IS YOUR COMPANY'S LEADERSHIP READY FOR SIX SIGMA?¹

Is every company ready for Six Sigma? Not any given moment, but there are ways to tell if now is the time for a company's business leadership to adopt the Six Sigma way of doing business. A quick 11-question test may help provide an answer.

By Steve Crom

Six Sigma is not for the faint of heart. It takes courage to attack chronic problems no one has been able to solve. It takes true grit to define and collect the data needed for new insights. And, it takes staying power to see solutions become the new way of working.

Is every company ready for Six Sigma?

To answer that question, one must know the full meaning of Six Sigma? The GE definition is "completely satisfying customer needs profitably." Doing that requires a company-wide improvement initiative aimed at dramatically improving process performance. And it requires that every employee learns a structured approach to managing improvement projects, solving problems using facts and taking the customer's perspective. Six Sigma is about changing the way an organization works - the approach and tools it uses to solve problems, as well as the behaviour of people from the boardroom to the mailroom.

Obviously not every company is ready for Six Sigma.

If a business is going through restructuring that requires significant layoffs or a merger that creates uncertainty, it is not the right time to start a company-wide improvement effort. Let the dust settle. If there is too much uncertainty and too little executive attention, Six Sigma cannot be started successfully. When is the right time? When a leader of a business can say, "I will make Six Sigma one of my top three priorities for the next three to four years."

Six Sigma as a Top Priority

But how many senior executives are willing to make a leap of faith and identify themselves with a long-term initiative that they have not experienced themselves, and therefore do not know for sure will work? In those circumstances it is best to pilot Six Sigma in one division, country or business unit. Go where there is sponsorship, someone with P&L responsibility who is already saying:

- "Why is it we spend so much time fire fighting but don't have the time to do things right the first time?"
- "We don't think enough about the customers when we develop new products and processes."
- "The way we work is too person-dependent; we don't have enough standardized processes."
- "How can I get a common language across the business so it is easier to transfer best practices from one area to another?"
- "What we are missing is the next generation of leaders who will help drive business growth."

¹ Is Your Company's Leadership Ready for Six Sigma, Mr. Steve Crom Partner Valeocon Management Consultants - http://isixsigma.com/index.php?option=com_k2&view=item&id=881:&Itemid=111#author
For that person, Six Sigma is a systematic way of addressing items already on his or her "to do" list. Six Sigma will help that person get where they already want to go faster and with greater sustainability than they would have otherwise.

The question of whether a company is ready for Six Sigma requires more questions to be answered. One of the most important is: Does the business have the resources to devote to Six Sigma? If 10 percent of the company's resources are already being spent on process and product improvement, then the answer is yes. Think about the average information technology (IT) spending in a business and ask what benefit would the company get if it could define customer requirements, functionality and process flows before automating them? With business leader sponsorship, a company should be able to delineate from strategic objectives those process drivers where resources are or should be spent for highest impact. The company is not looking for new or additional Six Sigma projects. It is applying Six Sigma to the highest-leverage process-related areas of improvement in the business. That will help relieve the resource constraint.

Involving the Entire Leadership Team

Business leaders must ask themselves if they are ready to involve the entire leadership team and the next level of managers in the launch of Six Sigma. If business leaders and their teams cannot invest two days of their own time and of their managers' time in learning more about Six Sigma and their role, then they are not ready to start. Avoid at all costs the "wash-me-but don't-get-me-wet syndrome." To succeed, Six Sigma has to be the initiative of the leadership. It is an approach and set of tools, not an end in itself. Business leaders have to articulate why Six Sigma makes sense for the business at a given time.

Will the members of the business leadership team actively sponsor Six Sigma projects? Will they attend regular check-point meetings? Are they open to learning and changing the way they manage their departments or the processes they own? If the willingness and openness are there, sponsors can learn to fulfill their role. The best will see that Six Sigma offers a new and dramatically different, more effective way of managing. By asking about root causes, evidence and predictive measures, managers truly help improve the performance of others rather than simply rendering judgment after the fact.

Six Sigma is about measuring, rewarding and holding people accountable. It takes business leaders who are willing to fairly, but firmly, set expectations and deal with the consequences if they are or are not being met. That is what it takes to drive the cultural change that makes Six Sigma sustainable.

About the Author: Steve Crom is the managing partner of Valeocon Management Consulting. He has more than 20 years of experience helping clients achieve breakthrough results. Mr. Crom has worked with clients such as Johnson & Johnson, Zurich Financial Services, Airbus, Siemens and many other Fortune 1000 companies. Based in Germany, he is fluent in English, German and French. He can be reached at steve.crom@valeocon.com.
SIX SIGMA READINESS TEST\(^2\)

Here is a test which can help business leaders decide if their organization is ready for Six Sigma. Please answer each question using a scale of 0-10, with 10 meaning "absolutely yes," 5 meaning "maybe" and 0 meaning "absolutely no."

<table>
<thead>
<tr>
<th>Score</th>
<th>Question</th>
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<tbody>
<tr>
<td>1.</td>
<td>Is the organization structure relatively stable, not about to change dramatically?</td>
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<tr>
<td>2.</td>
<td>Will the business leader make Six Sigma one of his or her top priorities?</td>
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<td>3.</td>
<td>Does leadership have credibility and a history of successfully implementing company-wide improvement initiatives, demonstrating that they can sustain their attention?</td>
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<tr>
<td>4.</td>
<td>Will the business devote 10 percent of its resources to Six Sigma?</td>
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<tr>
<td>5.</td>
<td>Can the best project and change leaders in the business at manager or junior manager level be assigned to Six Sigma projects?</td>
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<tr>
<td>6.</td>
<td>To launch the effort, will members of the leadership team invest two days of their time?</td>
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<td>7.</td>
<td>Will members of the leadership team mandate that their direct reports invest in a two-day Six Sigma orientation?</td>
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<td>8.</td>
<td>Is the business leadership team open to actively sponsoring pilot projects?</td>
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<td>9.</td>
<td>Is it common practice to work in teams - project teams, management teams or natural working teams?</td>
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<tr>
<td>10.</td>
<td>Are decisions based upon analysis of relevant data at all levels in the organization?</td>
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<tr>
<td>11.</td>
<td>Is work defined in terms of processes? Are key processes documented and accountabilities clear?</td>
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</tbody>
</table>

**Total**

**Scoring:**

- **75-110** = Time to get started!
- **50-75** = Risky, unless all leadership items are strong!
- **Below 50** = Wait until conditions have improved!

\(^2\) Use of the Readiness Test use has been authorized by Mr. Steve Crom Partner Valeocon Management Consultants