Implementation

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Agenda

- Historical Success Rate
- Project Management
- Issues in Project Deployment
- Some Help for More Successful Implementation
- Conclusions
- Q & A
Historical Project Failure Rate

“Amazingly, the majority of all corporate Six Sigma initiatives—60 percent—fail to yield the desired results, according to Praveen Gupta, a noted author who has been involved with the methodology since its origin in the 1980s.”

What has been your experience?
Historical Project Failure Rate

“Amazingly, the majority of all corporate Six Sigma initiatives—60 percent—fail to yield the desired results, according to Praveen Gupta, a noted author who has been involved with the methodology since its origin in the 1980s.”

What can be done to improve our success rate?
Project Management Process - LSS

The DMAIC Process

Define → Measure → Analyze → Improve → Control
Project Management Process - PMI

PMBOK Project Stages

Initiate → Plan → Execute → Control → Close
Lean Six Sigma Implementation Example (8)

- "Company A decides to implement a Lean Six Sigma program.
- Upper Management arbitrarily selects three Managers and sends them to Lean Six Sigma training.
- The Managers come back from the training and are asked to start running some programs to cut costs.
- They meet resistance from the workplace and cannot find the right resources to be successful.
- The projects ultimately fail and upper management decides the initiative is not worthwhile."

- What is wrong with this approach? Why did it fail?
Top Reasons for Project Difficulties – Audience Poll
Contributors to Project Downfalls

- Lack of committed and involved leadership
- Poor communication about LSS message from top to bottom
- Efforts aren’t tied to corporate business goals
- Too many improvement initiatives
- Lack of systematic project selection, execution & review
- Unstable process flow
- Lack of Continual Improvement Attitude
- Inadequate Change process
- Corporate culture for LSS was not present
- Poor communication about LSS message from top to bottom
More Contributors to Project Downfalls

- Requirements Creep
- Personnel aren’t adequate (correct fit) for the project
- Human resources weren’t available
- Lack of continuity in implementation
- Lack of standard training material including software
- Lack of Immediate application after training
- Lack of understanding of what Lean Six Sigma is
- Use of the wrong tools for the application (for the person who only has a hammer everything is a nail)
- Lack of current organization assessment prior to start
Unsuccessful Projects

- Reasons for not being successful with Six Sigma have little to do with DMAIC
- It has Everything to do with Leadership & Business Process Management
Successful Projects Overview

- “The key to successful deployment is the organization’s Leadership and Management.

- They have to be actively involved and must be seen leading and supporting the approach “
  John Morgan and Martin Brenig-Jones

- What has worked for you to get Management successfully involved?
Management Commitment

“There’s one sure way to get commitment from the top: make Six Sigma the approach used to achieve the leaders’ goals for the organization”

Thomas Pyzdek
Absence of Leadership

- Vital Skills research shows that when AWOL (missing) Leadership issues are not addressed effectively:
  - 53% of the projects missed their timeline or savings targets
  - 60% failed to achieve their quality improvement goals
  - 62% of the time team morale was damaged
  - 40% of the time team members were reluctant to serve on another Six Sigma team
Successful Projects Overview

- **Doing the right work**
  - Strategic Alignment
  - Project Selection
  - Managing by Fact

- **Doing the work right**
  - Lean Six Sigma Tools and Methods
  - Deployment Program Management
  - Project Management
  - Process Management

- **Creating the right environment**
  - Leadership Behavior
  - Effective Sponsorship
  - Coaching, Mentoring
  - Effective Teamwork
  - Resourcing
Successful vs. Unsuccessful Projects
Snee and Hoerl

Less Successful
- Supportive Leadership
- Use of Available People
- No Supporting Infrastructure
  - No Formal Project Selection
  - No Formal Project Review
  - Part Time Resources
  - Financial System Not Integrated

Very successful
- Committed Leadership
- Use of Top Talent
- Supporting Infrastructure
  - Formal Project Selection
  - Formal Process Review
  - Dedicated Resources
  - Financial System Integration
Success in Six Sigma Projects

“Success requires diligence, perseverance and strong leadership leading to cultural change.”

Lockheed Martin
Change Management

- John Kotter suggests an eight-stage process to enable managers to institute major change within complex organizations and overcome sources of resistance.
  - (1) establish a sense of urgency (complacency causes inaction)
  - (2) create a guiding coalition (lack of key players at high levels)
  - (3) develop a vision and strategy
  - (4) communicate the changed vision
  - (5) empower broad based action
  - (6) generate short term wins
  - (7) consolidate gains and produce more change
  - (8) anchor new approaches in the culture.
People travel up a “commitment curve” that defines the stages for building personal commitment to change.

While the speed with which an individual moves up the commitment curve may vary, the stages themselves are inevitable.

- **Contact**: Individuals have heard the Vision initiative exists.
- **Awareness**: Individuals are aware of basic scope and concepts of the Vision.
- **Understanding**: Individuals understand the impacts to their co. and their functional area.
- **Positive Perception**: Individuals understand impacts and benefits to them.
- **Adoption**: Individuals are willing to work with and implement the Vision.
- **Internalization**: Individuals make the Vision their own and create innovative ways to use and improve.
- **Institutionalization**: The Vision is the way work is done at our co. -- the new status quo.

While the speed with which an individual moves up the commitment curve may vary, the stages themselves are inevitable.
The Change Management Process - Levantrosser

- Make it Real
  - Define Business Goal & Future State

- Make it Work
  - Plan the Change
  - Create an Environment for Change

- Make it Last
  - Execute & Improve
  - Integrate & Sustain
Project Closure

"It is easier to start a project, but difficult to close successfully. It takes a determined and an open mind to ensure a breakthrough solution and close a project. The last 5% of the project requires 30% of the effort that people do not plan for. Always start a project with close in mind."

Praveen Gupta, Director, Corporate Quality, Prysm, Inc.
Conclusions

- Success Factors are not very different between Six Sigma Lean Six Sigma, and other Projects
- Historical Failure rates in achieving desired goals are extremely high
- Most failures are not due to technical aspects (tools used in Define, Measure, Analyze, Improve, Control stages) but are due to inadequate Project Management and Leadership
- Management must be involved, not just be committed, for best results
- Planning must include a Change Management approach for training and relationship building (buy-in and support)
- Plan for the extra effort needed for completion and closure of the project
- Start Strong, Finish Strong
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12. Six Sigma: What Went Wrong? Cristopher Del Angel, Joe Froelich 11/01/08
13. Debra Levantrosser Change Management ASQ Detroit Presentation 112113
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17. James Squires Harman International
Wrap Up & Questions

- Thank you for attending!
Dilbert – Why Projects Fail
Top 10 Challenges in Six Sigma Deployment

1. Selected Six Sigma projects are not connected to the corporation’s goals
2. The corporation is deploying Six Sigma for the wrong reasons
3. Six Sigma goals are not aligned with the Champion’s goals
4. A bottom-up rather than a top-down project selection methodology
5. No clear financial results
6. The corporation does not have clear processes to support customers
7. Poor or Wrong Metrics
8. Projects have ineffective charter
9. Solution is obvious
10. Focusing on output measures