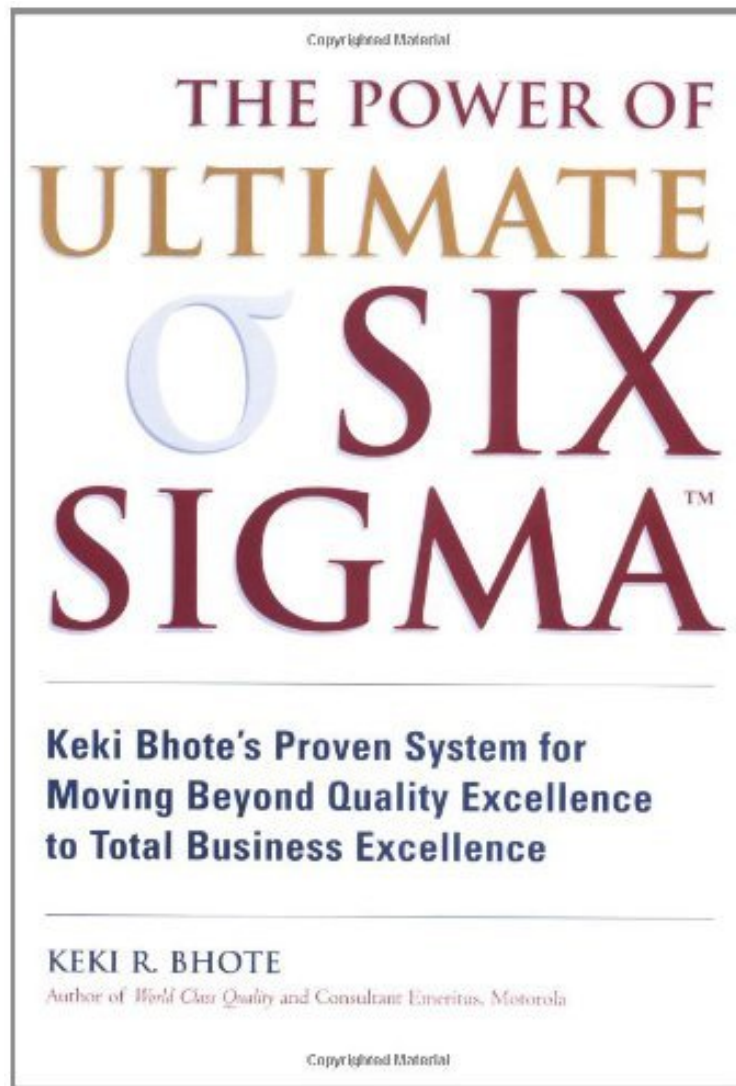


[Online library] Power of Ultimate Six Sigma(r), The: Keki Bhote's Proven System for Moving Beyond Quality Excellence to Total

## Power of Ultimate Six Sigma(r), The: Keki Bhote's Proven System for Moving Beyond Quality Excellence to Total

*Keki Bhote*

*ebooks | Download PDF | \*ePub | DOC | audiobook*



[Download](#)

[Read Online](#)

#2473653 in eBooks 2003-01-28 2002-12-31 File Name: B001QTWJVM | File size: 53.Mb

**Keki Bhote : Power of Ultimate Six Sigma(r), The: Keki Bhote's Proven System for Moving Beyond Quality Excellence to Total** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Power of Ultimate Six Sigma(r), The: Keki Bhote's Proven System for Moving Beyond Quality Excellence to Total:

0 of 0 people found the following review helpful. Controversial but useful book By Dr. Habib Siddiqui As a Six Sigma professional who has deployed the initiative with 4 major corporations, I was looking for a book that goes beyond the all-too-familiar tools and stories about what the program has done or could do. And I have found that extra piece of

information in Keki Bhote's book. Some of his comments about how Six Sigma measures have been watered down to 3.4 ppm and not 2 ppb by "Six Sigma Houdinis" will definitely confuse many who have been fed the concept of how sigma performance level shifts by 1.5 sigma over time. In the mid-1990s, I learned from Motorola folks who helped to popularize the Six Sigma methodology and its DMAIC roadmap that in 1985 Motorola's Bob Galvin had "mistakenly" called a 12 sigma process (i.e. +/- 6 times standard deviation from the mean) with a defect of 2 ppb a Six Sigma process. After all, in statistics books, a six sigma process is considered to encompass 99.73% of the area under the normal curve with a +/- 3 times standard deviation (and not +/- 6 standard deviation) from the mean, which allows for 2700 ppm defects (or area outside the curve). Thus, Mr. Bhote's claim of what the "true" six sigma measure ought to be is open to debate, and at least, did not appear too convincing. I wish he had elaborated this matter to clear any confusion amongst his readers. I also doubt that industry would now 'correct' their measures when the case about 2 ppb remains as controversial as that of 1.5 sigma shift. Keki Bhote also criticizes how the concept of DPMO - defects per million opportunities - is unduly inflating the sigma performance level of not-so-great quality programs. I share this latter concern about defect opportunities per part which can give that false impression about the quality of a program. The book is not free from typos though, and I wish the editor had done a thorough job before publishing it. In spite of such controversies that Bhote raises and typos, I recommend this book to every Six Sigma professional and others who are serious about learning the other disciplines and techniques that are critical to earn customer loyalty and thus, realizing the ultimate value of Six Sigma initiative in their own areas. Mr. Bhote has done an excellent job in making the case that quality is everyone's business and that to ignore this in this era of global competition is like committing Hara-kiri.

13 of 13 people found the following review helpful. Not your typical book on Six Sigma

By Brittain C. Ladd

Several things need to be understood about this book. To begin with, the author is one of the most experienced Six Sigma professionals in the world. However, he has a very convoluted writing style that makes it difficult to understand some of the points he is trying to get across. Furthermore, this is not a book on Six Sigma per se, this is a book that describes how Ultimate Six Sigma can be applied to improve a variety of areas within a company from customer relations to supply chain management. Whenever I have heard someone criticize this book it usually revolves around the fact that the author believes his method of Six Sigma, Ultimate Six Sigma, is by far much better than most of the other Six Sigma programs on the market and this is perceived as being "preachy". I feel this type of criticism is unwarranted for the following reasons:

1. The author does not state that all of the current providers of Six Sigma are shysters, he is merely stating that some Six Sigma consultants are less experienced than others and this has resulted in some companies not achieving the desired results from implementing Six Sigma.
2. The author brings up some very interesting points in regards to how companies can improve their efficiency through new management techniques as well as through Ultimate Six Sigma. What is really nice about this book is that the author provides accompanying graphs, charts, and checklists in each chapter.
3. Since there is no one perfect book on the topic of Six Sigma, and since it is always a good idea to keep learning, this book is well worth the money. For those who buy this book and understand that it isn't a "how to" book on Six Sigma will be satisfied.

Do I recommend this book? Yes. However, if this is the first book you're thinking of buying on Six Sigma I suggest that you buy one of the following books first or in conjunction with this book:

- A. Sailing through Six Sigma
- B. What is Six Sigma?
- C. Lean Six Sigma
- D. The Six Sigma Way: How GE, Motorola, and other Top Companies are Honing Their Performance
- E. The Six Sigma Handbook, Revised and Expanded: The Complete Guide for Greenbelts, Blackbelts, and Managers at All Levels
- F. Implementing Six Sigma: Smarter Solutions Using Statistical Methods, 2nd Edition

1 of 3 people found the following review helpful. Focusing on the Customer

By Robert Cummings

Keki Bhote is one of the pioneers of the Six Sigma movement, which has captured much of corporate America as the superior evolution of the quality movement. In a very narrow sense, Six Sigma refers to a statistical tool that can be used to analyze product defects and bring down their occurrences to approximately zero. His book *The Power of Ultimate Six Sigma*, however, is not really about Six Sigma; it is partly about the application of his latest iteration called Ultimate Six Sigma, partly about loosely-related organization and management techniques, and, to no small extent, about selling his own ideas and previous works on the subject. Although not terribly well written (with many one-sentence paragraphs and undeveloped thoughts), the work is nonetheless helpful in providing practical ways to structure a business for increased stakeholder value and customer retention. His greatest contributions are the sections on developing and measuring customer, employee and supplier loyalty and cooperation. His list of about 200 disciplines or techniques, case studies illustrating their application, and self-assessment checklists to help companies implement them are also a major plus. The techniques often need a little further explanation, but they contain many helpful suggestions for areas to improve effectiveness. The case studies help provide explanations for the disciplines, and the self-assessment checklists provide an abbreviated way to measure how much a company has already adopted an Ultimate Six Sigma system of management. The book commences with a seemingly unrelated, and a bit pretentious, call for a business Marshall Plan to save the world from terrorism and other threats, which can only succeed with Bhote's Ultimate Six Sigma business ideas. He lambastes businesses for their general lack of ethics and social responsibility, and denigrates other practitioners of Six Sigma and other quality techniques. His single chapter explanation of the actual methodology and practice of Six Sigma is inadequate for anyone unfamiliar with the mechanics, and serves mostly to

point out errors others have made in corrupting his ideas. Once one gets beyond Bhote's volcanic venting and frequent self-promotion, and wades through the loosely organized jungle overgrown with numerous acronyms and specialized lingo, the material markedly improves. Bhote attempts to provide a roadmap for the implementation of Ultimate Six Sigma as a quality management system. He begins with a section on developing stakeholder value, including separate chapters on customers, corporate leadership, organization infrastructure and culture, employees, and suppliers. The following section develops three major techniques for a company to increase its effectiveness and profitability: quality, cost, and cycle time. In an attempt to move the applicability of Six Sigma beyond manufacturing, Bhote devotes the next section to applying Ultimate Six Sigma to the major firm functional areas of design, manufacturing, and services. Finally, he includes a short concluding section discussing metrics for assessing results of the implementation of Ultimate Six Sigma. I found the opening discussion on developing and measuring customer loyalty interesting and thought-stimulating. Bhote makes a convincing argument on the importance and efficacy of nurturing dedicated customers, as opposed to spending large resources on finding new customers. He introduces five disciplines to strive for the goal of zero customer defects:-- Reduce and differentiate the customer base-- Measure core customer defections-- Assess customer "wow" mass customization quality function deployment company effectiveness index-- Customer cultivation-- Establishing a company culture for customer loyaltyI had not previously considered that a company might want to actually shed some customers who do not contribute much to the company's profitability, but Bhote's argument that the top 60% of customers usually make up for nearly 100% of profits shows that spending resources to keep the bottom 40% is not very efficient. Bhote also argues for putting a monetary value into the accounting figures for customer defections. This is a good idea to emphasize the cost of losing customers because of inferior quality or service; unfortunately, Bhote's work here does not provide much practical assistance in how to accurately measure such defections. Customer "wow" is that rush of delight in a customer's mind when they find an unanticipated but desirable feature in a product. Bhote provides a practical table to measure a customer's reaction to a company's product, called a "Customer Effectiveness Index." This takes several areas such as quality, reliability, price, ease of use, etc. and asks the customer to rate the importance of each area, and then the actual performance of the company in those areas. Bhote describes customer cultivation as "taking the customer's skin temperature every day." (p. 55) Finally, Bhote advocates four disciplines to build a company infrastructure that retains customer loyalty: meaningful metrics, a customer loyalty steering committee, a chief customer officer, and a customer defection SWAT team. These seem like good suggestions, but there is little concrete material expounding on how to establish these disciplines. Bhote's section on leadership does not contribute much new insight on the subject;K he emphasizes that a leader must provide a vision, must unleash the creative potential of the workers, and must act ethically and responsibly. He does provide a somewhat useful table (if one edits the specialized jargon which confuses the list of attributes) which employees can use to measure leadership effectiveness, called the "Leadership Effectiveness Index." As in the previously mentioned Customer Effectiveness Index, this asks employees to rate the importance of and then performance of company leaders in the areas of "personal philosophies and views," and "enabling people to reach their full potential." The table is a good summary of 20 leadership attributes that would contribute to a quality corporation. Bhote advocates new ways of rating performance, along with making other suggestions for reorganization, in the section on organizational structure and culture. He lists the following "ten-step process for creating a culture of entrepreneurship." (p. 85)-- Eliminate bureaucracy-- Rebuild the organizing infrastructure (making it flatter)-- Change requirements for hiring employees (letting line people make hiring decisions)-- Train all employees (constantly and in applicable areas)-- Revamp performance appraisals-- Change the rules of compensation (giving large incentive payments based on performance)-- Design meaningful and egalitarian gain sharing-- Redesign promotion criteria (based on potential for leadership)-- Team synergy-- Total InvolvementThe actual fleshing out of these details must be done by the reader, as Bhote provides little detail, but attention to personnel practices (hiring, evaluating, training and promoting) is worth consideration. For example, a 360 degree performance rating system could incorporate ratings from subordinates, colleagues, customers, and suppliers, not just the traditional method of relying on the single evaluation of one's immediate superior. I'm sure company lore is full of personality conflicts or misunderstood employees who were not fairly evaluated by the traditional system. With a fair evaluation system, one can then implement Bhote's suggestions to provide large pay incentives based on performance that promote entrepreneurship and creativity, and that share the gains of the company equitably. This brings Bhote to a discussion of the very important company stakeholder, the employee. His most useful ideas in this section are Job Design, Open Book Management, Self-Directed Work Teams, and The Minicompany. Bhote argues that the job is the core of motivation, and that jobs must be re-designed to provide meaningfulness, responsibility, and knowledge of results. He proposes that this re-design be accomplished by combining tasks, forming natural work units, establishing client relationships, creating vertical job enrichment and opening feedback channels. (p. 103) One of the more pertinent practical suggestions is openbook management, in which all employees are regularly given full financial information of the company. Bhote strongly advocates Self-Directed Work Teams as an alternative to corporate bureaucracy, although he completely ignores any drawbacks to the use of teams. There are certain situations in which individual work will be more desirable and efficient than team

work. Finally, the Minicompany concept provides a way for companies to push decision-making and responsibility down closer to worker level, making the organization flatter and, hopefully, providing more incentive for employees to increase their productivity. Bhote proposes this push toward worker empowerment and industrial democracy as the ultimate solution to making a profitable company, and this may very well work for most American corporations in an individualistic society. I believe one should be cautious, however, in completely discarding more vertically-structured organizations, as many situations and perhaps different cultures will prefer more structured direction in work. Advocating supplier partnerships and more careful management of the supply chain is one of the stronger sections of Bhote's work. Bhote believes that supplier partnerships, with active company involvement in a supplier's design and manufacturing process, will produce improvements in quality, cost and cycle time. Since the majority of costs for most companies come from materials provided by suppliers, it certainly makes sense to take what is often a confrontational relationship into a collaborative, mutually-beneficial relationship. Bhote promotes limiting the number of suppliers to a quality few, taking the time to build a relationship which provides reliable, quality inputs. Partly to facilitate this close relationship, and because he believes there are numerous hidden costs in overseas outsourcing, Bhote also recommends keeping suppliers close to the production process. An important feature of the supplier relationship is to develop Early Supplier Input into design of parts or material supplied. He proposes an organizational structure that builds teams that are cross-functional and cross-company, that enhance the communication between supplier and buyer. The following section discusses three major techniques, or high octane engines of thrust, for increasing company effectiveness and profitability: Quality, Cost, and Cycle Time. This section is full of tools, many of them complicated statistical tools, that require much more detailed explanation from some outside source. Of course, Bhote would be happy to sell you his books on those very subjects! This section also suffers from being narrowly applicable to manufacturing, and is much less useful for the service industry. Bhote's three favorite tools, which he of course designed or radically improved, are Design of Experiments (DOE), Multiple Environment Over Stress (MEOST), and Total Value Engineering (TVE). The Total Value Engineering concept is a general technique aimed at maximizing customer loyalty at minimum cost. This is another way of looking at developing customer loyalty, but analyzes the cost of developing that loyalty. Bhote's case studies in this section are useful for giving ideas on how to assess what customers want and what can be done to fill their needs at lowest cost. The key of Total Value Engineering is to be aware of the customer's needs, and spend just as much as necessary to fill the need and develop customer loyalty. Anything else is unneeded and inefficient. After discussing ways to involve and develop stakeholders, and then giving a cursory knowledge about tools to improve effectiveness and profitability, Bhote attempts to show how Ultimate Six Sigma can be applied to three functional areas of design, manufacturing and service. The first two areas involve technical discussions specific to a company producing a product that can be analyzed for physical defects. The more interesting section is the attempt to apply the concepts to services. Bhote claims that Ultimate Six Sigma is the cure for service industry inefficiencies, but in fact the discussion focuses almost exclusively on management techniques to improve service sections within a company. The operative concept here is the Next Operation as Customer (NOAC). This was a concept initiated in Japan in the quality movement with the goal to improve quality, cost, cycle time and effectiveness. Bhote explains how he adapted it and then Motorola packaged it to extend Six Sigma process from a manufacturing and product focus to all white-collar operations. (p. 287) This is simply encouraging a company to work as a large team, or perhaps as a collection of minicompanies, and to try to satisfy internal customers just as one would satisfy the end customer in order to succeed in the business. The method includes setting specifications for services, perhaps in timeliness or quality, and then providing internal rewards or penalties according to the ability to meet the standards. Though much of Bhote's book remains applicable only to manufacturing, providing only a superficial and sometimes unorganized explanation of many tools and techniques, it makes significant strides in encompassing the design and service areas, and there is still much to be recommended in its reading. The how-to lists of business disciplines may take some expansion and individual research, but they are a good consolidated list of actions on which to focus to make one's business more effective. In the same way, the self-assessment, or health audits, at the end of each chapter offer a practical way to measure how far a company is in implementing Ultimate Six Sigma as a management system. The focus on customer rings loud and clear throughout Bhote's book, whether it's the external customer buying or using the final product or service, or an internal customer producing a key component or adding value to the final product. Business managers may see profitability as the bottom line, but one can't have profit without customers, and having loyal customers is the best way to ensure long-term solvency. This call to focus on the customer is not new, but remains an enduring principle, and Bhote provides some useful ways to maintain that focus, and move toward Total Business Excellence.

"Developed by Motorola and popularized by Jack Welch and GE, Six Sigma has been and remains today's hottest program for "zero defect" quality excellence. Now, part of the renowned Motorola team that started it all has succeeded like no one else at transferring the true essence of Six Sigma to the written page. In The Power of Ultimate

Six Sigma (TM), Keki Bhote provides an accessible guidebook for applying this breakthrough management tool to every business processes, from manufacturing and customer retention to supply chain management and leadership. The book is packed with every technique and metric necessary for a fast, smooth implementation, giving readers everything they need to make their own companies world-class in their industry. In addition, numerous case studies of benchmark companies illustrate the factors that contribute to success. Bhote includes assessment tools designed to help a company gauge its current status and measure future progress. This book is the ultimate guide to the ultimate quality assurance tool."

About the Author Keki Bhote (Glencoe, IL) is president of Keki R. Bhote Associates, a consulting group specializing in quality and productivity improvement. The author of a number of books on quality, including World Class Quality he has been selected by Quality Digest magazine as one of the "quality gurus of America."