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Issue 1**

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Training Schedule:

- * White Belt Training
13th April 2007 Sydney.
- * Champions Training
18th April 2007 Sydney.
- * Green Belt / Black Belt
Week 1 Training
7th May 2007 Sydney.

Overview:

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

[e] training@segla.com.au

From the CEO

2007 promises to be a busy year as awareness continues to grow about the benefits of Lean Six Sigma. Never-the-less I continue to hear too many cases of implementation programs gone wrong, of "fly by night consultants" too interested in making a fast buck, and the subsequent mess they leave behind.

For the 2007 budget I have committed >10% of our

organisation's gross turnover on marketing and other programs to help educate the market on the pitfalls of poor project implementation.

A recent example is a contract we bid for with a Government Agency. Our bid approach focuses on "total price" for a stated result verses the traditional approach of leveraging the hidden "extras" by quoting low and leveraging an

hourly rate consulting charge.

On this job which we won, I recently signed off on an extra six hours of consulting at no cost to the client. It gives me satisfaction to know that my staff have the flexibility to do what is right for the client without the extra pressure on them of a fixed timeframe. Not as profitable short-term but certainly more sustainable for both parties.

From the Toolbox: FMEA

Failure Mode and Effect Analysis (FMEA) is a quality planning tool used to identify and eliminate potential product and process failures or defects.

The key features of FMEA, table shown below are:

1) What is the product input or process step under investigation; What can go wrong in this step? What can fail?; What effect does this failure have?

2) SEV: What is the severity of this failure? How serious are the consequences of this failure? What caused the failure to occur?

3) OCC: What is the likelihood of this failure occurring? If possible base this on actual data; What are the existing controls and procedures that prevent or detect the failure?

4) DET: What is the likelihood of the failure escaping

detection?

5) RPN: Calculate the Risk Priority Number (RPN).
RPN = SEV * OCC * DET;

6) What are the actions/plans for reducing the risk? Start with the failure mode that has the highest RPN.

7) PS/PO/PD/Prpn: What are the proposed SEV, OCC & DET scores once the action plan has been implemented? What is the new RPN?

Product or Process	Failure Mode	Failure Effects	SEV	Causes	OCC	Controls	DET	RPN	Actions	Plans	PS	PO	PD	Prpn
1			2		3		4	5	6		7			

Feature Story – Value Stream Mapping

Value Stream Mapping (VSM) is a tool which allows an organisation to capture and document each process step of a given Value Stream.

VSM differs significantly from tools such as process mapping or flow diagrams because this methodology enables the capture of both material and information flows and in doing so allows for the clear identification of the value-added steps and the non-value added wastages which can occur in the value stream.

Mapping should be seen as the first and most critical step for those wishing to embrace Lean Six Sigma methodologies because their use

enables an organisation to gain great clarity of the inefficiencies within their processes.

With this greater visibility the application of Lean Six Sigma methodologies such as the 5S and Kaizen Blitz can be conducted in a manner which ensures that any efforts are directed at areas which will have direct impacts. This in turn ensures that the maximum benefits are gained from these efforts.

When conducting a VSM exercise it is important to always start the improvement project by gaining a clear understanding of what your customer's expectations are in relation to the product

group to be mapped. Failure to undertake this crucial step may result in an improvement project that efficiently delivers to your customer something other than what they want.

The most widely recognised benefits gained from conducting VSM exercises are that they:

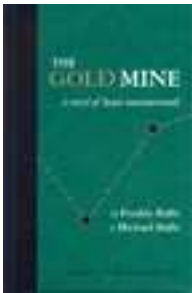
- Ensure planned improvements are focused upon the entire process flow instead of changes occurring which are adhoc and focused upon single areas only;
- Assist with the identification of inventory and other non-value added activities.

Online Bookstore - What's Hot!

Purchase at: <http://www.segla.com.au/catalog/>

The Gold Mine a novel of lean turnaround

Freddy Balle and Michael Balle



This engaging novel shares the human side of implementing lean principles, while offering the technical know-how to get lean done. It shows the messy human dynamics that occur when the workplace, people, and practices clash. *The Gold Mine* begins with a real-life business situation that many of us have experienced... strong sales, a backlog, great products... but still a cash flow problem. By using the core Lean tools the novel's characters turn the business around. Real life roadblocks are encountered, and the implementation of each concept is detailed. Perhaps the most valuable insight is with the people side of Lean, something that many lean implementation programs forget to take into account.

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Need help with your continuous improvement initiatives?

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

From developing complete training strategies, providing implementation assistance and support or through conducting specific assessments, we are able to help your business effectively identify and implement continuous improvement solutions.

We offer tailored training programs and supporting consulting services in the following areas:

**Green and Black Belt Certification, Lean Six Sigma for Champions, Lean Principles, Value Stream Mapping (VSM), Kaizen Blitz & 5S, Statistical Process Control (SPC), Design of Experiments (DOE), Project Management Planning*

**Competitive Manufacturing Certificate III and IV*

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

