



# "The Way"

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## From the CEO

I want to share with you story that someone once told me and which reflects such truth that we now use it in one of our training programs.

A young girl asked her mother one day why she was cutting the ends off her roast before cooking it and the mother replied, "That's how my mother always did it." The girl then rang her Grandmother and asked her why she did this only to be told, "That's the way your Great Grandmother always does it." The girl then rang her and asked

the same question and was told, "Well dear, it's because I don't have a pot large enough to take a full roast!"

This story is one which justifies why we must always question our processes and what we do. Many practices in the organisations you work for today are being done by people because "That's what we've always done".

How many of you, if you simply stepped back and did nothing but watched your processes for an hour or so, would see many such examples. Inefficient

processes weighed down with excessive inputs and process steps.

Whilst many know of Value Stream Maps and Process Mapping, how many actually find the time to apply these powerful tools?

Everyday I see processes which could be made more efficient simply by better mapping and through challenging everything we do, to see if it can be done better, cheaper, safer, and faster.

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### Training Schedule:

- \* White Belt Training February 2007 Sydney.
- \* Lean Principles Training February 2007 Sydney.
- \* Champions Training February / March 2007 Sydney

### Overview:

Indicate your interest early please by e-mailing your requests to:

[e] [training@segla.com.au](mailto:training@segla.com.au)

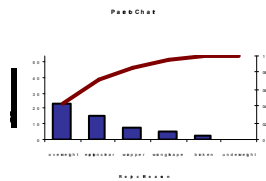
## From the Toolbox: Pareto Chart

Vilfredo Pareto, an Italian Mathematician formulated the Pareto principle in the 1800's. The Pareto principle states that 80 percent of the effects are the result of 20 percent of the causes.

A Pareto chart, used to display this principle graphically, is a bar chart where the horizontal (x-axis) represents non-numerical categories rather than a continuous scale. The height of the bars represents the frequency of occurrence of the impact of a category.

By arranging the bars in

descending order, a Pareto chart can help identify which category will yield the greatest gains if addressed.



It is often useful to create a number of Pareto charts for a particular data set showing both frequency of occurrence and cost to ensure that effort are focused in the right direction.

How to create a Pareto chart:

1. Collect data on the problem you are trying to solve.
2. Separate the data into categories relating to each cause of the problem.
3. Determine the total number of observations and the impact for each category and sort them from highest to lowest.
4. Draw the chart by placing the bars for each category in descending order along the x-axis, remember to add titles and values

## Feature Story - Lean Six Sigma

What are the roadblocks to achieving your targets and which are resulting in lost opportunities? Adopting Lean Six Sigma within your organisation can help you do exactly that, identify the solutions necessary that when implemented enable the achievement of outstanding results!

So what is Lean Six Sigma? Lean Six Sigma is a continuous improvement methodology which focuses upon the elimination of

waste and the reduction of variation found within processes, whether they are production, manufacturing or transactional in nature.

**Lean:** Is a methodology which aims to reduce non-valued added activities that will lead to the goal of reduced cycle times.

**Six Sigma:** Is a methodology to identify and reduce variability and thus improve overall quality.

Certainly many organisations are now enthusiastically embracing Lean Six Sigma but a word of caution. One size does not fit all and there is little point in following a convoluted process when it is clear to all that a move directly to a certain point will bring about a faster and just as effective solution or result.

Lean Six Sigma is designed to build upon its existing capabilities, yet in ways which are sustainable.

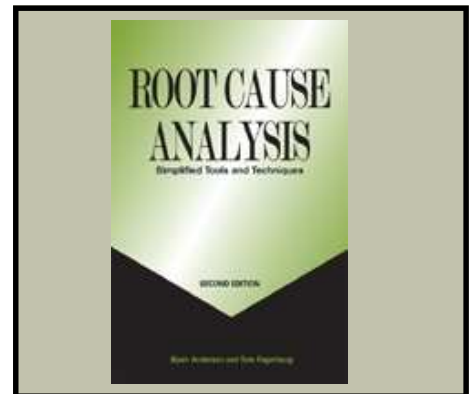
## Online Bookstore - What's Hot!

### Root Cause Analysis: Simplified Tools and Techniques, Second Edition

*Bjørn Andersen & Tom Fagerhaug*

This is a great book for the continuous improvement practitioner. This updated and expanded edition discusses many different tools used for root cause analysis and presents them in an easy-to-follow structure: A general

description of the tool, its purpose and typical applications, the procedure when using it, an example of its use, a checklist to help you make sure it is applied properly, and different forms and templates, (that can also be found on an accompanying CD-ROM). The examples used are general enough to apply to any industry or market. .



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Segla International Pty Ltd is an Australian company dedicated to being the supplier of choice when it comes to delivering business efficiency solutions utilising Six Sigma, Lean and Process Improvement methodologies.

In today's competitive environments pressure to cut costs, deliver faster service standards and quality, reduce WIP Inventory and improve operational effectiveness are as relevant as ever. In particular these pressures are emphasised by increased competition driving companies to adopt new and innovative practices to ensure they remain viable within their industry sectors.

At Segla we seek to work with you to identify and tailor the best solutions package to your specific requirements. We are innovative thinkers and demonstrate a willingness to work with our clients to ensure they are best able to gain the benefits they seek at all times.

Contact us should you wish to discuss how we may help you with your business improvement initiatives.

If you receive "The Way" newsletter and no longer wish to, please send us an email with the word Unsubscribe in the subject field.