



SIX SIGMA – NOT JUST FOR MANUFACTURING

Although the Six Sigma methodology originally started out as a way to improve processes and products in a manufacturing environment, today it has grown to encompass a broad range of industries. As companies begin to realize the benefits a total quality improvement cycle can have upon the organization they are adopting Six Sigma and its practices into their own fold.

Organizations not only receive the quality benefit of Six Sigma in their products and processes, but also significant cash savings can be realized as part of adapting such a process. In one example, GE realized a savings of close to \$300 million dollars in the first year of implementation of Six Sigma.

Health care organizations can see benefits that not only affect the bottom line of the company, but also affect the quality of care and overall recovery rate for patients. In one example a hospital used Six Sigma practices to significantly reduce the amount of time it took to get heart attack patients from ER to the cardiac care unit by close to 41 minutes.

As a result the fatality rate of heart attack patients dropped significantly and the quality of care for those patients improved over 300%.

Financial institutions are using Six Sigma as a way to manage both their customer satisfaction expectations as well as risk management initiatives. By using the methodologies and improvement cycles of Six Sigma Bank of America realized close to \$2 billion dollars in benefits as well as a 25% increase in customer satisfaction.

The construction industry can sometimes be paralleled to the manufacturing industry. Instead of producing the end-product in a factory the construction industry produces the product at various job sites. As such many of the same improvements the manufacturing industry has seen have also been adapted to the construction industry.

Savings of man hours and costs across various projects have not only resulted in lower costs but also in higher quality buildings and infrastructure.

The Insurance industry is one of the most paper-intensive industries in the world. Claims processing, underwriting and adjustments all take significant amounts of time to collect data and process it in order to make decisions and assist customers.

By utilizing the Six Sigma approach major players in the industry including CIGNA and American Family have seen claim processing times be reduced by up to 50% as well as more analytic assignment of risk factors based on underwriting data.

So how can Six Sigma benefit your particular organization? Start by looking at what your organization produces – be it a service or a physical product. Then look at areas that are known to have defects or are in need of improvement.

By realizing that any product or service is a continuous cycle of improvements you begin to understand the Six Sigma approach. Instead of drastic changes all at once, Six Sigma provides a process by which small changes are constantly adapted to projects and then measured against past data to judge the quality of the improvement.

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