

CUSTOMER CENTRED SIX SIGMA INITIATIVE

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Today Six Sigma is viewed as a powerful and disciplined methodology that assists organisations to focus on developing and delivering near-perfect products and services. It is a powerful approach to business performance improvement by systematically finding and eliminating causes of mistakes or defects in business processes. Six Sigma is a statistically-based methodology developed by Motorola in the mid 1980's to improve the performance of its processes. Many organisations such as GE, Honeywell, Sony, ABB, Dow, Texas Instruments, etc. have reported their successes of Six Sigma projects in current literature (journals, textbooks, professional magazines, company websites, etc.). As an engineer, I personally view Six Sigma as a powerful and disciplined problem-solving methodology for tackling quality and process related problems. The true power of Six Sigma lies in the integration of various tools and techniques within the DMAIC (Define-Measure-Analyse-Improve-Control) framework or model. The DMAIC model is grounded in the roots of Deming's PDCA (Plan-Do-Check-Act) cycle. It is important to note that it is not the DMAIC model which makes a Six Sigma initiative successful, rather it is the collection of tools and techniques used in a sequential manner within the DMAIC model which guides problem-solvers to tackle problems more effectively and efficiently. In other words, Six Sigma

provides an overall road map to assist practitioners to integrate the appropriate statistical and non-statistical tools and techniques into an overall approach towards improvement.

Six Sigma initiative in many organisations will probably fail miserably if it is merely treated as another “quality improvement initiative”. The author strongly believes that Six Sigma should be viewed as a “business strategy initiative” by selecting projects which are aligned with strategic objectives of the business. These projects should meet or even exceed the expectations or ever-changing demands of customers with a greater focus on stakeholders of Six Sigma.

This paper briefly outlines the significance of Customer Centred Six Sigma Initiative (CCSSI). In author’s perspective, CCSSI is a term used within the existing Six Sigma framework but with a stronger emphasis on capturing ‘the true voice of the customer’ by clearly ‘understanding the needs and demands of customers’ for today and tomorrow. In this initiative, the needs and expectations of customers must be aligned with the value created by most critical business processes in an organisation. Here business processes should be looked at from outside-in. A simple customer expectations-process matrix may be constructed to identify those business processes which are critical to customers in four ways; Critical-to-Quality (CTQ), Critical-to-Cost (CTC) and Critical-to-Delivery (CTD) and Critical-to-Responsiveness (CTR). This would assist the organisations in selecting the best possible Six Sigma projects which will have a significant financial impact on the bottom-line.

CCSSI focuses on creating a customer-focused and data driven corporate culture that strives to increase customer satisfaction and value for customers by continuously improving business processes through innovative development of new products and processes driven by the voice of the customers. CCSSI is very much in line with GE's "*Delighting Customers – At the Customer, For the Customer*" (ACFC) concept. For GE, delighting customers has become a necessity to stay competitive in the global market-place. The objective of Customer Centred Six Sigma (CCSS) is to focus on the customer to achieve Six Sigma levels of performance in quality and reliability, on-time delivery, price, correct transaction processing, etc. expected by customers. The ultimate goal of this initiative is to continually improve every process that touches your customers through Six Sigma methodology.

Why CCSSI is imperative in today's ever increasing competitive market-place? The best way to respond to this question can be through a simple example. Although the company Polaroid has saved significant savings in operational costs, it has gone bankrupt ! Polaroid customers who had always used instant photography switched to digital cameras. The competitors of Polaroid such as Sony, Kodak and HP got into the market place with the clever digital technology before Polaroid responded to market. The fundamental mistake made by Polaroid here was the focus on internal operational metrics (i.e., short-term profits) rather than external customer-focused metrics (i.e., long-term profits).

In the past, customers judge the performance of business processes based on the process mean. Customers of today are more concerned about the consistency in product or service performance, consistency in transaction processing times, delivery time of services each time

a service is provided to the customer, etc. In essence, customers feel the variance of your key business processes and therefore it is the strategic objective of your business to reduce the variation of these processes within the desired limits. The best way to measure or quantify the losses due to variation from expected or target performance is through the use of loss function proposed by Dr. Genichi Taguchi. Taguchi's quality loss function is looking at both process variation and the shift in mean performance from its expected or target value. Customers value reliable, consistent and predictable business processes that deliver world-class levels of product quality or service performance.

The following benefits may be achieved from the successful implementation of CCSSI:

- ✚ Improved customer loyalty
- ✚ Greater knowledge of customer preferences
- ✚ Improved customer relations
- ✚ Improved market position relative to competitors
- ✚ Long-term competitive advantage
- ✚ Reduced Cost of Poor Quality
- ✚ Increased reputation of the company
- ✚ Greater ability to capture the true voice of customers right first time

