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Identifying and analyzing the opportunities within a leading IT products and services company for process improvement and redesign using the Six Sigma methodology

In today's competitive environment there is no room for error. Organizations must constantly look towards improving their internal processes and capabilities. Keeping this business requirement in mind one of the leading IT product and services company wanted to go in for a Six Sigma initiative.



The success of any IT products and services company is to a large extent dependent of the efficiency, effectiveness and adaptability of the different processes. IT companies in India today have realised that there is a potential for a lot of savings in cost and increase in revenue through streamlining of processes. This also makes the organization more competitive in the global environment.

Implementation of such new initiatives is not easy and one of the first challenges is to develop consensus amongst the senior management, agree on an approach, create a common platform and identification of key processes in terms of opportunities available.

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 prioritise these processes in terms of the opportunities present in them for improvement. Twelve processes were chosen for assessment through a structured diagnostic. Post the diagnostic, the data was shared with the team and a final list of five processes was identified.

Opportunities identified in the diagnostic phase were presented to the senior management to create ownership

The diagnostic phase showed that in each of the 12 processes there existed huge opportunities for improvement. Some of the key opportunities identified are:

- Robust upstream processes in the lifecycle of a project will reduce the number of cumulative defects thereby reducing overall rework, The study revealed a 30-40% reduction in rework effort could lead to a reducing overall project costs by 10%, translating into savings of \$1 million pa.
- The process for generating qualified leads for the sales team showed immense opportunity. The study revealed a better campaign mix could enable better forecasting of prospects and also enable larger number of conversions to final orders contributing to increased revenues.
- The analysis showed that reduced cycle times for recruitment could result in reduction of costs 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.

Five processes were chosen for taking the Six Sigma initiative further. A structured plan for the next six months has been drawn out.

A dedicated team of ECS consultants and client members representing all functions worked on the above processes. After the findings of the diagnostic were presented to the senior management, a common consensus was reached and the following processes were chosen for process improvement using Six Sigma methodology

- Recruitment
- Solutioning
- Testing
- Lead generation
- Strategic Review

The diagnostic involved:

- Identification of process owners for each of the processes
- Developing high level process maps - SIPOCs
- 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 a DMADV methodology

Benefits achieved

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

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 diagnostic led to a structured Six Sigma initiative across the organisation.

Contact for details

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IT & BPO services

IT and IT Enabled Services (BPO) are one of 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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