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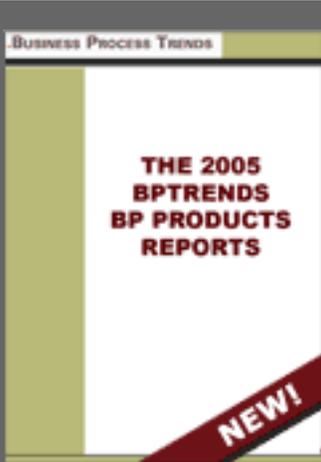
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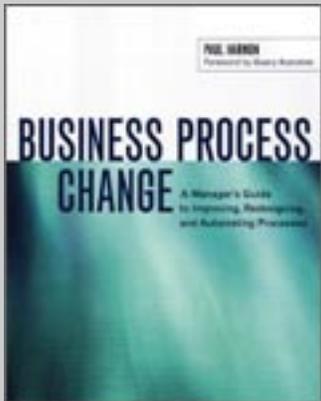
Six Sigma and BPM

I spent the past week in Phoenix at the International Society of Six Sigma Professionals (ISSSP) Leadership Conference which provided me with a nice overview of the current thinking of Six Sigma practitioners. Two weeks earlier I had been in Phoenix to attend DCI's BPM Conference and couldn't help but reflect on how the attendees at the two events were different, yet similar. Six Sigma originated at Motorola in the Eighties, spread to other manufacturing companies, like GE and Texas Instruments, in the early Nineties, and has continued its growth ever since. Today, banks and insurance companies are just as likely to have Six Sigma initiatives as manufacturing or retail companies. There were several reports of successful Six Sigma initiatives in IT organizations at the ISSSP Leadership Conference. Moreover, Six Sigma has spread to foreign countries and there were several reports of Six Sigma successes in European, South American, and Asian companies. Six Sigma people are good organizers and once they are established in a company they train lots of people and generate lots of interest in improving processes.

As Six Sigma continues to grow and mature, many Six Sigma practitioners seem eager for new ideas. In companies where Six Sigma has been practiced for 3-4 years, there is a sense that additional process tools are needed. In essence, Six Sigma focuses on improving the quality and consistency of process outputs. Sometimes, the precise measurement techniques that Six Sigma professionals use leads to a focus on relatively small-scale and narrowly-defined processes. Smart practitioners have recognized this and have sought to incorporate new tools into the Six Sigma tool kit.



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For example, a couple of years ago, most Six Sigma groups embraced Lean, a Japanese technique that dates from the late Eighties that focuses on streamlining flow and eliminating waste. Lean represents a significant extension of the basic Six Sigma concepts and most Six Sigma vendors have repositioned themselves as Lean Six Sigma consultants. Last year, we reported on an initiative by Six Sigma and the Supply Chain Council to combine the ideas in SCOR with those of Six Sigma. In essence, SCOR would provide a company with an overview of their supply chain, high-level measures, and a way of identifying and prioritizing high-value interventions. Lean Six Sigma would provide the means to improve specific supply chain processes that needed work. This work is proceeding apace and there were reports of successes in some coordinated SCOR and Six Sigma projects.

Another area in which Six Sigma people have been very active is TRIZ - a systematic approach to generating innovation. BPTrends readers will know that Howard Smith is actively working to formulate a Process-TRIZ methodology that will make TRIZ more accessible to BPM practitioners.

When one considers what is usually included in Business Process Management (BPM), at least as the term is used by those of us at BPTrends, one realizes that there are other dimensions that Lean Six Sigma practitioners could profitably consider. BPM places more emphasis on the management of processes, at both the executive and at the specific process level, on creating process architectures that align high-level processes, on defining and aligning performance measures with corporate strategies, on the redesign of high-level processes (e.g. SCOR), on structuring human performance systems to assure employees can perform their tasks, and, of course, in the use of software techniques like BPM systems. I addressed these issues in my presentation at the ISSSP Leadership Conference and the ideas were all well-received.

As I tried to sort out the differences and similarities among the various approaches to

process work, including Six Sigma and BPM, I found it useful to step back, mentally, and ask myself about the broader philosophical assumptions that motivated the various approaches. Once I had put the question in those terms, I concluded that there were really three broad philosophies that motivated most business process work.

One was a belief that we can use software technologies to automate activities. It is assumed that automation will save money and enable the organization to use data and information systems to respond faster and more effectively to changes in the environment. These assumptions are behind most software automation efforts, were the main driver behind Business Process Reengineering, and are the main force behind most BPMS efforts today.

Six Sigma was the second philosophy that I considered. Six Sigma believes that we can make the organization better by getting every employee to focus on process and on improving the quality of process outputs. Six Sigma is dedicated to employee and manager education. In organizations that have embraced Six Sigma, a major effort is undertaken to instill in every employee the sense that they can make a difference by constantly working to improve the organization's processes. One only needs to attend a Conference like the ISSSP Leadership Conference to see how effective and fruitful this approach can be.

The third philosophy is Business Process Management. In this case, I refer specifically to the assumption that organizations are defined by their processes and that organizational change only occurs when processes are measured and managed. BPM, in the right hands, represents a major commitment by corporate management to use processes to better organize and manage the day-to-day operations of the company. It represents a different way to conceptualize the organization and the role of corporate managers.

Obviously, there is considerable overlap among

these three philosophies and the best practitioners working in each of these traditions can easily embrace the other philosophies and see them as simply alternative statements of their own goals. Clearly, the combination of SCOR and Six Sigma represents a merging of BPM and Six Sigma, just as Process Monitoring Dashboards represent the integration of process automation and process management.

Perhaps we should initiate some new belt colors - a white belt for those who specialize in improving processes with IT, and a blue belt for those who specialize in working with executives to create management systems based on value chains, performance measurement and incentive systems to help managers govern more effectively.

Ultimately, the differences in assumptions and techniques, although real, aren't very important. Those of us involved in trying to improve processes in our organizations share a common goal. If we are to succeed, I am convinced that all process efforts within an organization should speak with one voice. If senior executives get competing requests from IT process folks, from Six Sigma folks and from BPM folks, they will simply divide up the money and pay less attention. If, instead, they get a request from one group that aims to improve corporate performance and is prepared to coordinate all the various process change initiatives in the organization to achieve clear, prioritized business objectives, that group can truly change the way the company functions.

Practitioners reflect their backgrounds and their philosophical assumptions, but I detect a growing interest in merging methodologies, tools and techniques from multiple approaches to process change. Most practitioners, after spending a few years working to improve their company's processes, gain insight into the bigger picture, and many are moving toward a belief that it would be much better if everyone interested in process change could speak with one voice. We aren't there yet, but I think we are getting closer all the time.

Till next time,
Paul Harmon

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