Six sigma

Business, Management

SIX SIGMA ID#0947 due: Executive summary Six sigma is the product that provides a comprehensive strategy and methodology used to improve the performance of the company to increase customer satisfaction and to improve the bottom line. The six sigma definition is different in accordance to the areas it is applied. For example, in statistics perspective it is the procedure that has 3. 4 per million opportunities defect level. Six sigma is used to describe the philosophy of improvement focusing on improving customer satisfaction and minimize defects. The advantage of employing six sigma in employees is that it helps them grow into effective and informed managers capable of understanding the business from the perspective of cost, quality and delivery. It also helps the employees to perceive the role of improvement from a practical point of view (SNEE & HOERL 2003: 4). As reported by General Electric company which is the most-valued company listed in the numerous United State stock exchanges and it provides different lines of products, the use of six sigma had the following impacts (BREYFOGLE, CUPELLO & MEADOWS 2001: 32):

1. In the medical line, it registered a ten times increase in the lifespan of the CT scanner x-ray tubes that lead to more profits and improved health care services given to patients.
2. In their industrial diamond business, it increased four times return on investments without spending any money on factory and equipment capacity.
3. In the trailer leasing business there was a 62% reduction on time spent at the repair workshops that lead to massive productivity achievement for their customers and in their company it is three times faster than the competitors

because of the application of six sigma.

4. In the plastic business there was an additional 300 million pounds of new capacity and the company saved 400 million pounds on investment and was projecting to save the same amount by the year 2000 (BREYFOGLE et al., 2001: 33).

The fact that General Electric Company made huge profits through employing the six sigma does not mean that any company can employ it without precaution because it is not a fast get rich plan. It is a very complex, but it is an initiative with a possibility of rewarding very well.

Employing traditional six sigma methodologies has propelled projects into the system that may not have any value to the whole organization (BREYFOGLE 2003: 6). Traditionally, six sigma was used by manufacturing companies but presently it is being used by other corporations so it may be viewed that it will disappear with time. Putting into consideration that the other quality improvement programs do not achieve the expected results in financial savings, it is imperative for companies to integrate the six sigma which is flexible and vigorous (AKPOLAT 2004: 4). The six sigma tools that a company should focus on are: voice of technology evaluations, benchmarking, collecting and producing the customer’s voice, market forecasting and segmentation, technology building, product platform designing (CREVELING, SLUTSKY & ANTIS 2003: 4).

If our company has Annual Sales of $25 million which is derived from several product lines - would you recommend that we adopt Six Sigma.

Yes, I recommend the company to adopt six sigma to improve the level of its operations as proven by the General Electric increase from 3. 8 to 5. 7 sigma

level after employing the six sigma (ECKES 2003: 9). I would also advise the company executives to be patient when applying the six sigma because failure to this would lead to short term results that hinder the organization at the long run (ECKES 2003: 10). I recommend that the top leadership have positive attitudes and behaviors towards the six sigma teams (ECKES 2002: 16). The six sigma can be implemented in both manufacturing and service companies, so this makes it suitable for a company to use (CHANG 2006: 16). The company should use six sigma to chase away variability from procedures utilizing statistical tools and techniques (CORONADO & ANTONY 2002: 14(2), 92-99). I propose that an individual should read the whole of " Six sigma: a goal-theoretic perspective" document to understand the six sigma phenomenon from the perspective of goal theoretic (LINDERMAN, SCHROEDER, ZAHEER & CHOO 2003: 21(2), 193-203).

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