



Sigma Breakthrough Technologies, Inc.<sup>®</sup>

***INTERVIEW WITH DR. STEVE ZINGRAF PhD,  
CEO, SBTI***

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**Q: Could you give us an explanation of the basics of Six Sigma?**

**SZ:** Six Sigma is oriented toward measuring the capability of any process so that critical factors that influence the outcome can be identified and controlled to produce nearly flawless results every time. It can be used to improve every facet of business, from production, to human resources, to order entry, to technical support; basically, any activity concerned with cost, timeliness, and quality of results. It begins by asking and tracking the following questions, "how good are you doing?" and "How many mistakes are you making?" From answering these questions, trained individuals apply a step-by-step improvement method that has statistical and non-statistical tools to a process improvement project with tangible impact on the business. Depending on the complexity of the problem, the more sophisticated the tools become. The key is to have the tool set and method to use the right tool at the right time to solve the problem the simplest way.

**Q: What industries are currently utilizing Six Sigma?**

**SZ:** It's found heavily in the manufacturing arena. The widget and chemical worlds are really on board now. Most of the major chemical companies, Dow, Dupont, WR Grace, Celanese are doing Six Sigma. Many of the major financial groups are coming on board too. I think GE broke some real ground by applying Six Sigma to GE Capital; giving permission for companies outside the manufacturing arena to consider the methodology as something applicable to non-manufacturing processes.

**Q: What have your customers solved by using this methodology?**

**SZ:** The wonderful thing about Six Sigma is that it solves not only the complex problems, but also the simple problems. Some people need to have an MBA to understand some of the advanced tools and some others can be used by a line operator right off your shop floor. For example, we had a chemical factory that was designed to make two products and they weren't hitting their numbers. Within a year of implementing Six Sigma the team lead by a 23-year-old chemical engineer had turned it around and with a project that added 5 cents per share to the company's balance sheet at the end of the year. It was quite an opportunity! We have another example of an Administrative Assistant who optimized travel expenditures for the company that resulted in savings of \$500,000 a year. This assistant did this with what she learned on a 2 week Green Belt training course.

**Q: How do companies sustain the gains from the process improvement work?**

**SZ:** The simplest word one can use to describe the success of Six Sigma is accountability. The leadership forces the organization to be accountable for results. Every year in the annual operating plan, Six Sigma goals in the form of \$\$\$ savings or benchmark achievements are stated and the business leaders select and assign projects to specific individuals to meet the plan. I recently visited one of our clients and they were reviewing individual projects person to person. All the senior leadership was there listening and commenting on every project. The subtle implication was that projects were important to management and needed to be making money for the company. Clear leadership commitment to spending the time with the people executing business improvement projects and looking at the projects to make sure they are getting the support to be successful is really what it's all about.

**Q: What are the biggest misconceptions around Six Sigma?**

**SZ:** I think the biggest misconception now is that Six Sigma is primarily a cost reduction or quality tool. In reality, Six Sigma is aimed at improving growth. A friend of mine, who is now the CEO of W.R. Grace, said being a CEO is very easy, it's just growth and productivity. When companies like GE report billions of dollars in savings they are talking about cost reduction. In fact, in some cases they are talking about revenue generation. Using Six Sigma across the company and using the vast array of tools appropriately helps the company target the customer's requirements even before the customer understands those requirements. It results in the product or service being targeted to customer needs and getting it to them very quickly. People miss this



growth potential when they get into Six Sigma and they mistakenly think it is only cost reduction. Any business leader now will tell you that cost reduction only gets you so far in this day and age.

**Q: What do companies with on-going Six Sigma programs have to look out for?**

**SZ:** The biggest stumbling block in most companies is project selection. If you look at Six Sigma very simply, it's getting the right projects, putting the right people on the projects, and giving them the right tools, so you get the right results. That's the right people, the right projects, the right tools, the right results. The projects are the input. Like anything else, garbage-in, garbage-out. If you have bad projects, poorly defined projects, you won't get very good results.

**Q: Other than the fortune 500 companies who does Six Sigma?**

**SZ:** Well, Six Sigma works in just about any size company. If you have a set of business processes and if you have some customers, you are probably in line for Six Sigma. We do work with small companies via public offerings. We've had results from small companies where their Black Belts and Green Belts, industry terms for a level of competence in Six Sigma, have averaged anywhere from \$150,000 to \$300,000 a project. In a small company, say, ten million dollars a year, that's a lot of money to be made. The big companies generally, if the front end work of Six Sigma is right, and pick the right projects can average a half a million to a million dollars a project. A logistics client of ours is averaging a million dollars per black belt project.

**Q: How are Lean Enterprise and Six Sigma applied together?**

**SZ:** That is the next direction of Six Sigma. There has been a lot of literature out now combining Lean and Six Sigma methodologies in order to make a company more successful. They really are integrated. When you look at Six Sigma, the whole goal is to reduce variability; variability in the product or services, variability in the process. If you look at Lean, its goal is to reduce variation in product or information flow. Obviously in the transactional businesses, the services industry, there is a lot of information flow that has got to be "leaned out" and it's very complex so you need the right Six Sigma tools in the right place.



**Dr. Stephen Zinkgraf, President and CEO**, founded SBTI in May 1997. After spending a number of years at Motorola, Steve was instrumental in deploying Six Sigma at AlliedSignal from 1994 through 1997, returning over \$360 million to the company. Starting with 1 consultant and 1 client, SBTI has grown to more than 45 global clients the 65+ experienced consultants providing service all over the world. SBTI now offers Six Sigma consulting and training through offices Shanghai, Guangzhou, Beijing and Hong Kong.

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