



INVICTA

Topic 1 Transcript

Date: 14th November 2016

Document No.: MS418/969

Revision: 1.0

TOPIC 1 – PRESENTATION RECORDING TRANSCRIPT (PART 2)

Examining Lean Six Sigma, Re-engineering, EFQM

Welcome to the second part of our mini lecture series. So far we have seen two frequently used methodologies for process improvement but often times the previously mentioned are used in conjunction. Lean accelerates Six Sigma. Lean Six Sigma is a comprehensive tool to increase the speed and effectiveness of any process. By implementing Lean Six Sigma you'll notice an increase in the revenue, the reduction of costs and an improvement in overall collaboration.

On this slide we can see the organization structure Lean Six Sigma utilizes. For each of these belt levels, skill sets are available that describe which of the overall Lean Six Sigma tools are expected to be part at a certain Belt level. After having completed a training program each person will have acquired key element knowledge for his level. Most people have a yellow belt and they have a supporting role in the projects. Green belts work part time on projects whereas black belts work full time as project leaders, but occasionally green belts may be project leaders. And lastly master black belts who are on the peak of the pyramid and provide the technical support in DMAICT.

Lean Six Sigma utilizes the DMAIC process improvement phases similar to that of Six Sigma. At this point it is important to mention the Theory of Constraints which is an overall management philosophy introduced by Dr. Goldratt and is geared to help organisations achieve their objectives. Although Lean Six Sigma makes use of DMAIC it does add another stage on the cycle, that of transfer which includes divergent communication tools for example presentations, internet, newsletter and other. Another important definition worth mentioning at this stage is synergy which basically means the combined power of a group of things when they are working together.

An interesting example of success is that of FMG an incident prevention and fleet management services provider that managed to improve its business processes with an immediate effect on better customer assistance, overall efficiency through synergy, improved cost savings totaling 800.000 pounds on purchase and sales, upgraded business processes by introducing web based solutions, achieved validity by acquiring certifications and lastly vast return on investment. There are three hyperlinks to useful videos in order to revamp what has been said until now about Lean Six Sigma.

Another case study on Lean Six Sigma refers to Catalent a solutions provider for pharmaceutical and health industries. The company faced problems with millions of defective units which they realized only after having finished with the production as well as slow process flows because of



INVICTA

Topic 1 Transcript

Date: 14th November 2016

Document No.: MS418/969

Revision: 1.0

the time required to analyze samples of chemical substances. Shortly after putting into implementation Lean Six Sigma a new system was developed to predict the process variation of faulty products and helped in the statistical analysis, a database was devised to collect information and store them. The programming language for automation processes was easy and flexible to replicate which speed-ed up the work flow. And overall efficiency was achieved and in just two weeks 5,101,500 Indian Rupee was saved.

Next is the business process re-engineering which first and foremost is a business management strategy which focuses on the analysis and design of work flows and business process within an enterprise. BPR contributed to organizations rethinking how they function in order to improve competitiveness and customer service by adopting the re-engineering cycle. At this point it's worth mentioning that BPR has source a very similar pattern to that of TOGAF, a widely used open source enterprise architecture methodology framework for enterprises. Both of them are comprised of eight steps with some similar cycle stages.

The BPR methodology has a plan where business goals, base line and objectives are defined, assess current state by gathering information, then follows the analyze part where the gap analysis is conducted and the identification of the issues and opportunities, then the redesign of the new process and lastly the implementation of the changes and tracking the progress.

A useful use case of the Ford accounts payable process is shown before business process re-engineering and after. More references for educational videos are given. The main idea of BPR is understand, document, simplify and finally automate.

The intention to found EFQM was signed by 14 European business leaders and the foundation was formed with 67 members. The EFQM Excellence Model framework provides networking education and awards and some of the concepts it promotes are developing organizational capability, adding value for customer and managing with agility. The radar tool was launched in order to be used in a day to day basis and not solely for assessment, there are five enablers leadership, strategy, people, resources and processes. Four results business results, understand society results as well as people results.

The higher the process rogue which is supported by evidence the better self-assessment state you are.

One interesting study is that of VODOKANAL Saint-Petersburg which wanted to attract the interest of more people. After the Da-Voda.com project was launched in the internet many people were given useful information which helped them save money by reducing water costs without putting them out of comfort, people were given practical useful advice in an understandable form, the improvement of environment and in extension the advancement of



INVICTA

Topic 1 Transcript

Date: 14th November 2016

Document No.: MS418/969

Revision: 1.0

the society by preserving water resources for the future generations. The organization achieved in less than three years to demonstrate a stable growth in numbers.

Some of the famous success stories of the EFQM adoption include BMW and the Glasgow housing association. The plant of BMW in Regensburg achieved high level of production flexibility, the labor productivity reached 82% above the target, employee satisfaction almost 100%, target and customer goals were met in many areas, annual target achieved and environmental targets were accomplished. In the case of GHA staff satisfaction improved, customer satisfaction as well and managed to save 3.4 million pounds.

There are various actions many of you can take at this point, there is one interesting group activity named CONNECTIONS on which you have to move a small object through many tubes and make a successful circle with the people of your group, that way you'll understand in a more palpable manner how business process flows work. There are many other digital games most of them are free and they give you a good introduction of business processes. But one of the games we would like to delve into is the INNOV8 BPM Simulator where you are being given missions to investigate critical processes from the inside, you will be asked to discover and plan points in the business process by the CEO as well as locate all the files and indices to help accomplish the mission.

Lastly but not least a few hyperlinks for some necessary further reading. Two books the six sigma handbook and the Toyota way field book. For each of these books you are asked to write an essay of 3000 words describing the summary of each one. And finally the business process re-engineering assessment guide.

There are other documents with exercises related to the material we just covered, which are worth your time in order to revamp what we just said.