LEAN SIX SIGMA CASE STUDY

Project Charter

Streamlining Gentech's Proposal Creation Process	
Business Problem: **Gentech has seen an 18% reduction in revenue over the past couple of years despite being a market leader in providing integrated business solutions with a presence in 150+ countries.**	**Project Sponsor** Grace Monroe **Project Manager** Jeff Hugh, LSS Black Belt
Objective and Scope *Objective*: Analyze the current proposal creation process to identify bottlenecks and inefficiencies. Implement process improvements to reduce cycle times and eliminate non-value-add activities. Standardize the proposal creation process to ensure consistency across all regions. Train staff on new processes and tools to support the improved proposal system. *Scope* In-scope: Proposal creation process, subsequent internal review and approval steps until the final proposal is submitted to the client Out-of-scope: Processes after the proposal has been submitted to the client	**Stakeholders** Executive Leadership Team Supply Chain Operations Team Sales Force Team Bid Support Staff Product Design Team Pricing Group Brand Managers

Risks and Mitigation Strategies	Constraint	Assumption
Risk of resistance to change among staff: Mitigation through change management strategies and involving key staff in the improvement process Risk of unforeseen delays: Mitigation through a well-defined project plan with buffer times included	Limited disruption to the current proposal process during improvement implementation	All regions will be cooperative and provide necessary data and access for analysis The annual revenue is the budget of the project

| DMAIC	Plan Start – Plan End	Problem statement	Baseline	Target
Define	Jan 2020 – Dec 2020	The current proposal creation process is cumbersome, with several hand-offs and non-standard practices, leading to prolonged cycle times that are impacting Gentech's market competitiveness and revenue	Saving $1.2 Billion	Reducing cycle time of operations by 15%
Measure				
Analyze		**Expected Benefits**		**Projected Budget**
Improve		Hard Benefits: Less reduction(<18%) in revenue, bounce back Soft Benefits: Efficiencies in operations Strategic Benefits: Reduce 15% operational cycle time		$60 Billion
Control				

Proposal Creation Process
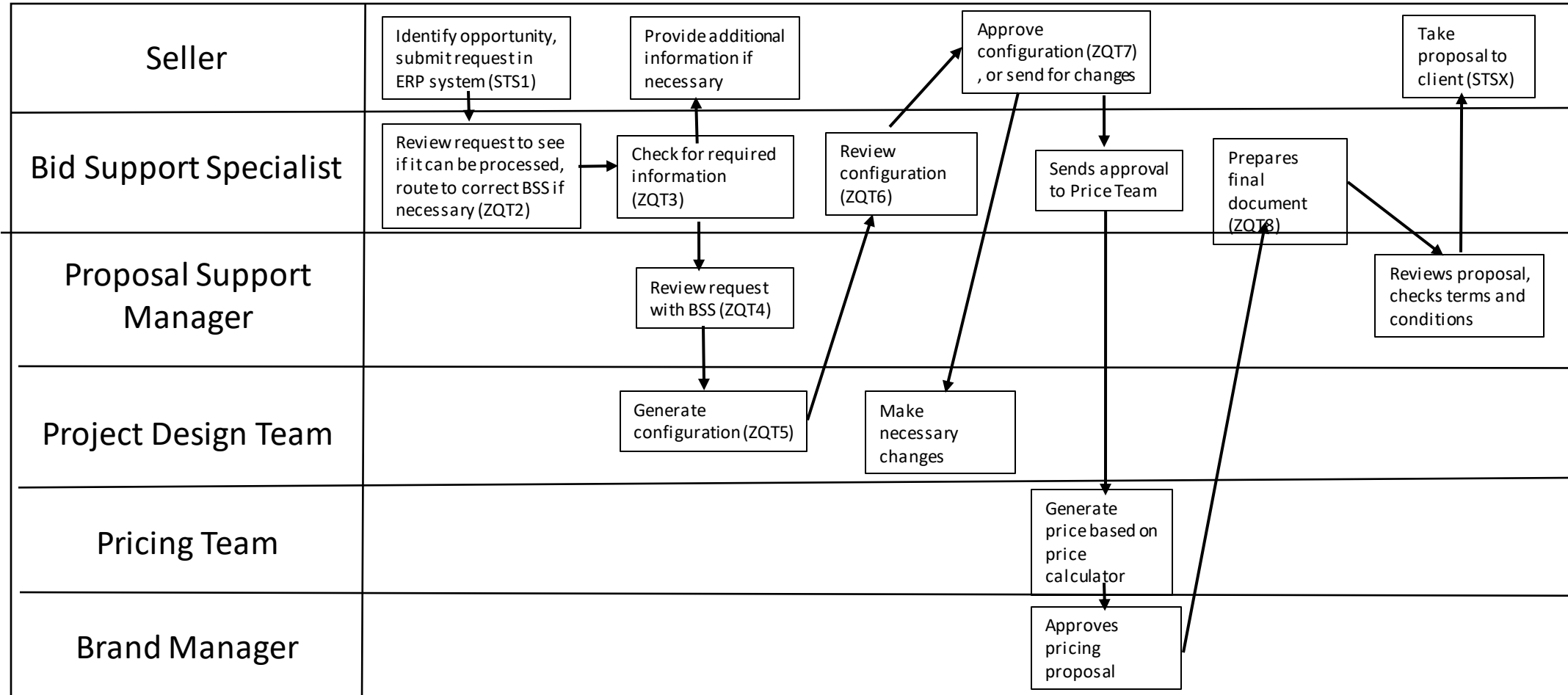
Baseline Metric

Baseline Metrics (Q3)

Brand	Geo	Avg.Sts1	Avg. Zqt2	Avg. Zqt3	Avg. Zqt4	Avg. Zqt5	Avg. Zqt6	Avg. Zqt7	Avg. Zqt8	Avg. Stsx	Avg. Total Time
Consulti..	AP	1.80	1.80	3.11	3.09	1.80	7.25	3.50	6.28	1.80	30.43
	EMEA	1.79	1.80	2.64	3.05	1.81	8.26	2.45	6.54	1.80	30.14
	JPN	1.79	1.79	1.79	1.80	1.82	6.25	1.81	6.52	1.78	25.35
	NA	1.79	1.82	4.54	5.35	1.78	6.99	4.54	6.27	1.81	34.89
	SA	2.01	2.14	2.46	3.44	2.12	8.66	2.66	6.36	2.13	31.99
ESW	AP	1.80	1.79	3.07	3.07	1.81	7.74	3.49	6.27	1.95	30.98
	EMEA	2.13	2.27	2.64	3.03	2.15	7.53	2.44	6.80	2.12	31.10
	JPN	2.17	2.32	1.79	1.80	2.31	9.21	1.82	6.64	2.33	30.40
	NA	1.81	1.78	4.48	5.28	1.80	7.77	4.49	6.24	1.80	35.45
	SA	2.24	2.24	2.45	3.44	2.07	7.85	2.64	6.35	2.26	31.54
SWG	AP	1.79	1.81	3.04	3.05	1.78	6.98	3.44	6.03	1.81	29.74
	EMEA	2.04	2.67	2.63	3.04	2.70	7.79	2.41	6.27	2.87	32.42
	JPN	1.79	1.96	1.78	1.81	1.96	6.74	1.78	6.02	1.96	25.81
	NA	1.81	1.82	4.48	5.26	1.78	7.96	4.47	6.78	1.80	36.18
	SA	1.87	2.16	2.45	3.45	1.99	6.65	2.64	6.26	2.16	29.64
xSeries	AP	1.79	1.80	3.03	3.02	1.80	7.02	3.41	6.98	1.81	30.66
	EMEA	1.80	1.80	2.63	3.08	1.81	8.46	2.46	6.25	1.82	30.09
	JPN	1.79	1.80	1.80	1.80	1.78	6.01	1.83	6.97	1.78	25.56
	NA	2.10	2.26	4.54	5.34	2.25	8.43	4.53	7.54	2.09	39.09
	SA	1.80	1.80	2.44	3.42	1.80	8.24	2.63	5.73	1.78	29.64
zSeries	AP	1.82	2.09	3.08	3.11	1.79	6.51	3.47	6.76	2.09	30.72
	EMEA	1.79	1.81	2.64	3.05	1.79	8.75	2.44	7.46	1.80	31.52
	JPN	1.81	2.11	1.79	1.83	2.11	7.30	1.80	7.22	2.10	28.06
	NA	1.79	2.12	4.54	5.38	2.10	6.76	4.56	5.78	2.10	35.15
	SA	2.17	2.48	2.44	3.46	2.70	7.34	2.67	8.15	2.18	33.59

Avg.Sts1, Avg. Stsx, Avg. Total Time, Avg. Zqt2, Avg. Zqt3, Avg. Zqt4, Avg. Zqt5, Avg. Zqt6, Avg. Zqt7 and Avg. Zqt8 broken down by Brand and Geo.

Baseline Metrics
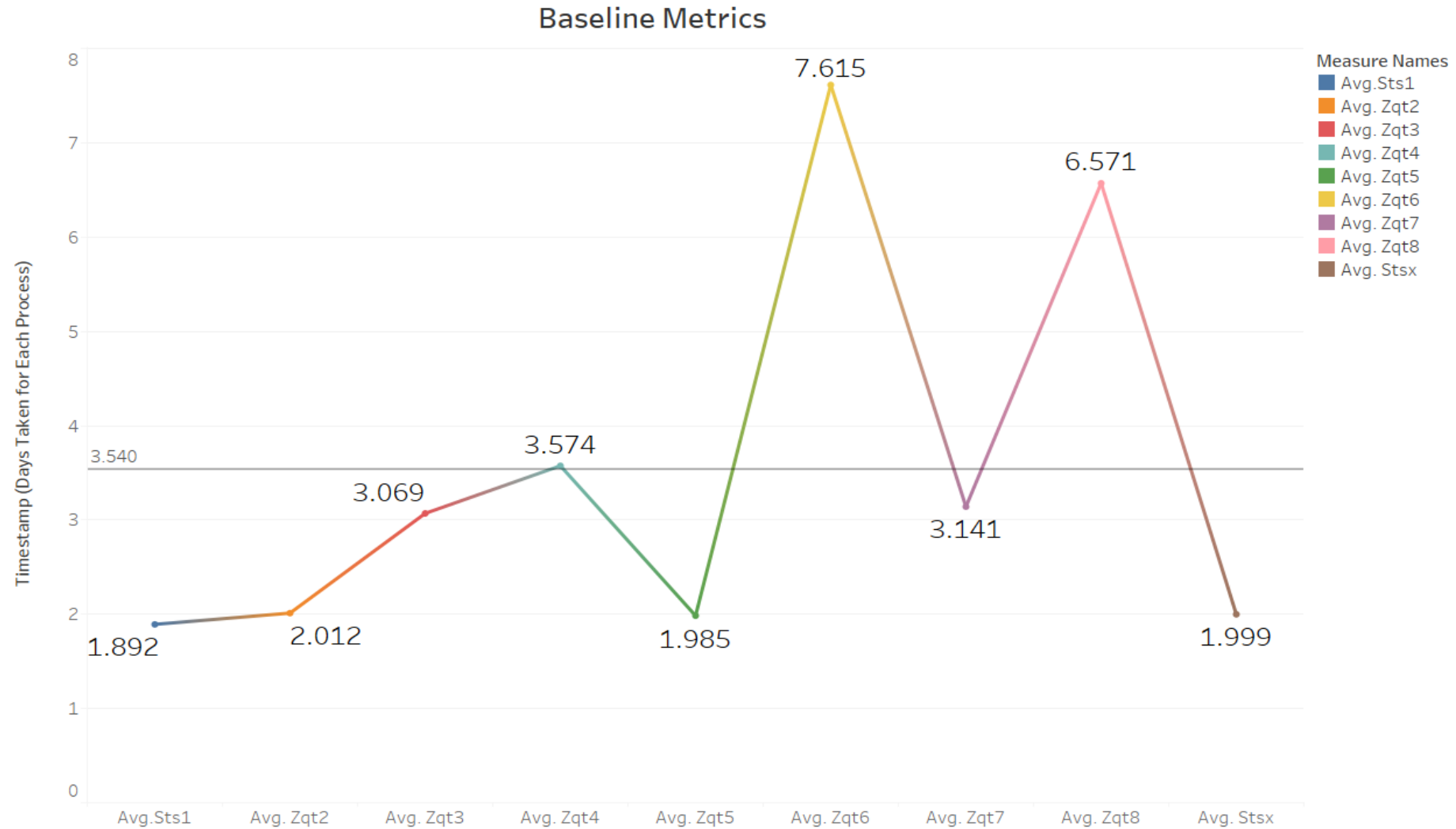
Avg.Sts1, Avg. Zqt2, Avg. Zqt3, Avg. Zqt4, Avg. Zqt5, Avg. Zqt6, Avg. Zqt7, Avg. Zqt8 and Avg. Stsx. Color shows details about Avg.Sts1, Avg. Zqt2, Avg. Zqt3, Avg. Zqt4, Avg. Zqt5, Avg. Zqt6, Avg. Zqt7, Avg. Zqt8 and Avg. Stsx. The data is filtered on Brand and Geo. The Brand filter keeps Consulting, ESW, SWG, xSeries and zSeries. The Geo filter keeps AP, EMEA, JPN, NA and SA.

Gentech "Defect"

DPMO = (Number of Defects / Total Opportunities) * 1,000,000= 5418/250000* 1000000= 21672

Sigma Level = Z = 3.52

Performance based on Brand and Geography

- Since reducing cycle time is one of our objectives, we used average total time as performance metric

- Japan has the lowest average time at 27 days per bid

- Consulting has the lowest average time at 31 days per bid
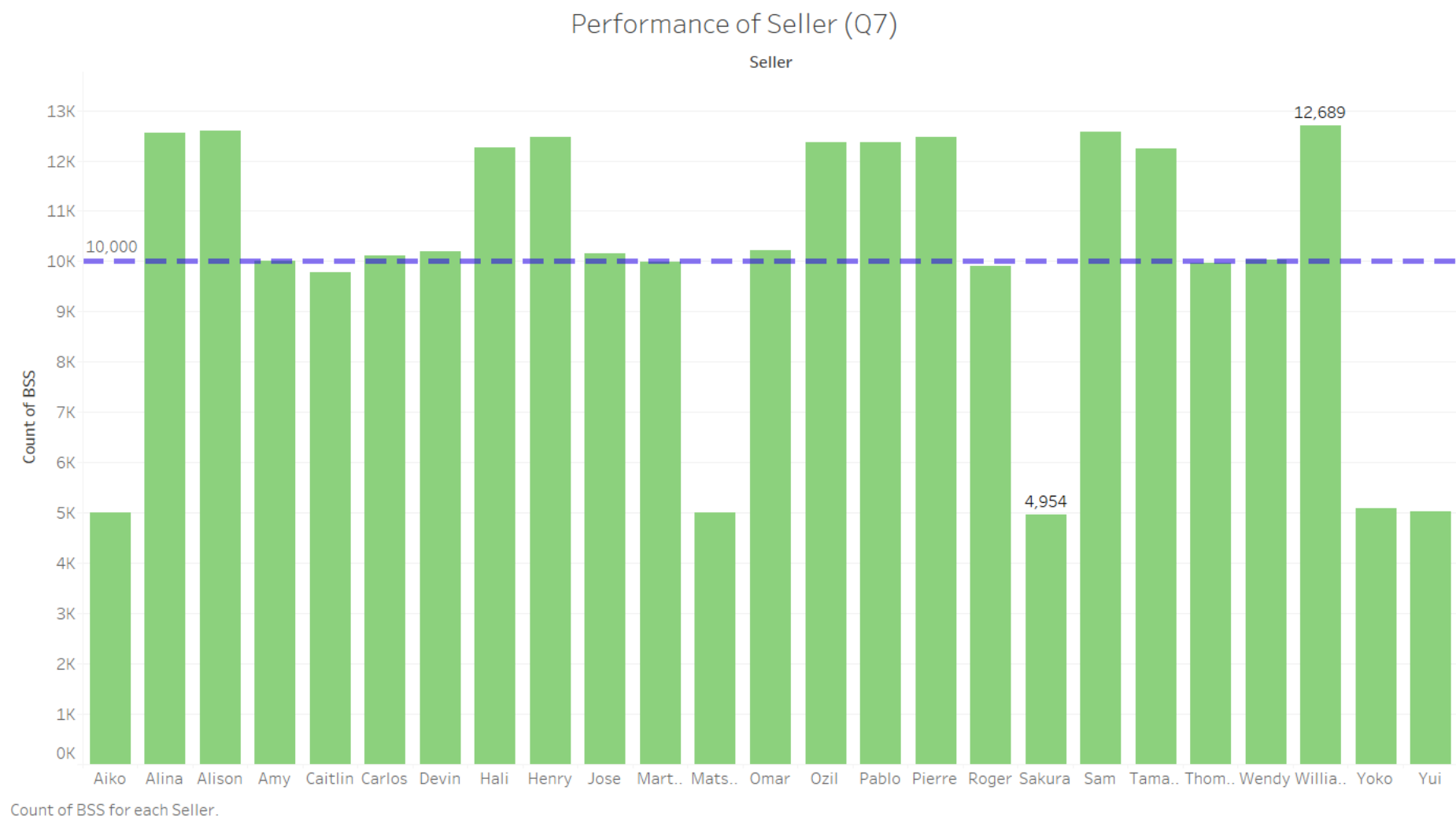
Geographical Performance(Q5)

Geo

Avg. Total Time

AP	30.506
EMEA	31.062
JPN	27.025
NA	36.153
SA	31.273
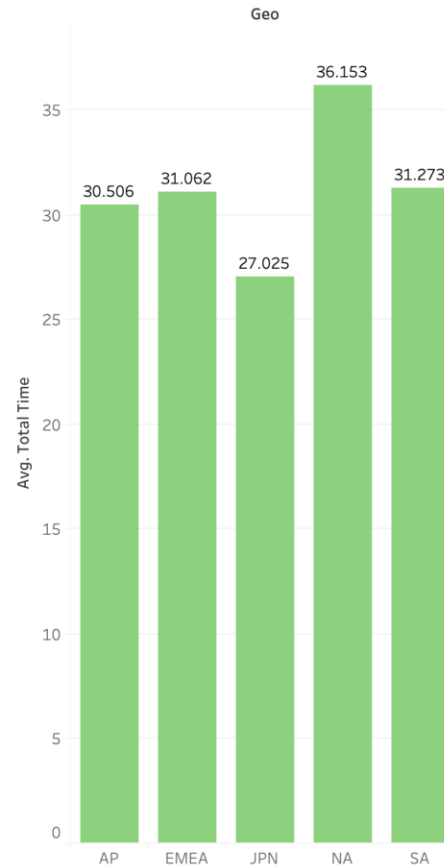
Brand Performance (Q5)

Brand

Avg. Total Time

Consulti..	31.280
ESW	32.176
SWG	31.604
xSeries	31.907
zSeries	32.328
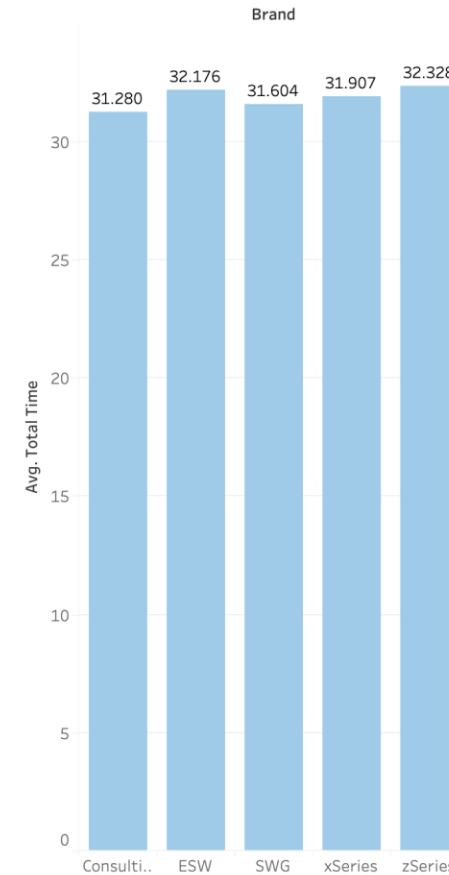
Performance excellence and improvement

- The metric used for performance is number of bids completed

Performance of Seller (Q7)

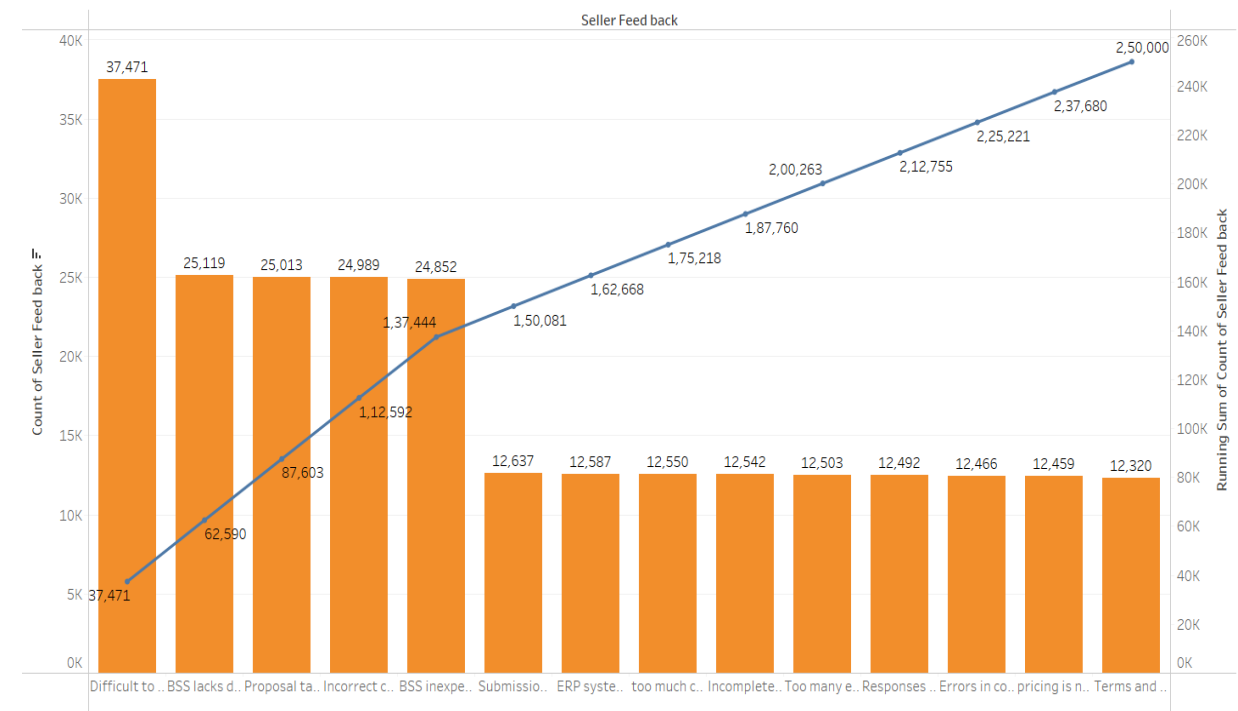Correlation between Bid Complexity and Cycle Time
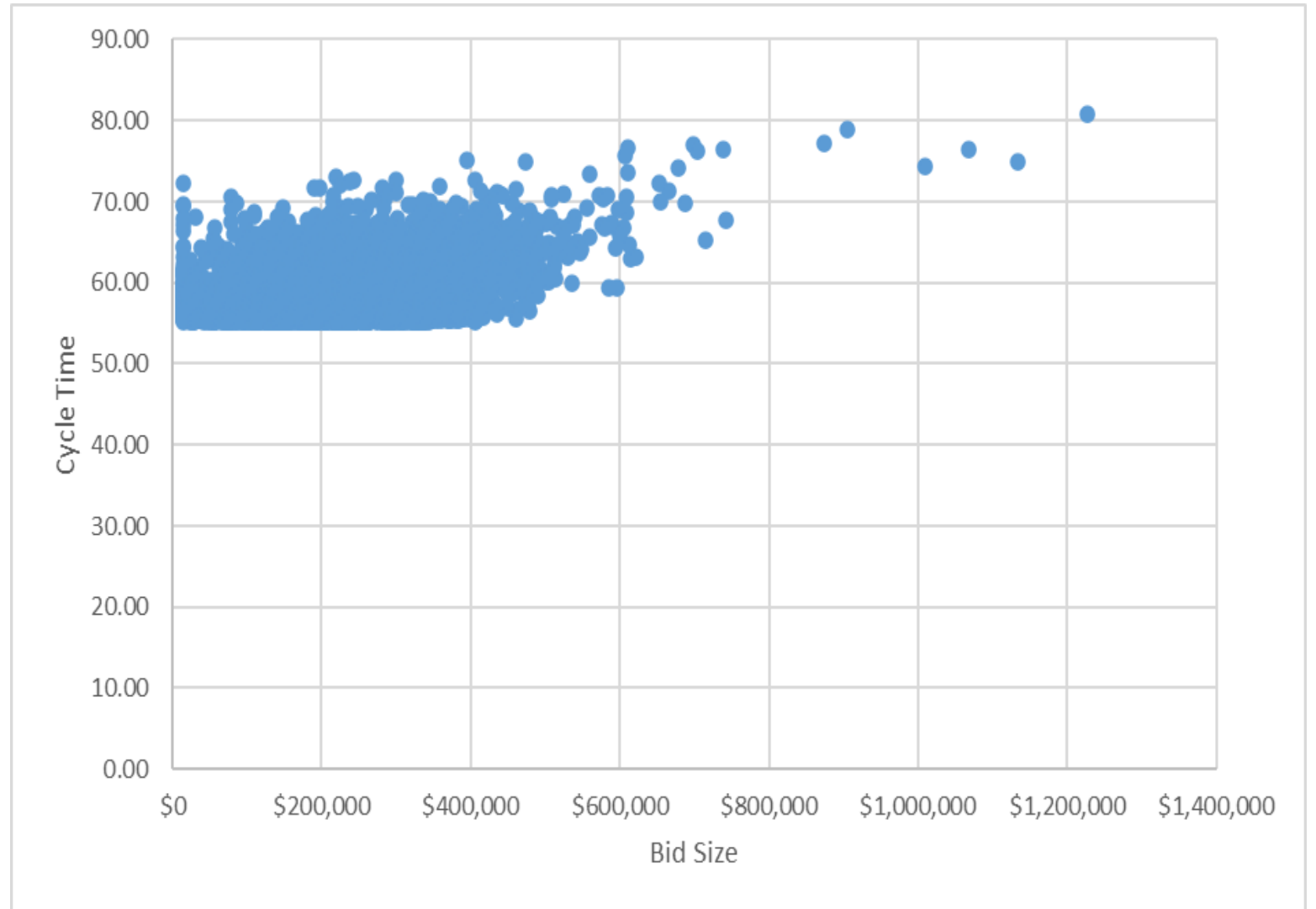
Performance Of Bid Support Specialist
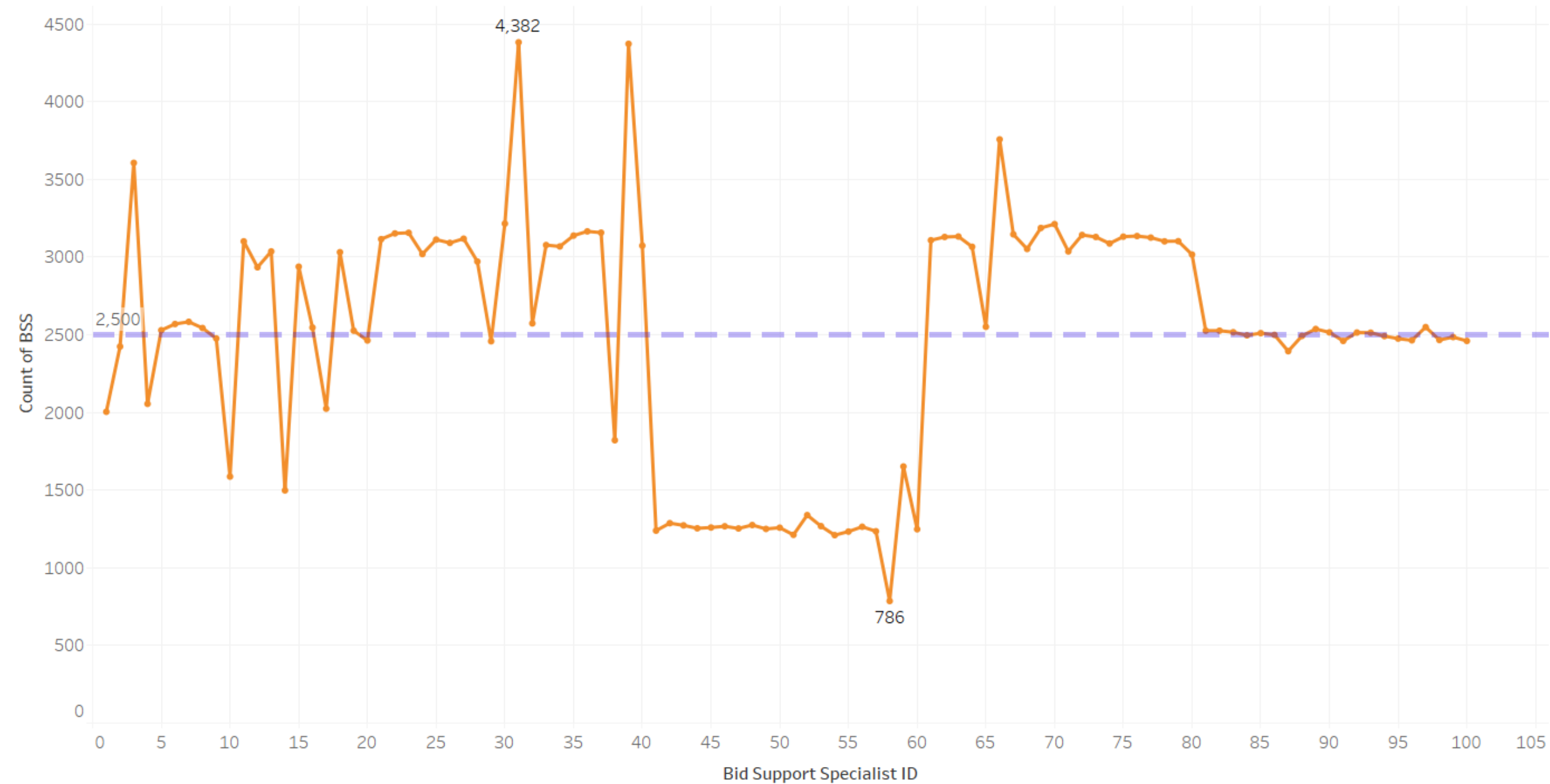
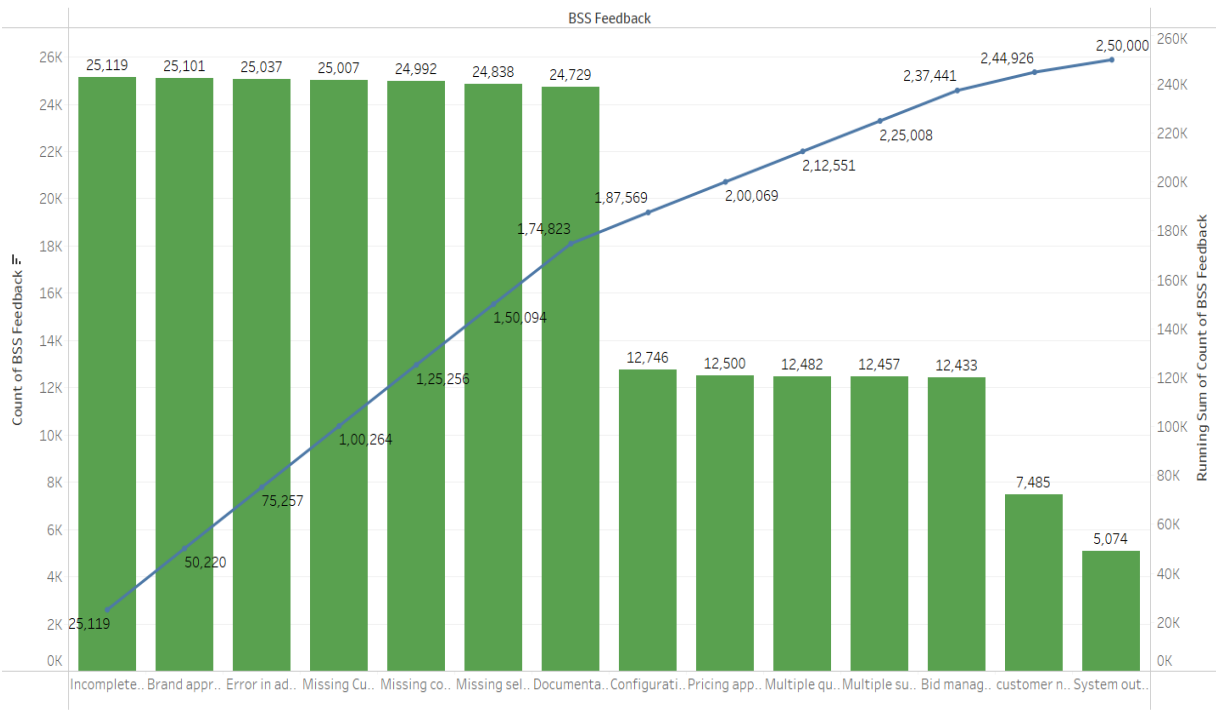The trend of count of BSS for BSS.

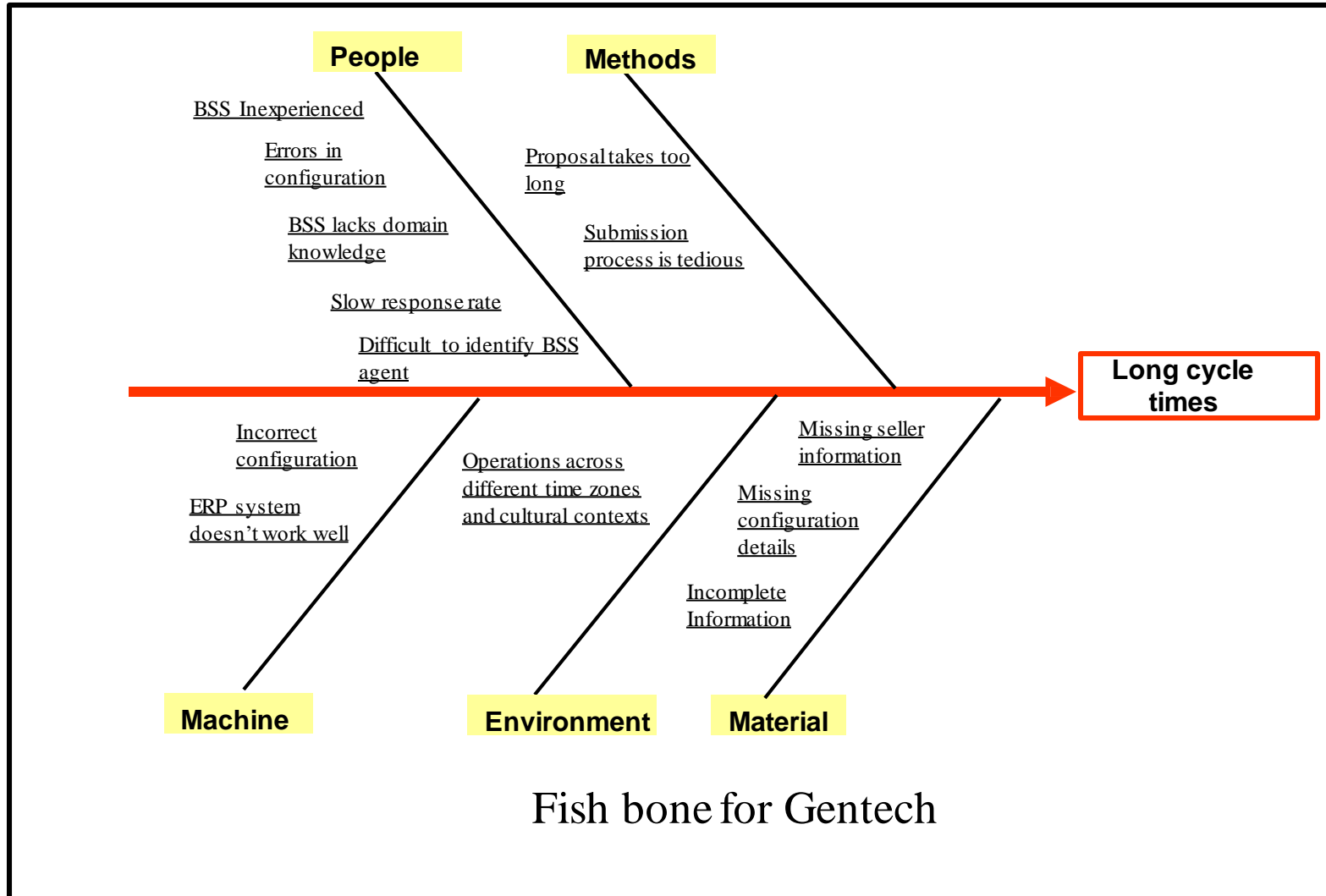# Pareto chart for Seller Feedback and BSS Feedback

Seller Feedback

The trends of count of Seller Feed back and Running Sum of Count of Seller Feed back for Seller Feed back.

BSS Feeback

The trends of count of BSS Feedback and Running Sum of Count of BSS Feedback for BSS Feedback.

Root Cause Analysis

People
- BSS_Inexperienced
- Errors_in configuration
- BSS lacks domain knowledge
- Slow response rate
- Difficult to identify BSS agent

Methods
- Proposal takes too long
- Submission process is tedious

Machine
- Incorrect configuration
- ERP system doesn't work well

Environment
- Operations across different time zones and cultural contexts

Material
- Missing seller information
- Missing configuration details
- Incomplete Information

Long cycle times

Fish bone for Gentech

Solutions which can be implemented:

Provide training to the BSS team on how to use the ERP system correctly
Simplify the proposal process
Provide the BSS team with more domain knowledge training
Streamline the submission process
Set service level agreements for response times
Make it easier to identify the BSS agent to work with
Improve the accuracy of the ERP system
Ensure that sellers provide complete information
Improve communication and coordination between teams across different time zones and cultural contexts

Recommendations

- Use a **workflow management tool** so that seller has visibility on the progress of the proposal creation process

- Define a parameter called **"Bid Complexity"** and divide the bid specialists into 3 groups based on their past experiences, and domain knowledge. Assign the bid to a BSS based on this score.

- BSS to undergo **mandatory training** for all brands and products sold

- **Simplify the proposal format** keeping only the relevant details

- To minimize data inconsistencies, have a **fixed standard format** for the data being entered into the ERP system

- Conduct **data verification** at each step

- The pricing team and branding manager are not actively involved in the proposal creation process except for the last few steps. We recommend merging the two teams to improve cycle time, increase efficiency, and reduce costs.

Control Plan

- Conduct regular performance self and peer evaluations and make changes to the proposal creation process based on this feedback

- Have a ticketing system where sellers and bid specialists can raise a ticket on a portal when they are stuck. Form a core control team to resolve these day-to-day issues as soon as they arise so it doesn't add to delay in the cycle time

- Conduct monthly sync-ups where bid specialists and sellers from various geographic regions can ask questions, raise concerns or give suggestions related to the workflow