

Six sigma at 3m

[Business, Management](#)



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Benefits, Costs, and Risks of the Six Sigma Program

Jeanne O'Connell, who is the current Director of Six Sigma Operations, said that the focus of Six Sigma is to bring about an orderly and consistent approach to a business activity. This in turn would lead to a sustainable growth for the company. According to her, adopting Six Sigma would lead to (Hill et al, 2007):

A single approach to common goals

The company will be able to speak and understand a common language

Six Sigma will be able to develop transferable skills

It is the most effective method of improving and accelerating business performance

However, while there are benefits, the Six Sigma approach likewise poses some challenges to 3M's effort to become globally competitive. For one, the Six Sigma approach will require the company to improve their processes to 3.4 parts per million defects, which the company cannot currently afford. Likewise, existing customers do not need such level of quality (Hill et al, 2007).

Another challenge posed by Six Sigma is that it is too complex and requires too much statistics which the employees cannot handle at the moment. Aside from that, the approach is only applicable to the manufacturing sector and not on service or transaction-based processes. The expenses for training as well as appointment of full-time black belts are too costly (Hill et al, 2007).

When McNerney came into the fold as 3M's CEO in 2001, he instituted several changes in order to make Six Sigma work at the company. First, he laid off 8,000 employees, which is about 11% of the company's labor force. Next, he reduced capital expenditures from \$980 million to \$677 million by 2003 (Hill et al, 2007).

With the Six Sigma approach, all methods of improvement will require the approval of management. They will then be monitored for savings and defect reduction. Whatever will be the outcome of the improvement process, the team as well as the management will be held responsible (Hill et al, 2007).

Human Resources Implications

With the implementation of the Six Sigma approach, 3M would be able to select the right project that would meet the company's objectives and targets. The Six Sigma approach would likewise help them choose and train the right personnel for their chosen project (Hill et al, 2007).

In addition, switching to the Six Sigma approach will help the company in developing and implementing its improvement plans. The Six Sigma approach will help the management achieve excellence in its operations. The overall objective of using the Six Sigma approach is to sustain whatever gains will be achieved from this method (Hill et al, 2007).

Involvement of the Various Functional Areas of 3M

W. James McNerney, who is the new Chairman and Executive Officer of 3M, said the firm is looking forward to providing improved services to its customers. With the Six Sigma approach, the company will move forward to become competitive in the changing world (Hill et al, 2007).

The Six Sigma approach will strengthen all the business aspects of the company. Since the company has shown excellence when it comes to providing new and innovative products, the Six Sigma approach will help 3M improve the quality of both its products and services (Hill et al, 2007).

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In addition, the Six Sigma will help the company become more productive as well as improve delivery of service to their customers. The new approach will help the company become equipped with the necessary tools they will need to improve their connection with their customers (Hill et al, 2007).

Under the Six Sigma program, the company will become more systematic and smarter in the way they will products which are accessible and beneficial to their customers. Finally, with the new approach, 3M will still be able to indirectly reduce their cost on various levels in order to make them the preferred supplier for customers (Hill et al, 2007).

The Role of Six Sigma in Corporate Strategy

With the implementation of the Six Sigma approach, 3M should transform itself to become an ambidextrous organization. This can be accomplished through balancing. 3M should establish independent departments for innovation and improvement (Hill et al, 2007).

For the top management, they should come up with a balanced allocation of resources, team assignments, and should invest money so that both innovation and improvement will be possible (Hill et al, 2007).

The Effects of Six Sigma on 3M's Culture

Since McNerney came into 3M as its CEO, his switch to the Six Sigma

approach has been put into question. There have been arguments that Six Sigma has a tendency to thwart innovation, creativity, and the introduction of new products. Since it was implemented, the innovative culture of the company was sacrificed (Hill et al, 2007).

Those who are opposed to Six Sigma say that the approach is focused on risk and damage reduction while innovation involves possible risks and inefficiencies. Right now, the effectivity of the Six Sigma approach in 3M still hangs in the balance (Hill et al, 2007).

Reference

Hill, A. V., et al (2007 June 5). Six Sigma at 3M, Inc. University of Minnesota. Retrieved October 29 2008 from <http://www.3m.com>