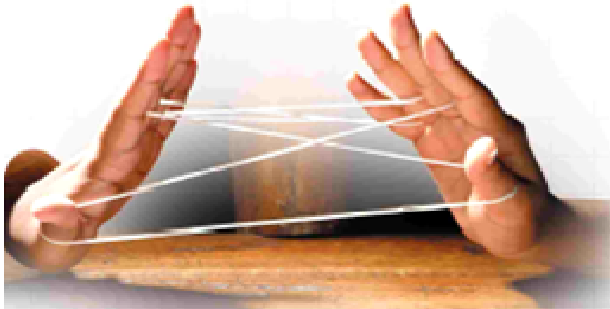


February 2007

Adoption of Six Sigma in a software company and developing a robust methodology for implementation

Six Sigma as a continuous improvement methodology has been widely accepted and adopted by leading companies who they have significantly benefited by this. Software companies have been slow in adopting Six Sigma as they are not sure as to how it will benefit them. There is a certain amount of scepticism in its adoption and the perceived conflict with the more commonly accepted standards prevents these organizations from embracing Six Sigma and benefiting from the same.



A large software products and services company hired ECS to understand the applicability of Six Sigma in their organization and to develop a road map for implementation.

Implementation of such initiatives is not easy and one of the first few challenges are to develop consensus amongst the senior management, agree on an approach, create a common platform and identify key processes with opportunities for improvement.

To achieve this a comprehensive approach was designed to ensure long-term success and get a return on the investment. The Six Sigma initiative was kicked off with a three-day workshop for the senior management.

In this workshop an overview to the Six Sigma methodology was presented and discussed to build a consensus. The group identified the business processes of the organization and exercises were carried out to prioritize these processes in terms of the opportunities present in them for improvement. Twelve processes were chosen for assessment through a structured diagnostic. These processes were further aligned to the key initiatives in the organization. Post the diagnostic, the data was shared with the team and a final list of five processes was identified.

The workshop focussed on demystifying Six Sigma, sharing the experiences of others and building consensus on the approach.

The workshop led to a commonly accepted approach and a clear direction of how the organization will attempt to adopt Six Sigma as a continuous improvement methodology. A diagnostic phase was agreed to identify the first five projects.

The senior management team was encouraged to arrive at a list of twelve processes that they felt were weak and could significantly impact business performance.

To reduce this list to five a dedicated team of ECS consultants worked with members from the client side to identify the opportunities present in them and to understand the applicability of Six Sigma for the improvement of the processes. This effort involved

- Identification of process owners for each of the processes
- Developing high level process maps – SIPOC's
- Determining critical to quality metrics after understanding the critical customer and business requirements of each process
- Collection of data for analysing the current capability of each process
- Analyzing and quantifying potential benefits of each process after detailed evaluation with each process team
- Identifying the final processes which were to go in either for an improvement exercise using the DMAIC methodology or a redesign exercise using the DMADV methodology

The diagnostic phase showed that in each of the 12 processes there existed huge opportunities for improvement.

The findings of the diagnostic were presented to the senior management, a common consensus was reached and five processes were chosen for process improvement using Six Sigma.

The group also helped in identifying project champions and the teams to work on these projects.

The diagnostic phase came up with huge opportunities. Some of these are discussed below:

- Robust upstream processes in the lifecycle of a project will reduce the number of cumulative defects thereby reducing overall rework. The study demonstrated the possibility of a 30-40% reduction in rework effort, which would lead to a reduction in overall project costs by 10%. This translated into savings of \$1 million pa.
- The process for generating qualified leads for the sales team was weak. A better campaign mix could enable better forecasting of prospects and also enable larger number of conversions contributing to increased revenues.
- The analysis showed that reduced cycle time for recruitment could result in reduction of cost to the tune of \$75,000 pa and lead to incremental revenues of \$100,000 pa.
- Opportunity existed among the strategic review process wherein an improved and more structured process could lead to better revenue predictability, thereby, allowing the management to plan for contingencies.

Benefits achieved

Generating acceptability of the Six Sigma approach and agreeing on a long term approach for the organization.

Complete commitment from the top management.

Developing a common understanding amongst the senior management about the opportunity for improvement.

Arriving at a consensus based on detailed analysis of each process about which process to adopt for DMAIC/DMADV.

Outcome

The process led to a structured Six Sigma initiative across the organization.

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ECS is a broad based management-consulting firm that has been in operation for the last 16 years. We have pioneered the efforts of transformation across industry through business process reengineering, TPM, TQM and Six Sigma consulting.

IT & BPO services

IT and IT Enabled Services (BPO) are among the fastest growing segments of the Indian Industry and they bring with them a new set of challenges. ECS leverages its strength in the services industry coupled with its strengths in Process Management, HR and Change Management and Quality Deployment to help this emerging sector.

ECS's pioneering work in the IT and ITES space has helped its customers maximize their savings by streamlining processes across business. It has also enabled its clients to mature their use of defect-focussed metrics, improve their overall revenue predictability model and culturally align their personnel towards operational excellence.

We partner all our clients from concept to implementation. Value proposition from ECS includes, streamlining processes not only in the software development life cycle but also focussing on sales and other support functions like human resources and operations.

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