

PROJECT CHARTER There are Six Main Elements of a Six Sigma Project Charter: Business Case Problem Statement Goal Statement: Scope Statement Timeline Team Members

Business Case

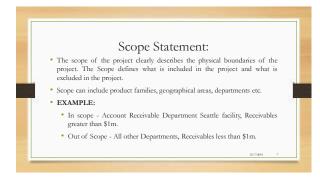
The business case describes why this project is important to the company. Why should the organization support this project?

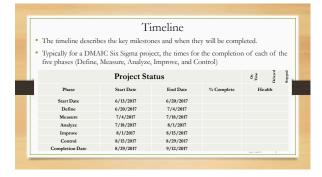
From [time1] to [time2], we experience [pain metric]. With a target of [target metric], this gap of [##] leads to a COPQ of [\$\$].

EXAMPLE: From 06/05/2017 to 06/12/2018, ABC Inc has experienced a 23% increase in operating cost of ABC Construction. With a target of .05%, this increase of 22.5% has led to a COPQ of \$253,000.

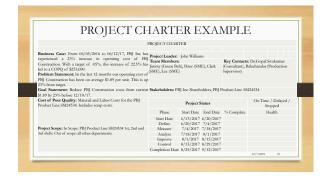
Problem Statement The problem statement contains a brief description of the "pain" being experienced by the organization. The Problem statement should be related to the VOC (internal or external) Must include the current state of the process in a metric! EXAMPLE: In the last six months (when) 20% of our repeat customers were late, over 60 days, paying our invoices (what). The current rate of late payments is up from 10% in 2017 and represents 30% (how big) of our outstanding receivables (where). This negatively affects our operating cash flow by \$150,000 (concern or consequence)."











a)	Goal Statement- To reduce the percentage of late payments (what) from 30% to 15% (magnitude) In the next 3 months (when) in the North India Region (where), and realize savings of 500KUSD) year (magnitude).	
Example		
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Ğ	What is missing in these goal statements?	
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1	a) Reduce the cost of rework in the company	a)
7	within 4 months. b) Improve order to ship time by 50%	
$\stackrel{\sim}{\sim}$	b) Improve order to ship time by 50% Reduce revenue loss due to unauthorized	b)
Ğ	discounts by 80%.	c)
SMART GOAL	d) Decrease time spent in admin activities by	d)
3	25% Reduce errors in customer application forms	*
ঽ	e) Reduce errors in customer application forms	e)
6	n Increase productivity by 30%	f)