Why Six Sigma Is on the Downslope

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I was never a big fan of Six Sigma. As approaches to business process improvement and management go, it always had some glaring shortcomings. First, there was all the statistical mumbo-jumbo it implied -- but seldom delivered on in most companies' implementations. Second, it didn't incorporate information technology -- arguably the most powerful force available for improving (or screwing up) processes -- in any way. Third, it was overly elitist. Instead of relying on Six Sigma expert "black belts" do the process analysis and design, every employee should be a process improver, as I argued last week. Fourth, it really only enabled incremental improvement, not radical breakthroughs. Fifth and last, it wasn't a good fit for innovation-oriented work. Even Jack Welch now admits that it shouldn't be used everywhere in a company, but I might argue that it should only be used in product manufacturing, where the idea of reducing defects to one in six standard deviations really makes sense.

So what's the best alternative to Six Sigma for process improvement? Well, there really is no one alternative that's best for all processes and circumstances. Companies really need a combination of tools and approaches. The best companies in process management already have such a combination. You hear about Lean Six Sigma, which is a combination of some of the lean approaches found in the Toyota Production System and Six Sigma, but actually the mix should be even broader. Johnson & Johnson, for example, in its "Process Excellence" program, also adds a component involving breakthrough change. Even Motorola, where Six Sigma was born, also incorporates a method for creating breakthrough process improvements.

Companies should also incorporate some techniques for combining process change with the information systems they're installing. Business process reengineering is the only process improvement approach that's really had this focus in any substantial way, but it was flawed in other respects and isn't a go-it-alone method of choice either. At Air Products and Chemicals, which has had one of the most successful process change programs in recent years, the company employed a hybrid approach to process change that closely matched the SAP system it was putting in at the time. Shell has a major effort underway to put in a common version of SAP and improve processes at the same time. It isn't easy to change both things at once, but it's silly to change processes and ignore IT.

I hope that when companies start getting excited again about process improvement, they resist one method for doing so. A hybrid, combined approach is really the only approach that makes any sense. In religion many people worship only one god, but in process management we should all be pantheists.