

Innovation and Six Sigma Value Creations

Six Sigma Benefits:

It has been 18 years since Bob Galvin first announced to the world his new strategy to help Motorola achieve market excellence and fend off the incredible quality coming from Japan. His new and unique vision was Six Sigma Quality. Over the past two decades, companies in virtually every industry have taken on Six Sigma initiatives with various twists and strategies and, of course, with various levels of success. Today, after thousands of deployments in companies around the world, you find Six Sigma companies deemed as successful and yet still challenged by their position of differentiation and success in the market. Why the difference? Is Six Sigma not a universal “silver bullet” to success?

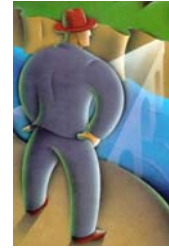
There is no question that any company sincerely attempting to reduce variation in their processes can benefit from the Six Sigma DMAIC strategy designed by Dr. Mikel Harry. Any company that truly deploys Six Sigma on their most critical business processes and attempts to reduce associated error will see bottom line benefits within six months of deployment. This has been proven by GE, Dupont, Samsung, Honeywell, Glaxo Smith Kline and numerous other companies both large and small.

But what about staying power? What about sustaining benefits three and four years after deploying DMAIC Six Sigma?

Design and Marketing Six Sigma:

Recognizing that one can't shrink a company to greatness, external focus is required. The next evolution beyond DMAIC focuses on capturing the 'voice of the customer' (VOC). Design and Marketing for Six Sigma emphasizes the design and communication of superior value in products and services leading to top line growth. Firms listening to the VOC have discovered that the financial results are tremendous with returns occurring roughly one to two years after deployment. Companies as varied as Cummins, 3M, Samsung and Bank of America are publicized examples. Bank of America alone noted that it has captured over a billion dollars due to added revenue generation.

Design and Marketing for Six Sigma work well for companies following traditional stable markets. However, just listening to the 'voice of the process' (VOP) and VOC haven't allowed companies to differentiate themselves against their competitors to gain market leadership or create new markets. Additionally, as markets become more dynamic, the use of traditional quantitative tools and simply gathering customer needs can lead to the demise of the company. Creative destruction is occurring in markets as simple as tooth brushes and as complex as cell phone systems. Think about 8 track tapes, inner tubes,



flash bulbs, carbon paper, ice cube trays, and typewriter ribbons. All of these products met the VOC and were

offered by companies with high quality; yet they are no longer in the market. As Clayton Christenson has noted, "...because firms listened to their customers, ... they lost their position of leadership". What happened?

Identifying Innovation Opportunities:

Dimensions of value shifted and created innovation opportunities, creating other markets and enabling other market winners. The winning strategy is to transfer the focus away from internal challenges of reducing cost, away from the near focus of increasing value for known customers and markets, and move towards the strategic view of identifying external opportunities of creating value: capture the 'Voice of Opportunity' (VOO). Identifying the opportunities in the market space and then deploying innovative solutions into the market place are required for real value differentiation.

A report by the Product Development and Management Association outlines that of the top 500 companies surveyed, two-thirds have no formal method to identify external opportunities for new markets, customers, products or services. This combines to give the well known statistics that nearly half of all product development and commercialization money is spent on failed offerings and, after launch, only two out of three offerings are successful.

Creating Innovation Solutions yields value:

Both the financial community and corporate leadership are in agreement that innovation is a key initiative for success. A survey of Wall Street Analysts yielded the following results:

- Perceived innovative firms enjoy a share price premium over less innovative firms: 95% agreement
- Innovation importance has increased significantly over the past decade: 90%
- Innovation is a key driver in market valuation of firms: 70%

Another survey of top management at 700 international companies highlighted that although more than 80% believe innovation is a significant strategic issue, close to 90% are dissatisfied with the way their firm managed innovation.

Innovation Six Sigma:

Innovation Six Sigma (ISS) is a phased process that focuses on optimizing the front end activities such as identifying the value drivers and shifts, recognizing and

prioritizing the innovation opportunities and markets, and strategically creating, designing, optimizing, delivering and communicating the value. 3M and Samsung are two Six Sigma companies who have transferred value differentiation and innovation processes into their business development processes with great success.

ISS is the next step in the Six Sigma journey. The innovation tools are integrated into the beginning of the well known data driven Six Sigma roadmap. Please reference [Figure 1](#). The innovation process provides the foundation to insure that the right opportunities are identified. Traditional Six Sigma tools insure that these opportunities are properly developed, optimized, and deployed. Together they lead to successful launch, delivery and communication of value.

Innovation Six Sigma can occur in product, process, service, or structure. It allows companies to follow a deliberate process to **assess changes** that can affect an industry, organization or offering and **prioritize opportunities** leading to innovation in value creation. The best companies do not wait for these changes to occur before responding. The best companies are the ones to innovate and initiate the change.

The Uniworld Innovation Six Sigma approach facilitates:

1. A consistent approach and communication protocol for the marketing and technical team
2. A common focal point: the value to be created
3. Envisioning a future that does not yet exist in order to
 - a. lead or create the market
 - b. create offerings before the customer asks for them
4. Understanding how the future will be different from the present, then assessing the impact on present strategy and planning
5. Prioritization of innovation opportunities
6. Systematic Innovation to create value
7. Development, optimization, launch and communication of value

Uniworld offers a four week Innovation Six Sigma class, targeted at both marketing and technical professionals charged with leading the respective businesses in creation of Value differentiated products or processes. Additionally, there are fifth week options offered. One week is for a Black Belt in Marketing Six Sigma, one is focused on technical or Product Black Belt, and the third option is for a Process Black Belt. Candidates already trained in DMAIC or Design for Six Sigma can have a specialized stream lined class of two to three weeks depending on specific client needs.

Uniworld Consulting, Inc. is leading Six Sigma initiatives in companies such as 3M, Asia Pulp and Paper, Certainteed, Cooper Standard, Honeywell, Jubilant Organosys, NASA, Samsung SDI, Samsung Engineering, Siemens Mobile, Western Digital, General Dynamics and Jubilant Organosys Chemical.

Please contact us at (US) 757-877-2611 or on the web at www.uniworld.biz.

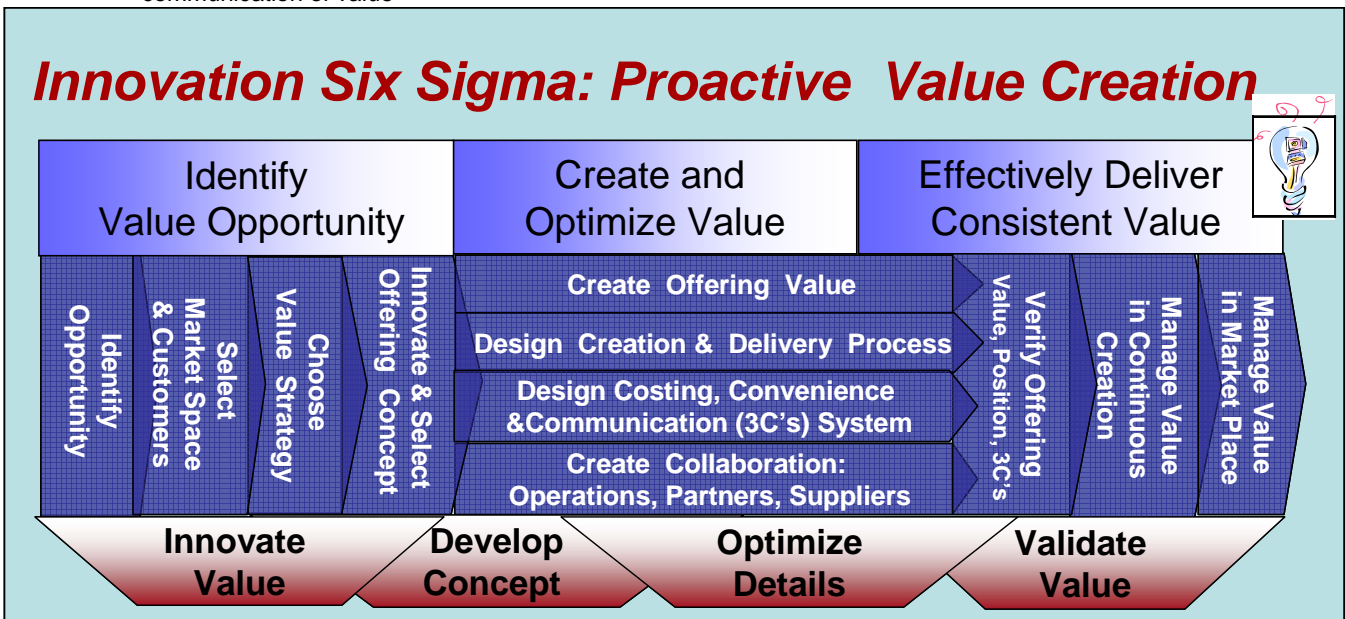


Figure 1 Innovation Six Sigma