

WOULD YOU RATHER BE GOOD OR LUCKY?

Many companies are caught in the cycle of making new products, then "keeping their fingers crossed" to see if their customers will buy them at a favorable price. Six Sigma can be used to significantly stack the odds in your favor.

Six Sigma requires a process orientation. Its tools and methodologies are applied to optimize performance and drive continuous improvement. DMAIC is an acronym that defines the data-driven, Six Sigma methodology.

- D Define the problem or opportunity
- M Measure how well you are performing opposite your goal
- A Analyze the process/problem
- I Improve or innovate to close the gaps and optimize performance
- C Controls are established to insure continuous improvement

All work is a process. All processes have variation. Variation can cause defects. In the case of marketing and business development, defects include missed opportunities, lost revenue, and reduced margins.

One of the core tools of Six Sigma is process mapping. When applying this technique to business development and marketing it can:

- Help identify new business opportunities
- Increase understanding of your customers' needs
- Highlight potential new competitors
- Improve your decision-making ability by making it fact-based
- Clarify the network of relationships required to fully utilize your offering
- Help you pull rather than push your products through the market

What is a Process Map?

A process map is a visual depiction of a set of interconnected relationships and activities. In manufacturing, the activities are usually sequential, or circular if rework is required. In marketing and business development, the activities frequently look more like a network or web. The motivation for creating a process map should be consistent with your business objectives. In this way it assures that the map addresses those items that are 'critical to the quality' of successful execution of your business plans. (These items are referred to as CTQ's.)

The process map allows you to bypass assumptions and focus on facts. The best ones are very detailed and include metrics that are meaningful to the way your business is evaluated. There should be an easy continuous flow to the activities and relationships. The inputs and outputs to each activity are clearly defined. (Input and output definition is required in Six Sigma mapping.)

End-to-End Customer Experience

One of the more typical maps looks at the end-to-end experience around your product. Understanding the problem your customers are addressing with the purchase of your product is critical. So is knowing what must be done with your product at every stage- from its purchase through its disposal. The resulting knowledge leads to the identification of gaps where new products or services could be introduced. Even in commodity markets, insights can be gained that will enable you to enjoy a differential advantage over your competitors.

A case illustrating this point is that of a company that manufactures plywood sheathing. After creating a process map, they realized that 30% of their customers' time was spent measuring their product to enable construction. As a result, they now sell their product with 1 inch printed gridlines so that contractors can more quickly accomplish cutting and fitting. Reduced time means reduced cost. This gave them a market advantage and enhanced their corporate reputation for innovativeness.

How do you Build a Process Map?

The process of building the map can be most effectively accomplished as a cross-functional team exercise. Each individual is empowered to contribute to the map, writing a single activity on a 'sticky note' and putting in the appropriate place on a large piece of brown paper posted on the wall. Participation in the physical task and the sharing of insights strengthens the team dynamic, accelerating the team's evolution to the stage of maximizing their contribution. It also provides an opportunity to highlight the skills and contributions of individual team members.

Process mapping can have unexpected benefits. In one case a miscommunication was discovered in which technical and marketing had different definitions for what was required for a product 'trial'. It was only through discussion of the detailed activities of the map that this issue was identified. As a result, marketing and technical gained consensus on the time and activity required to generate valid results that were critical to the launch of a new product.

Conclusion

Process mapping is a core Six Sigma activity. Though it has its roots in manufacturing, it is equally applicable to sales, marketing, and business development. The data-driven, fact based analysis provides a higher degree of organizational confidence around decision-making. It also facilitates driving to deeper levels of understanding about your customers and markets, thus aligning their needs with yours and creating the kind of intimacy that creates barriers for competition. Your value proposition is strengthened, offering the opportunity for differentiation and business advantage.

This isn't luck. It's good business.