

## **Six Sigma for Small Organizations**

Six Sigma is the latest rage in corporate cost reduction strategies. GE saved \$12 Billion over 5 years. Honeywell (Allied Signal) recorded more than \$800 Million in savings. Companies like Sony, Noika, Toshiba, American Express and others have all seen similar results.

### **CONCLUSION: Six Sigma works for large organizations. But what about small and medium sized companies?**

Many SMEs have been reluctant to enter into a Six Sigma program because of the large investment required to train the Black Belts and Green Belts and the significant amount of time that the Black & Green Belts must devote to operate a Six Sigma program.

Black Belts are employees who receive on average 20 weeks of training in the six sigma techniques. The Black Belts work full-time on six sigma projects, providing guidance and expertise in the application of the six sigma statistical concepts to other employees in the organization, primarily to Green Belts.

Green Belts receive an average of 8 weeks of six sigma training. They typically spend 30% of their time working on specific six sigma projects, getting advice and guidance from the Black Belt where needed. For every 100 employees, there is typically 1 Black Belt and up to 30 Green Belts.

To overcome these shortfalls, some consultants have developed Simplified Six Sigma (S3) programs. The S3 program requires minimal upfront investment and permits an organization to delve more deeply into a full Six Sigma program as it pays for itself. The trick is to start small. Get just the training you require to "pick the low hanging fruit". There are numerous basic statistical techniques that can be applied to solve up to 80% of the problems you encounter. If you need more sophisticated six sigma

processes (like Design of Experiment), you can get your consultant to perform them.

### **Small organizations using the S3 program have achieved significant savings:**

- A food processor reduced shipping errors by adding mirrors and improving the lighting. They saved \$14,000 and got happier customers
- A foundry reduced scrap by controlling the quality of their sand, saving \$140,000 with no significant investment.
- A printing company entered new markets and increased its sales
- A manufacturer of control cables revised a few specifications on incoming material and provided some operator training to save \$12,000 in annual scrap



## **Improve Your Bottom Line**



Process Quality Associates is developing an innovative consulting service to help you improve your bottom line. We are calling it the **PERCON SYSTEM**.

**PERCON** will help you focus on those aspects of your business that are constraining you from achieving all the success you are capable of. Together, we **will** identify, develop and implement the continuous **improvements** you always wanted to do, but lacked the resources.

Companies that have implemented the proven methodologies in the **PERCON SYSTEM** have seen radical improvement in net income and operational excellence. By implementing these methods throughout **your** organization, you'll be well on your way to becoming leaner, more competitive, and more profitable. In **business**, more than ever, that's the bottom line.

We will be sending you more information in January about the **PERCON SYSTEM**

**Last Chance (only 1 left)** to get an MMM intern student with 10 years experience in manufacturing, automation, machining, etc to help drive your company forward in profitability, productivity, and quality.