



Manufacturing Company Saves \$3 Million with Six Sigma Alternative

The Challenge

As a division of a diversified manufacturing parent company, the Company is a large manufacturer of aluminum die castings and has been a leader in supplying urethane products, chair controls, casters, gas cylinders and other components to the furniture industry. The Company wanted to improve the overall quality of their products, decrease their manufacturing defects and reduce their production costs by employing the Six Sigma concepts, pioneered by Motorola and popularized by General Electric and other companies. They explored doing a formal Six Sigma deployment but the Company could not justify the significant investment required to bring in consultants and train their employees in the Six Sigma processes.

The Solution

Action Management Associates, Inc. (AMAI) provided a cost-effective solution that would allow the Company to achieve an immediate return on their investment. The solution could have been used to enhance an existing Six Sigma program or, as in this case, provide an efficient alternative. AMAI also provided the Company with a way to recognize the efforts of their team members for achieving a positive bottom-line impact to the organization.

In order to improve the ability to meet customer requirements and to pursue continual improvement, while reducing production costs, the Company purchased and initiated the Problem Solving & Decision Making (PSDM) workshop, developed by Action Management. The objective of the PSDM workshop to enhance critical thinking skills was met by learning and practicing effective teamwork skills and powerful process tools for anticipating potential problems, making decisions and solving problems.

The Action Management Wheel illustrates the dynamic nature of the PSDM workshop processes. Teamwork is the hub and the Wheel rolls logically from quality of solution to quality of implementation.

The Company's PSDM workshop participants learned how to analyze concerns and choose the right process to handle them:

- Need the help of others? *Use Teamwork.*
- Searching for a cause? *Use Cause Analysis.*
- Need new ideas? *Creative Problem Solving is the key.*
- In a dilemma over the best choice? *Decision Making is the answer.*
- How can you assure success? *With Anticipating Problems & Planning.*

The Challenge

A manufacturing Company needed to improve processes using Six Sigma concepts and strategies without incurring a significant up-front investment.

The Solution

The Company implemented Action Management's Problem Solving & Decision Making training followed by cross-functional team progress reports on process improvement projects.

The Result

The Company reported net savings of \$3 Million dollars over a 2 year period.





The Implementation

The Company's Director of Quality Management organized the PSDM workshops for a broad range of participants, including project team members from engineering, manufacturing, materials management, accounting, quality, sales and manufacturing services, then a certified PSDM Instructor from outside the Company facilitated the workshops. Each student participated in a 16-hour classroom training session followed by a team project to further apply the learned techniques.

Each workshop began with an introduction by the Company's plant manager who explained how important the training would be to the success of the Company and what was expected following the workshop. He also shared his personal experiences in applying the PSDM techniques and challenged each student to engage in cost saving projects after the training. The workshops prepared the Company's participants to pursue problems and opportunities rapidly and with the right tool or technique. Using a very hands-on approach, the participants worked on live job concerns.

Upon completion of the PSDM workshops, participants signed up to work on various process improvement projects that had been identified. The teams utilized the PSDM skills they had learned to determine the root cause of the problem, recommend solutions to improve the process and implement corrective actions. Communication meetings were held every other week for team members to report their progress to upper management. The PSDM process tools provided a common language and highly effective framework for the communication. Action Management helped keep interest level high through their Sustain the Impact process. Specifically, they recognized the successful completion of a project by sending a personalized Certificate of Achievement mounted on a walnut plaque to each process improvement team member that participated in the PSDM workshops. When the Company accumulated more than \$1 million in bottom-line impact from the use of the PSDM processes, Action Management presented the plant with a Million Dollar Club trophy to reward their efforts.

The Result

At the completion of the classroom training, 62 of the Company's PSDM students volunteered for 30 team projects. During the initial two-year period following the PSDM training the company accumulated more than \$3 million in net savings, while their out-of-pocket training expenditures were less than \$25,000. "The biggest payoff for our Company was motivated employees, creative solutions and bottom-line savings. Cross-functional, cost-saving teams are critical to our success. This company has become a better place to work," said the Company's Director of Quality Management.

Action Management Associates, Inc. (AMAI) is a management training company, specializing in critical and creative thinking skills, with over 30 years of experience in client organizations worldwide. AMAI's workshops combine Rational, Creative and People approaches to help improve individual and team performance in anticipating, assessing and solving complex problems and making decisions. Each program offered by AMAI emphasizes immediate results while developing people who will make long-term contributions to their organization.

To explore ways that Action Management can help your organization achieve similar results, please contact:

Mark A Smith, CPA
President
Action Management Associates, Inc.
Phone: 800-386-5611
msmith@actionm.com

Don't forget to ask about our results focused workshops including:

- Problem Solving & Decision Making
- Applied Critical Thinking
- Rapid Troubleshooter
- Critical Thinking for Business Growth
- Critical Thinking for Administrative Personnel

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