

Continuous Process Improvement and Lean Six Sigma — a Secretary of Defense Initiative

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By now, several of you are beginning to hear about Lean Six Sigma, green belts, black belts and master black belts and are wondering what this is all about, how it will affect your job and whether LSS will replace performance-based management.

Before we explore the latest department initiative to continuously improve its processes, let's address the bottom line up front — how does this initiative affect you and the Defense Contract Management Agency's pursuit of a performance-based culture?

Lean Six Sigma and PBM

Fundamentally, there is no change; while there are similarities between PBM and LSS, it is not a choice of one or the other. PBM is a management philosophy allowing the agency to focus scarce resources in areas where we have the most

influence on our customers' critical needs and providing accountability for those results. LSS is one of many tools available to facilitate continuous process improvement.

DCMA remains committed to PBM. Establishing a sound PBM program is not a short or easy task. As a matter of fact, getting a program firmly established takes years. Many of you are becoming comfortable with PBM, and mission review team findings are evidence of this. We are building momentum as we shift from a compliance-based to a performance-based culture.

Continuous Process Improvement — a DoD Initiative

In a May 11, 2006, memo, Gordon England, deputy secretary of defense, established a Department of Defense-wide CPI program to improve the operational, administrative and support functions

across the department. On April 30, 2007, England issued a memo creating the DoD CPI/LSS program office and established program guidelines that addressed focal points, training objectives, individual performance objectives, support to the new DoD CPI/LSS program office and reporting requirements.

LSS — a CPI tool

Lean and Six Sigma are both process improvement techniques. Lean is about eliminating waste and improving speed and efficiency; Six Sigma is about quality, precision and accuracy. LSS integrates the statistical tools of total quality management and process improvement methods into a rigorous and disciplined change methodology that achieves quality without waste.

While both approaches are rooted in the manufacturing arena, virtually any process can incorporate the methodology because the ideals apply everywhere. LSS, with its disciplined approach to internal process improvement, will allow DCMA to prevent errors, minimize hand-offs and eliminate reworks and workarounds.

CPI is not new to DCMA. In fact, we began embracing CPI

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tools — TQM, in-plant quality evaluation, benchmarking/ best practices, process-oriented contract administration service, Lean manufacturing and process reengineering — in the early 1990s when we began to look for more effective and efficient methods to perform our mission as we reduced our workforce. We continue to find better ways to do things today.

LSS Focal Points – Who are you Going to Call?

Army Lt. Col. Phil Martinson, acquisition program integration specialist, and I are managing the integration of this program at DCMA. In addition to continuing the ongoing reporting requirements, we will serve as DCMA’s representatives on the under secretary of defense’s acquisition, technology and logistics CPI/LSS

leadership development team. In the coming months, we will also be working with human resources and the product divisions to devise an overarching implementation strategy that addresses training, certification, project selection and performance objectives.

LSS Training – a Cadre of Project Leaders

DoD objectives include training 5 percent of its workforce as green belts and 1 percent as black belts. Based on our current resource picture, this translates to approximately 486 green belts and 97 black belts dispersed across DCMA.

LSS requires extensive training in the use of quality tools and statistical measures. Certification as a green belt, black belt or master black belt is based upon not only the completion

of the appropriate level of training but also the satisfactory management of an assigned project. To obtain certification, trained associates will be tapped to lead approved LSS projects.

Twenty-eight DCMA employees received green belt training at the end of September 2007 and Keith Ernst, DCMA acting director, committed to training an additional 30 green belts this fiscal year.

LSS Project Selection – Impacting the Bottom Line

Careful project selection is critical to the success of LSS. Selected projects will have goals that relate to bottom-line improvement and customer satisfaction. Priority projects will have a high impact throughout DCMA, contribute to meeting strategic goals and target processes that span divisional or functional boundaries.

While other process improvement approaches like process reengineering may take years, the results from LSS projects are typically achieved in a relatively short period of time. The payback from an LSS project often occurs in fewer than six months; however, companies and agencies that routinely apply these methods experience significant benefits beyond the quick-win process improvements. They also report that the LSS approach promotes new ways of thinking and, as a result, drives operations to ever higher levels of effectiveness and efficiency.

Using LSS to redefine principles and improve speed, quality and cost will require the collaboration of both management and employees. **C**



The processes and layout of Boeing’s production facility in St. Louis are based on Lean Six Sigma principals. Here, a T-45 *Goshawk* training aircraft is being assembled. (Photo by Pete George, Boeing)