

## How does Six Sigma Work!

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This news letter is designed for Leaders in the Service Sector of our economy. Whether you are in Executive Management, Quality Improvement, Human Resources or a first or second level manager; if you are concerned with your company's capability to deliver cost effective quality services, this newsletter is intended for you. It will provide you with the critical knowledge and information that will empower you to:

1. design and deploy productive and cost effective management practices that drive the results you want to experience.
2. receive and understand the best practices for service sector companies.
3. guide and plan operational excellence in your area of accountability.

### Six Sigma Starts with the Customer!

The main objective of Six Sigma is to create a predisposition in the mind of your customers that will cause them to purchase and use your products and services over and over. The purpose is not to just create a satisfied customer, but a loyal customer. A loyal customer is one that operates with "extreme prejudice" with respect to their purchases. You want them to purchase your products and services with "extreme prejudice". This type of customer pays for your company's fixed cost. You don't have to expend a marketing and promotions budget to acquire them. Six Sigma causes you to understand and wow this customer by continuously satisfying what they require and expect of your company. How can Six Sigma accomplish this? First, through a process called the **Voice of the Customer**, and second, through a structured performance improvement methodology called **DMAIC** (define, measure, analyze, improve, control).

The remainder of this issue and the next issue will be devoted to both of these methods. I will provide you with a brief definition and an overview of each method for the purpose of conveying how Six Sigma Companies have dominated their respective industries.

### The Voice of the Customer

The *Voice of the Customer* is defined as the market place's positive or negative pre-disposition toward your company's products and services. It is the market's articulation of a buyer's *needs, attitude and perception* with respect to your company's product and service offerings. Companies that fail to hear and respond to their customer's voice have, had, and will suffer real and negative consequences – loss of profitability and market share. A company that hears its customer's voice endeavors to influence their customer's purchase decisions by fulfilling product and service requirements that successfully satisfies their customer's wants, needs, and expectations.



**Voice of the Customer Continued:** Companies that hear their customer's voice create products and services that are "fit" for their customers' use; and they deliver their offerings to them at the right place, at the right time, and for the right price. These companies develop:

- **Product specifications** that meet their customers' needs.
- **Service levels** that influence their customers' attitude.
- **Marketing objectives** that favorably influence their customers' perceptions.

Companies that seek and understand the VOC obtain greater market share, greater profitability and develop a larger loyal customer base.

To clearly define what a customer needs, desires and expects is fundamental to Six Sigma. Six Sigma drives the expression of customer needs, desires, and expectations into explicit requirements. In Six Sigma language, these requirements are called "CTQs" or "critical to quality" characteristics. Customer requirements can range from general to very specific, but always relate directly to a customer's objectives. Generally speaking, for "service providers," CTQs fall into the following dimensions:

1. **Financial:** The cost of your company's service relative to the marketplace's alternatives.
2. **Responsiveness:** The degree in which your company reacts promptly to customer needs and desires.
3. **Reliability:** The degree to which your company consistently does what it promises.
4. **Timeliness:** The provision of service within the customer's stated or agreed upon time frame.
5. **Courteousness:** The degree your employees use suitable professional behavior and manners while working.

By clearly defining customer needs, desires, and expectations up front, Six Sigma causes a company set up specific and measurable customer requirements that enable it to establish the desired level of performance for its customers and its own service delivery and support operations. **Next issue: DMAIC, a structured methodology for performance improvement.**

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