

Quality First

Anna Wells, Executive Editor, IMPO

Has the recession created renewed emphasis on defect reduction?

Six Sigma is one of the leading process improvement methodologies falling under the “Lean” umbrella that came to manufacturing and never left.

For those of you who find your eyes glazing over when faced with process improvement training, here’s a quick recap of Six Sigma, and why you should remember it: Originally developed by Motorola in the mid-’80s, Six Sigma works to identify defects in a process (and their causes), as well as reduce variability. The quality management tools involved in Six Sigma integrate statistics and push toward target goals of reducing costs.

While the broad view of any process improvement methodology sounds generic, the devil is in the details. Manufacturing giant GE has claimed a billion plus dollars in cost reduction throughout its decades-long Six Sigma program, but many will tell you that this is an all-or-nothing approach. Without the core philosophies of Six Sigma coursing through the veins of an organization, it will inevitably fail.

Help Is On The Way

For businesses who find this concept an overwhelming one—and who can blame you—organizations like ASQ can help troubleshoot the process. ASQ (American Society for Quality) is a professional association that champions the quality movement, helping businesses and organizations implement tools and systems that help improve quality. With a foundation in defect reduction, Six Sigma aligns well with ASQ’s goals, and the organization works to facilitate implementations of this strategy for its member organizations.



“Six Sigma is a powerful tool to aim at the sources of this waste,” says Paul Borawski, CEO of ASQ. “The savings associated with reduced waste accrue to the bottom line immediately and the enhanced performance and reliability begins improving the reputation of the company and earns it a larger share of the market.”

This has been especially valuable, says ASQ, in the wake of global expansion for manufacturers—a phenomenon that has essentially widened the pool of competition for orders. In order to aggressively compete for accounts, many manufacturers are looking at ways to slash operating costs—and according to its philosophy, much of this cost reduction can come in eliminated waste through Six Sigma. “Reduced waste, higher quality products and improved service create conditions for growth and a strong defense against competition,” adds Borawski.

Still, Borawski cautions businesses to be balanced when it comes to quality improvements relative to other external impacts such as customer retention.

“Many organizations have found that a preoccupation with waste reduction results in an organization with its head down focused internally. It can come as a rude day of reckoning when a customer-focused competitor makes an agile move. That’s why ASQ works to encourage organizations to take a strategic view of quality and align the concepts, techniques and tools of quality in a balanced way to meet the strategic objectives of the organization.”

Quality By The Wayside?

One of the more notable effects of the tight financial landscape of the last few years has been a renewed emphasis on waste reduction: Some manufacturers found themselves suddenly scrambling to improve cash flow and were willing to try anything in order to keep their businesses from going under. For Borawski, the recession perhaps rang alarm bells in areas that were in need of attention all along.

“Certainly the turn to tougher times provoked cost reductions and waste is an obvious target. Whether there was a wake-up call or not is hard to discern. It shouldn’t take a recession to make obvious that waste, in any form, comes dollar-for-dollar off the bottom line. It’s less obvious that waste also impacts the top line. There is ample evidence that quality remains able and willing to contribute to the success of any organization.”

Recent data from Oppenheimer outlined a theory that businesses in the industrial market are actually healthier now than before the recession, suggesting manufacturers are doing something to address waste and inefficiency. While it's unclear if the businesses have strengthened based on sheer cost cutting (in areas like labor reduction and halted production runs), it's also likely that some internal initiatives to reach these bottom-line dollars are most likely being implemented.

“Those who study the cost of poor quality say the average manufacturer loses 20 percent of its revenue to the costs of poor quality — waste, rework, warranty, recalls, and customer losses, to name a few,” adds Borawski.

Six Sigma Goes To Washington

Six Sigma has recently gained a bit more media attention as a process undergoing consideration by the government to help reduce the soaring national debt. According to a recent press release from ASQ, the Obama administration is currently examining how Lean Six Sigma might be utilized to help eliminate federal waste. The results of an ASQ survey suggest that, while this method could help reduce the soaring national debt, it also faces some key challenges in government implementations, including:

- An environment faced with conflicting strategies, goals, and priorities.
- Creating a sense of urgency to deploy a comprehensive improvement methodology across all government agencies.
- The personnel management model currently used by many government agencies.
- A lack of familiarity with Lean Six Sigma and how it can benefit the organization.
- Ongoing political partisanship.

And whether in the government or private enterprise, it seems “an environment faced with conflicting strategies, goals, and priorities” could be a description for any organization, and top-down buy-in from management will need to be at the core of any initiative. If not, says Borawski, the Six Sigma journey can come to a halt rather quickly, without realizing the positive results available. It also takes a willingness to look at some tried-and-true methods, says Borawski, rather than always trending towards newer flash-in-the-pan ideas. “It’s a source of great frustration for the well versed quality professional to see senior management chase ‘what’s new’ when what’s old may be more impactful to the organization,” says Borawski.

Ultimately, “The tools don’t fail; they can’t,” he says. “We may fail to use them

Quality First

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

correctly but we should know the difference between the failure of the tool and a failure of its use. Hammers are great for driving nails, less so for turning screws.”

Source URL (retrieved on 11/24/2014 - 2:04am):

http://www.impomag.com/articles/2011/10/quality-first?qt-most_popular=0