



Sigma Breakthrough Technologies, Inc.[®]

***INTERVIEW WITH DR. STEVE ZINGRAF PhD,
CEO, SBTI***

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Q: Could you give us an explanation of the basics of Six Sigma?

SZ: Six Sigma is oriented toward measuring the capability of any process so that critical factors that influence the outcome can be identified and controlled to produce nearly flawless results every time. It can be used to improve every facet of business, from production, to human resources, to order entry, to technical support; basically, any activity concerned with cost, timeliness, and quality of results. It begins by asking and tracking the following questions, "how good are you doing?" and "How many mistakes are you making?" From answering these questions, trained individuals apply a step-by-step improvement method that has statistical and non-statistical tools to a process improvement project with tangible impact on the business. Depending on the complexity of the problem, the more sophisticated the tools become. The key is to have the tool set and method to use the right tool at the right time to solve the problem the simplest way.

Q: What industries are currently utilizing Six Sigma?

SZ: It's found heavily in the manufacturing arena. The widget and chemical worlds are really on board now. Most of the major chemical companies, Dow, Dupont, WR Grace, Celanese are doing Six Sigma. Many of the major financial groups are coming on board too. I think GE broke some real ground by applying Six Sigma to GE Capital; giving permission for companies outside the manufacturing arena to consider the methodology as something applicable to non-manufacturing processes.

Q: What have your customers solved by using this methodology?

SZ: The wonderful thing about Six Sigma is that it solves not only the complex problems, but also the simple problems. Some people need to have an MBA to understand some of the advanced tools and some others can be used by a line operator right off your shop floor. For example, we had a chemical factory that was designed to make two products and they weren't hitting their numbers. Within a year of implementing Six Sigma the team lead by a 23-year-old chemical engineer had turned it around and with a project that added 5 cents per share to the company's balance sheet at the end of the year. It was quite an opportunity! We have another example of an Administrative Assistant who optimized travel expenditures for the company that resulted in savings of \$500,000 a year. This assistant did this with what she learned on a 2 week Green Belt training course.

Q: How do companies sustain the gains from the process improvement work?

SZ: The simplest word one can use to describe the success of Six Sigma is accountability. The leadership forces the organization to be accountable for results. Every year in the annual operating plan, Six Sigma goals in the form of \$\$\$ savings or benchmark achievements are stated and the business leaders select and assign projects to specific individuals to meet the plan. I recently visited one of our clients and they were reviewing individual projects person to person. All the senior leadership was there listening and commenting on every project. The subtle implication was that projects were important to management and needed to be making money for the company. Clear leadership commitment to spending the time with the people executing business improvement projects and looking at the projects to make sure they are getting the support to be successful is really what it's all about.

Q: What are the biggest misconceptions around Six Sigma?

SZ: I think the biggest misconception now is that Six Sigma is primarily a cost reduction or quality tool. In reality, Six Sigma is aimed at improving growth. A friend of mine, who is now the CEO of W.R. Grace, said being a CEO is very easy, it's just growth and productivity. When companies like GE report billions of dollars in savings they are talking about cost reduction. In fact, in some cases they are talking about revenue generation. Using Six Sigma across the company and using the vast array of tools appropriately helps the company target the customer's requirements even before the customer understands those requirements. It results in the product or service being targeted to customer needs and getting it to them very quickly. People miss this



