

No, Six Sigma Isn't A Cure-All. Here Are 5 Reasons Why.

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by [Mark C. DeLuzio](#), author of *"Flatlined: Why Lean Transformations Fail and What to Do About It"*

What's the key to transforming an enterprise? Going all-in. As a leader, you must adopt one proven set of business principles as the solution and fully commit to them. If that solution is Lean — and I recommend that it is — you can't also be riding the Six Sigma train (or any of the other tools that get confused with Lean).

Following in the footsteps of General Electric Company (GE) and capitalizing on the eagerness of company leaders to buy into something new, consulting firms sold Six Sigma as the be-all and end-all of business improvement tools. However, the majority of companies that have relied on Six Sigma have failed to increase shareholder value. More than a decade ago, Dr. Charles Holland of QualPro conducted a study of 58 companies that had announced Six Sigma programs. His findings? Ninety-one percent of these companies trailed the S&P 500.

While Six Sigma does have a place on the continuous improvement spectrum, there are five reasons not to use it as a cure-all:

1. It's the Wrong Tool for the Job.

Six Sigma is a statistical problem-solving process that fits under the Lean umbrella. Rather than competing with Lean, it should sit alongside all of the other tools in your Lean toolbox. Using Six Sigma to improve quality and reduce variation seems reasonable. But when teams overly rely on Six Sigma to solve problems that other approaches would address better, expensive issues quickly add up.

Here are two examples of applying Six Sigma inappropriately:

When we worked on our benchmark kaizen at GE's consumer lending division, GE Money, we applied Lean value-stream mapping to their process and reduced their lead time from 63 days to one day. In contrast, Six Sigma engineers had been focused on reducing the amount of time it took to complete one order — a one-hour process — rather than the 63-day lead time! Our Lean breakthrough resulted in \$216 million of additional revenue in the first year alone and gave rise to Lean's popularity within GE.

For one of my consulting firm's clients, Six Sigma's design of experiments was the right tool to correctly set 25-plus variables in their foundry process to assure a quality part. However, the vice president of corporate quality wanted to institute Six Sigma across the entire company, which would have negatively impacted initiatives that were better suited to Lean.

2. It Takes Longer.

Lean's focus on continuous improvement creates a sense of urgency. Improvements can start immediately, and the typical Lean kaizen initiative achieves results in a matter of days. The kaizen process's spirit targets 70 to 75 percent of needs, rather than addressing every nuance. "Don't let perfect get in the way of better" is what Lean practitioners should keep in mind.

Unlike Lean, Six Sigma demands a more significant time investment, with projects spanning several months, because:

– Six Sigma requires upfront, expensive training, and improvements cannot commence until certifications at various levels are achieved (master black belt, black belt, green belt, etc.).

– Six Sigma tends to look at comprehensive solutions to address all situations, which adds lead time before the improvement process can begin.

– Six Sigma projects require significant, time-consuming data collection and analysis.

3. Its Goal Is 3.4 Defects per Million.

Look to Lean, not Six Sigma, for the total elimination of defects. As one of my Japanese senseis lectured, "Six Sigma is no good!" We should have a mindset of zero defects, not an acceptance of many.

While Lean assures the quality of a part or service before passing it on to the next process, Six Sigma relies on statistical process control (SPC) where you might check one out of every 15 parts. Would you want an airline to check one out of 15 airplanes? Clearly, there are specific industries where defects are unacceptable. Yet, all companies that aim to be world class should strive for zero defects. Contrary to popular belief, it's not cost prohibitive; it's proven that there's a much higher cost to poor quality.

4. It's Not Inclusive.

While there's a lot to learn in both Lean and Six Sigma methodologies, Six Sigma is far more technical and excludes those without a proper statistical background. When I asked a Six Sigma leader how he engaged his workforce in the improvement process, he said, "Employees are instructed to fill out a check sheet to record quality measurements." Nowhere were employees asked to contribute their ideas as to how to improve the quality of a product or process. Since a company cannot afford to put all of their employees through Six Sigma training, very few can engage in the process beyond basic data collection.

With Lean, employees at all levels can immediately play a significant role in making and implementing their recommendations. Your best consultants are the employees who are executing the work on a day-to-day basis.

5. It Retains Wasteful Processes.

In my experience, many Six Sigma improvement initiatives are conducted on processes that Lean would attempt to eliminate because they shouldn't exist. Lean continually asks: "Am I doing things right, or am I doing the right things?"

The bottom line is:

- 90 percent of the problems most businesses face can be solved with Lean because it offers a broader range of tools to address various situations.
- Companies should never try to merge Lean and Six Sigma together, as this derails Lean efforts.
- Six Sigma should be used strategically for specific problems.
- An entire culture should not be created around Six Sigma. Remember what happened to GE? Jack Welch conceded that Six Sigma shouldn't be used in every corner of the organization.

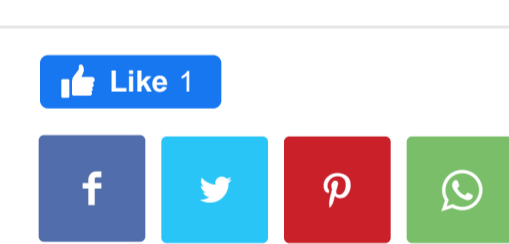
As you face even more challenging times to position your company in support of your employees, customers, and shareholders, don't make the mistake of muddling your way forward by trying to meld Lean with Six Sigma.

Mark DeLuzio is a pioneer of Lean and the principal architect of the Danaher Business System (DBS). As a trusted advisor to global organizations, he helps leaders think differently about how to optimize enterprises systemwide. His new book is "Flatlined: Why Lean Transformations Fail and What to Do About It". Learn more at [markdeluzio.com](#) and [leanhorizons.com](#).

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