



## **Revitalizing Six Sigma: What Matters Most to the Business**

**By Nadia Uddin and John Crager**

Honeywell began its Six Sigma journey in 1995 to drive data-based decision making, ensure quality levels, and improve customer satisfaction. Through training, leadership, and senior management support, Honeywell has developed a successful Six Sigma program. However, the progress did not happen overnight and has been recently re-energized to create a more powerful business advantage that will drive productivity and growth.

In late 2001 Honeywell combined the concepts of Lean and Six Sigma in a program called Six Sigma Plus. This program aligns its improvement objectives directly with the business needs by incorporating top talent and producing bottom-line results.

"Although Honeywell had made great progress, Six Sigma was viewed as a side dish and not an entrée," said Jeff Osborne, Honeywell Aerospace's vice president of Six Sigma Plus. "We had to create a compelling Six Sigma vision that was directly aligned to the business. Our vision was to make Six Sigma the way we think, act, and execute. It wasn't solely about doing projects, and it was much more than Green Belt training and certification; it was about changing the way we operate our entire business."

Osborne identified the following points as the 10 commandments of Six Sigma:

1. Six Sigma has one purpose: to serve the business. The business does not serve Six Sigma.
2. The Six Sigma vision and strategy must be a subset of the business vision and strategies.
3. Six Sigma organization must be directly aligned to the business model.
4. Focus on application instead of certification.
5. Project selection is owned by senior management, not by the Black Belts.
6. Measure the business results, not Six Sigma activity.
7. Never overstate Six Sigma benefits. Math wins every time.
8. Six Sigma resources must be business leaders and not statisticians.
9. Six Sigma resources must be full time and dedicated.
10. Six Sigma is a mindset, not a quality program.

### **Six Sigma is a mindset, not a quality program.**

During the General Electric-Honeywell merger attempt, Six Sigma at Honeywell had lost much of its energy and enthusiasm. As a result, Honeywell's Six Sigma program became disenfranchised, which left the employees with low morale. This situation led to the reinvigoration of Six Sigma once the merger attempt ended.

"It was the perfect time to begin to turn the Six Sigma program around," said Osborne. "... The window of opportunity to implement large-scale change was open, so we seized the moment. The results in the past 18 months have been unbelievable. Employees are excited, leadership is fully engaged, the culture is changing and the results from executing business-critical projects are tremendous. Although, some results, such as culture change, are harder to measure, the pull we are currently experiencing from leadership is very clear and very impressive."

This response has revived enthusiasm among top executives for Six Sigma. Osborne led the effort to bring leadership into the Six Sigma program based primarily on what he learned during his interactions with General Electric. By incorporating Six Sigma into the way Honeywell employees think, act, and execute, Honeywell has turned Six Sigma into more of a mindset than just a series of productivity projects.

### **Six Sigma resources full time and dedicated.**

Every Six Sigma expert (Black Belt or Lean expert) must obtain the following skill sets, in addition to their Six Sigma technical skills, when completing Honeywell's two-year training program:

- program management,
- business acumen,
- negotiation skills,
- change management skills,
- executive communication, and
- leadership skills/behaviors.

By ensuring these skills are developed, Six Sigma experts are equally balanced in leadership and the technical aspect of Six Sigma. In the past, many Black Belts were so focused on the tool themselves they lost sight of the need to gain organizational acceptance.

### **Six Sigma resources must be business leaders and not statisticians.**

When Honeywell began its Six Sigma journey, it made a conscious effort to incorporate the Six Sigma vernacular into the corporate language. However, Six Sigma soon became an entity unto itself. Individuals became so involved in staying within the program that some lost touch with what the leader's priorities were.

"We took our eyes off the ball,' Osborne said. "Like many initiatives, Six Sigma began to appear somewhat self-serving to many business leaders. The initiative became the end [instead of] the means to the end. We lost sight of why we're doing what we were doing."

Although Six Sigma for the most part was supported at the senior management level, "down in the troops, it was beginning to lose its energy and appeal," Osborne said.

To remedy the situation, Honeywell recruited top talent through the talent management process, assigned them directly to business leaders and mentors, and emphasized leadership development with future career opportunities. "Rather than taking Black Belts and giving them leadership skills, we are taking leaders and giving them Black Belt skills," said Osborne. "By far, that was the best thing we did to get absolute, immediate revitalization. Our mission was aimed at business performance and not just tool usage."

### **Never overstate Six Sigma benefits. Math wins every time.**

Like many companies, Honeywell was dedicated to spend a substantial amount of time to measuring cost avoidance and non-value-added savings generated from Six Sigma projects. In terms of bottom-line results, Osborne said that an important element was to align Six Sigma project results directly with the business' annual operating plan. "Six Sigma is no longer going to be their own scorekeeper. There's one set of books: finance owns them and we are not here to create fictitious savings," Osborne said.

Although financial results are important, Osborne said that it is also important that all the business needs are met. "We'll work projects aligned to the business leader objectives even if there is minimal bottom-line financial savings--if it helps improve customer satisfaction [or] employee efficiency or drives strategic initiatives. We're going to do exactly what the business needs by listening to our internal and external customers."

### **Measure the business results, not Six Sigma activity.**

Almost all Six Sigma programs spend a great deal of effort on delivering training programs and tracking certification metrics. Yet Honeywell measures the success of Six Sigma by watching the movement of the business gauges rather than merely Six Sigma activity. "When we create a clear causal relationship between our projects and business performance, then we have a reason to celebrate," said Osborne.

Six Sigma leaders are not recognized for Six Sigma activity--the training, charts, and metrics element.

Instead, the leaders seek to support the goals of the vice presidents. As a result, they are recognized for "moving the needles for the business gauges that squarely matter to the vice presidents," said Osborne.

#### **Project selection is owned by senior leadership, not by Six Sigma.**

Having business leaders set the improvement initiatives ensures that the Black Belts and Lean experts accomplish the goals of the business. "Self-selected projects is one of the greatest failure modes Six Sigma experts make," said Osborne. "Leadership must set the direction. Our job is to figure out how to get to that end-state via the Six Sigma toolkit."

Osborne warned against setting a specific financial target for Six Sigma resources. "If you set the tone that every Black Belt must get one million dollars of savings a year, you may not like what you get," said Osborne. When Black Belts work on projects solely to reduce costs, for instance, business needs may be ignored and savings may be overstated.

#### **Focus on application instead of certification.**

A lesson learned for Honeywell is that certification is the beginning and not the end. "Certification proves that you have a proficiency in a skill set such that you can now apply these skills with confidence," said Osborne. "... Behavior is a function of what we measure and what we reward, so reward application."

#### **Six Sigma organization must be directly aligned to the business model.**

Honeywell ensured that its Six Sigma organizational model matched its overall business model. Osborne found many ways to organize the Six Sigma team. Whereas a relatively small organization may decentralize and deploy staff to each functional leader, a heavily matrixed organization like Honeywell warrants a centralized Six Sigma model to reduce the variation in resource application. The Six Sigma vision and strategies must be a subset of the business vision and strategies.

By directly aligning the Six Sigma strategy with the business strategy, the personal objectives of the Six Sigma team serve the business and benefit the organization as a whole, said Osborne. Honeywell found that Six Sigma deployment must be a key component of the overall business vision and strategy to ensure the initiative lasts over the long haul.

Honeywell business leaders include Six Sigma in their management operating system, balanced scorecard, and day-to-day language in order to illustrate for employees their commitment. "Don't underestimate the power of a compelling vision," said Osborne. "This will speak volumes to the employees and reinforce this is not another program de jour; it is a long-term journey that they are fully committed to achieve."

#### **Six Sigma has one purpose: to serve the business. The business does not serve Six Sigma.**

Osborne believes that the most beneficial aspect of revitalizing Six Sigma at Honeywell is understanding its place and purpose within the company. He said, "It is not productive to spend all my time proving to everyone the value of Six Sigma. It is the best productivity toolkit that exists today; but if they develop something superior tomorrow called Seven Sigma, we'll ditch what we have and use the better toolkit. Our allegiance is to business performance, not to the means that take us there."

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The American Productivity & Quality Center (APQC) is currently studying how to replicate gains from Six Sigma and Lean Management. An information conference call will be held on May 7, 2003, from 11:30 a.m. - 12:30 p.m. (Central). During this call, APQC will discuss the upcoming consortium benchmarking study "[Replicating the Gains from Six Sigma and Lean: Capturing and Transferring Knowledge and Best Practices](#)." The project team will review the specifics of the project, including the scope and organizations involved. To register for the call, click [here](#).