Why Lean and/or Six Sigma Deployments Fail:

And what ***you***can do to resolve the Issue

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**Presentation Statements**

1. Issues described in Deming’s red bead experiment are fundamentally the same as the red-yellow-green scorecard reporting method commonly used in organizations.
2. With a Six Sigma deployment, you may have tracked financial benefits noting a reported 100 million dollars in savings; however, no one can seem to find the money.
3. With a Lean deployment … often, however, no one can describe how these lean efforts positively affected the enterprise-as-a-whole performance metrics.
4. Wikipedia’s definition of OE: “Operational Excellence is an element of organizational leadership and organizational intelligence that focuses on meeting customer expectation, all while stressing the application of a variety of principles, systems, and tools toward the sustainable improvement of key performance metrics.”
5. In general, traditional process improvement efforts have not been aligned with the last six words of this OE definition – sustainable improvement of key performance metrics.
6. OE need No. 1: Performance metric reporting from a process point of view
7. If common-cause variability is occurring (from a high-level point of view) and the response is undesirable, enhancements are needed within the process.
8. A special-cause event (from a high-level point of view) could trigger a specific investigation to understand what changed (that is, good or bad) in a process at a particular point in time.
9. In this (30,000-foot-level) report-out, the top two charts assess process stability, while the bottom right chart assesses process capability… This non-conformance rate is provided in an easy-to-understand sentence at bottom of the three-chart report-out.
10. What’s important is that the process enhancement effort led to a demonstration and quantification of the improvement in the 30,000-foot-level chart/charts.
11. OE need No. 2: Structural linkage between performance metrics and processes
12. An IEE value chain describes what an organization does and how it can report performance metrics from a process point of view.
13. In IEE, sustainability is accomplished through a clickable organizational IEE value chain available to those who are authorized.
14. Performance metric’s monitoring … Another benefit of this form of reporting is that the methodology can provide transparency of performance report-outs throughout the organization to those authorized.
15. Process enhancements documentation: New improvement-project procedures can be incorporated with other functional process documentation in a readily available, clickable IEE value chain. With this easy access to information, everyone responsible for executing the process will have a consistent description of what must be done in a process.
16. In addition to the above benefits, the nine-step IEE OE method can be used to determine which value-chain metric must be improved (for example, through execution of an improvement lean Six Sigma project or *kaizen event*) so that the big-picture receives the most benefits from process enhancement efforts.
17. Process owners of these strategic-metric-improvement undertakings would then be asking or demanding timely completion of improvement efforts that are to be executed in their area.
18. Enhance your organization’s process improvement efforts: … Compare the traditional performance metric report-out to a 30,000-foot-level report. Describe additional insight gained through the report.
19. Enhance your organization’s process improvement efforts: Report demonstrated improvement results to others using the newly created 30,000-foot-level chart.
20. Consider implementing other steps described in this article’s section “Enhance your organization’s process improvement efforts.”