

Six Sigma Black Belts and Associations

Have you heard about Six Sigma Black Belts? If not, you may wonder what they are all about and if there is a need for them in associations. While this terminology may be new to some, it is becoming part of every-day language in Top 100 organizations.

Several months ago I was reviewing the resumes of 170 candidates for a President and CEO position with a not-for-profit organization. As I did, I noticed a considerable number of candidates were from the for-profit sector. At least one out of every five of the stronger candidates from the for-profit sector referred to Six Sigma in their resumes. I saw this as an interesting trend.

Six Sigma has been in the for-profit sector for some time. In fact, Motorola claims credit for introducing the concept of Six Sigma back in 1986. It was developed in response to increasing complaints from the field sales force about warranty claims. As a result, an ever increasing quest for quality has created another growing movement.

Six Sigma was originally created as a continuous quality improvement technique that is changing direction from counting defects to dealing with strategy, processes and performance. Others, like GE, have contributed to the development of today's concept.

What is Six Sigma?

Six Sigma is a rigorous, focused and highly effective implementation of proven quality principles and techniques. It supports an aggressive continuous improvement strategy and process. It incorporates elements from many quality programs but goes to the next level. It uses a structured systems approach to problem solving and strongly links initial improvement goal targets to bottom-line results.

The approach involves measuring defects to the Six Sigma standard of 3.4 problems per million which is lower than the norm but closer to customer expectations. Sigma, is a letter in the Greek alphabet used by statisticians to measure the variability in any process. Six Sigma aims for virtually error free business performance. The measurement and related methods rely on a handful of tried and true tools and techniques that have been around for decades. On the other hand, it has been reported that TQM has close to 400 tools and techniques.

Six Sigma methodology is becoming popular because it has proven to be successful. Six Sigma allows businesses to make intelligent decisions about where and how to incorporate improvements whether in manufacturing and/or service-related transactions. Some spectacular

Six Sigma "success stories" at large corporations have been widely publicized and capture the imagination of many business leaders.

Most notable is Jack Welch, CEO of General Electric who said, "*Six Sigma is the most important initiative GE has ever undertaken--it is part of the genetic code of our future leadership.*" GE has documented about \$700 million in benefits from increased productivity and decreased waste. Motorola claims \$16 billion in savings.

Six Sigma requires total commitment and is an expensive investment. Senior management must buy in. This type of return creates buy-in – it is why investing in Six Sigma programs is increasingly considered a mission-critical best practice, even among mid-sized and smaller firms.

BENEFITS OF SIX SIGMA: Increased productivity, cycle time reduction, higher throughput, reduced defects, high levels of outgoing quality, standardized improvement methodology across the organization, a set of techniques and tools to simplify improvement efforts, greater customer satisfaction, and, dramatic improvement in the "bottom-line".

The basic approach is to measure performance on an existing process, compare it with a statistically valid ideal and figure out how to eliminate any variation. There are five steps: define, measure, analyze, improve and control. Once you have identified a problem and formed a team, the following stages in a Six Sigma Project are followed:

Define

What are the project goals and boundaries? What are the issues that need to be addressed to achieve the higher (better) sigma level?

Measure

What is the current situation? What is the data on current process performance? What is the acceptable range? What are the problem areas?

Analyze

What are the root cause(s) of quality problems? Do the data analysis tools confirm the causes?

Improve

What solutions need to be implemented to that address the root cause(s)?

Control

How are things going with the solutions? What does our evaluation tell us?

A Black Belt usually leads a team through the stages.

Black Belts and Green Belts

Six Sigma takes a handful of proven methods and trains a small cadre of in-house leaders, known as Six Sigma Black Belts, to a high level of proficiency in the application of the tools, techniques and technology. They are not Judo experts - they are managers and employees responsible for implementing process improvement projects. The belts refer to different roles of six sigma personnel within an organization.

Green Belts are employees that learn a subset of the Black Belt program with emphasis on methodology and intermediate-level quality tools. They serve as team leaders for process improvements as part of their full time job.

The teams use extremely rigorous data collection and statistical analysis to seek out sources of errors and to find ways to eliminate them. Their aim is to achieve higher levels of satisfaction and reduce operating costs. Being an expert in statistics is not necessary to get a belt.

There is, of course, a Master Black Belt who acts as the organization-wide Six Sigma program manager. This manager oversees Black Belts, process improvement projects, provides guidance and teaches members of the team.

Like most quality and improvement initiatives there are things to do and not do to successfully implement a Six Sigma Project. The experts suggest you start small and keep things simple. Focus on savings and product quality or service improvements. Support people as needed. Measure progress and reward and promote success.

Companies are now predisposed toward hiring and promoting employees fluent in Six Sigma language and adept at its methodology. Six Sigma knowledge is imperative for executive level promotions and Green Belt training is required for a management position. Compensation is often linked to Six Sigma. Hence, the reference to Six Sigma in resumes.

Associations and Six Sigma

Can associations benefit from Six Sigma? Do you need a Six Sigma Black Belt in your association?

There is always a need to reduce defects and improve member services. Need is offset by the investment required and resources available. If you are a larger association and want to remove product or program defects and increase efficiency, Six Sigma may be for you. If your association is small and/or primarily provides services which are difficult to subject to statistical analysis, then Six Sigma may not be for you. However, the stages in the Six Sigma approach do work and could be applied to assist with some of your continuous improvement efforts.

Association managers often operate with limited resources and while they don't need to be Six Sigma Black Belts, they do need to subscribe to similar practices to support ongoing quality improvements for members. An important element in improvement activity is having a reliable knowledge gathering processes and databases to support decisions. Perhaps this is a good first step on the road to Six Sigma.

Should you find out more about this flavour of the decade? The response to this may depend on your capacity and interest to commit to continuous improvements and quality for members.

This column features innovation and practical solutions applied to challenges, trends, issue and opportunities for the association community. Column editor Jim Pealow, MBA, CMA, CAE is a consultant and the Association Management Education Program Lead Instructor/Coach for CSAE. He can be reached at jim@amces.com.