

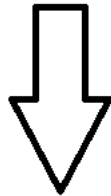
Toyota

Lean

- Reduce waste
- Efficient
- Speed/Simple
- Flexible

120 pounds vs 95 pounds
Detox plan

- Eliminate/Reduce:-
- Toxins
 - Fats
 - Fluids
 - water retention
 - Impurities



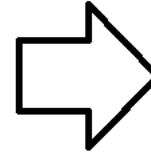
Motorola

Six Sigma

- Reduce Variation
- Effective
- Quality/Accuracy
- DMAIC

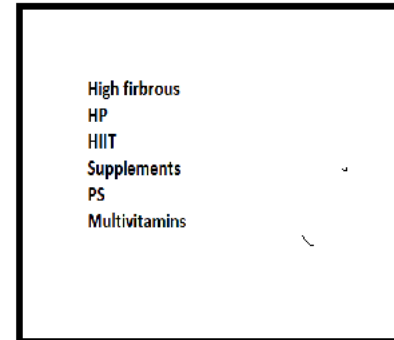
Good things

- High fibrous
- HP
- HIIT
- Supplements
- PS
- Multivitamins



Lean Six Sigma

- D - Define
- M-Measure
6 meals, 10 glasses, 9 hours sleep, move,
- A-Analyse
4.5 hours, 1.5 hours
Sleeping, water, movement
- I - SP, Water, movement
95 pounds
- C- Maintain,



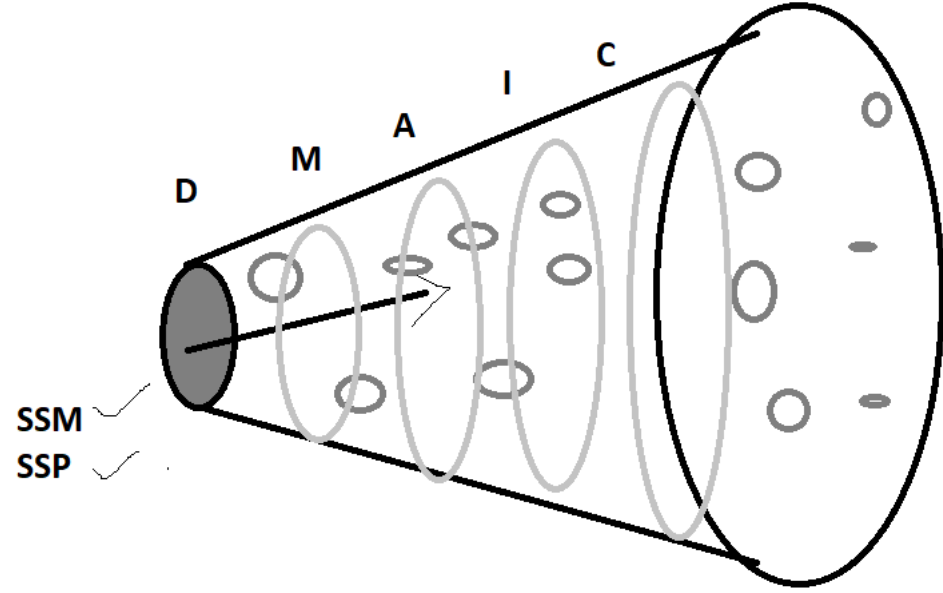
Lean

No Cost
Low Cost
Less Resources
Less Time
Low Risk

Six Sigma

More Budget
More Time
More Resources
High Risk

disruptive innovation



Six Sigma

6 sigma equates - 3.4 DPMO

Defects Per Million Opportunities

3.4 defects in 1 million Opportunities = 6 sigma



Opportunities Means Chances

2000 units * 5 parameters

100000 opportunities, (chances) to make a good product or to make a mistake (defects/errors/rejection/rework)

PROCESS SIGMA TABLE

SIGMA LEVEL	DEFECT RATE	YIELD
2σ	308,770 dpmo	69.10000%
3σ	66,811 dpmo	93.33000%
4σ	6,210 dpmo	99.38000%
5σ	233 dpmo	99.97700%
6σ	3.44 dpmo	99.99966%

3.8

70 0.019
0-1

32%

99%

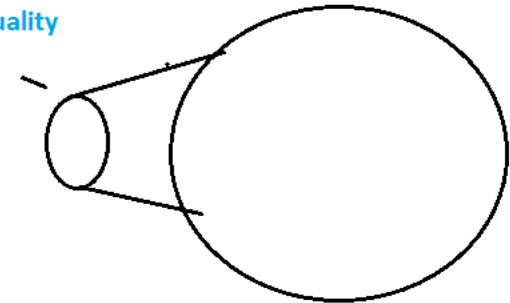
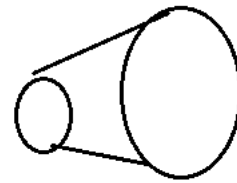
Kelly - QD
1 million opportunities

SIGMA LEVEL	DEFECT RATE	YIELD
2σ	308,770 dpmo	69.10000%
3σ	66,811 dpmo	93.33000%
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6σ	3.44 dpmo	99.99966%

counted measured

Good balance of cost and quality

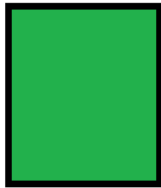
Time
Resources
Budget



60 / 100 = 60%

What's good enough?

99% Good (3.8 Sigma)	99.99966% Good (6 Sigma)
20,000 lost articles of mail per hour (based on 2,000,000/hr)	7 articles lost per hour
Unsafe drinking water for almost 15 minutes each day	1 unsafe minute every 7 months
5,000 incorrect surgical operations per week	1.7 incorrect operations per week
2 short or long landings daily at an airport with 200 flights/day	1 short or long landing every 5 years
2,000,000 wrong drug prescriptions each year	680 wrong prescriptions per year
No electricity for almost 7 hours each month	1 hour without electricity every 34 years



2 torn pages
1 incorrect exercise

2 mismatch mock exams
1 blank page

2 defectives with 6 defects

Six Sigma

6 sigma equates - 3.4 DPMO

Defects Per Million Opportunities

3.4 defects in 1 million Opportunities = 6 sigma



18th small greek letter
A a

Opportunities Means Chances

2000 units * 5 parameters

100000 opportunities, (chances) to make a good product or to make a mistake (defects/errors/rejection/rework)

Total production = 1200

Total defects = 650

Total defectives = 400

Opportunities = 5 parameters

DPU = 0.54

DPO = 0.108

DPMO = 108,333

Yield = 67%

DPU, Defects Per Unit = Total defects / Total units

DPO, Defects Per Opportunity = Total defects / (Total units * number of opportunities)

DPMO, Defects Per Million Opportunities = [Total defects / (Total units * number of opportunities)] * 1000000

Yeild = (Good units / Total units) * 100

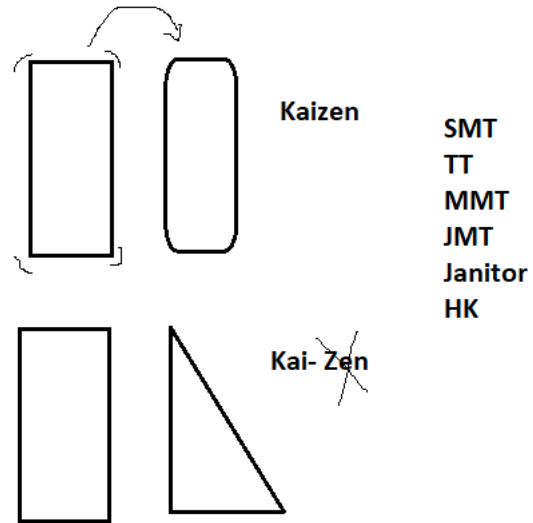
✓ TPS- Toyota Production System.

✓ TPS- Thinking People's System

Kaizen
Kai- change/modify
Zen - Good/Better

No cost
Low Cost
Less Time
Less Resources

Engagement
Team work
Partnership



SMT
TT
MMT
JMT
Janitor
HK

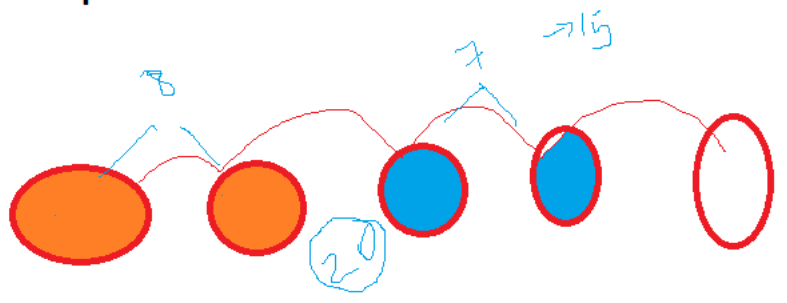
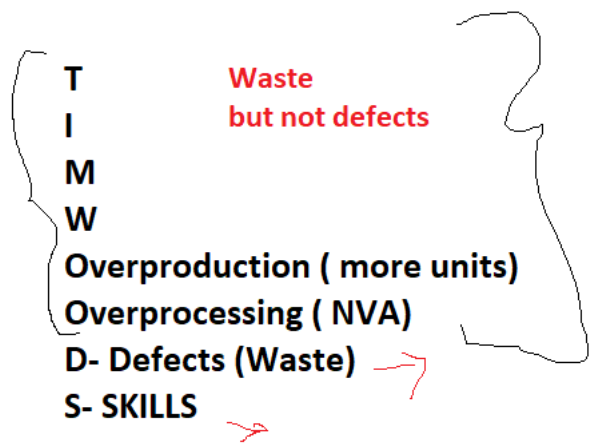
Kaizen - https://www.youtube.com/watch?v=wot9DFzFRLU&t=92s&ab_channel=ExpertivityTechnologies

Waste / Muda
{

Mura
Muri

- Defects
- Overproduction
- Waiting
- Non-utilised talents
- Excess inventory
- Motion
- Transportation

DOWNTIME
TIMWOODS
WORMPIIT



150k - SPM
2-4 months
TL - 10 (50k)

5 S

Sort

Set in order

Standardize

Shine

Sustain

Safety

Cost

Medical

Claim

Loss

	Japanese	English
5S	Seiri	Sort
	Seiton	Set in Order
	Seiso	Shine
	Seiketsu	Standardize
	Shitsuke	Sustain

Need:

1) Daily

2) Weekly

3) Monthly

4) once /twice year

Don't Need:-

Sell it

Give it to team/dept

Donate

Trash

PROCESS SIGMA TABLE

SIGMA LEVEL	DEFECT RATE	YIELD
2σ	308,770 dpmo	69.10000%
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6σ	3.44 dpmo	99.99966%

3.8

99%

7σ 0.019
0-1

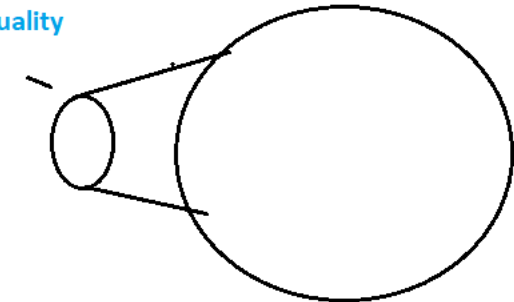
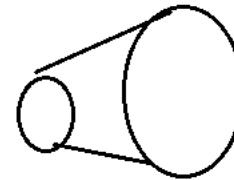
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counted measured

Good balance of cost and quality

Time
Resources
Budget



60 / 100 = 60%

Define:

VOC- Voice customer (collect VOC)
KPIV and KVOP
Scope the project - SIPOC
Business Case
Project Charter - Problem statement and Goal statement

Pain areas
How much
since when
Financial impact
C-sat /D-sat
Percentage
NOT include RC and solution

SMART Goals

Sources of VOC:-
Scorecard
Surveys
Star rating/reviews
Customer Service Representatives
Claims>Returns/Replacement
Complaint trackers
VOC- internal customer (sales Rep)
Secondary data (SS, Crawler)

Collection of VOC:
Proactive
Reactive

Types of VOC:-

Unclear and Vague - I didn't like your coffee, Bike, Training
Clear and Complex: Taste, temp, performance, Trainers knowledge,
Clear and Crisp : Bitter, sweet, Less than 70 DC, Poor Mileage, Unsmooth gear shifting, More vibration Engine noise, More examples, communications skills, does not answer our queries /doubts

CTQ drill down
Makes the VOC measurable

$$y=f(x)$$

Sales of Coffee = F(taste)

$$y=f(x_1,x_2,x_3....)$$

Sales of Coffee = F(taste, color, aroma, price, quantity, hygiene)



It's not about measuring it right

But

To measure the right things

Weight= f(diet, workout, sleep, stress level, disease etc....)

Stomach - Collect data

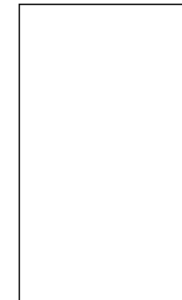
Blood test

Sonography

CT scan

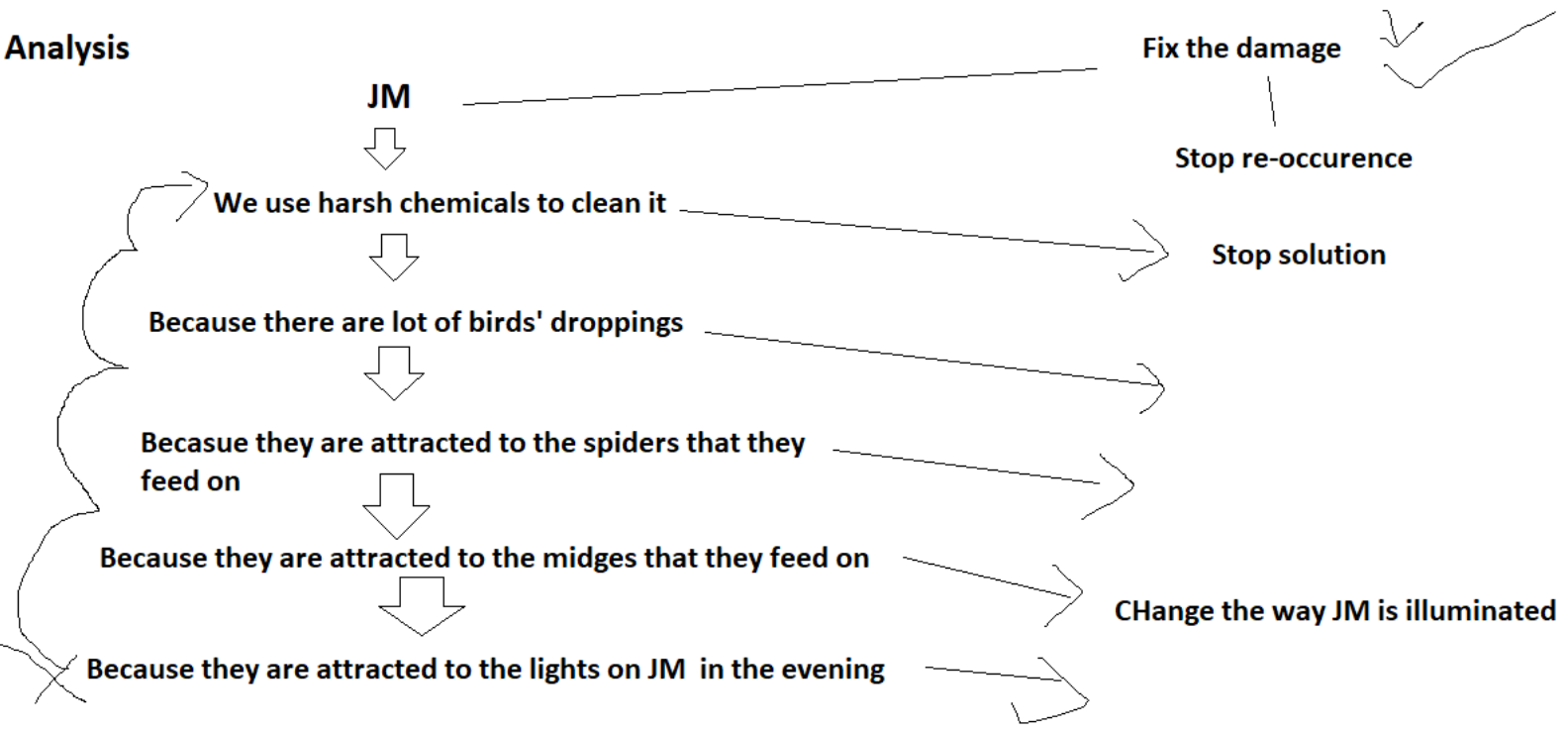
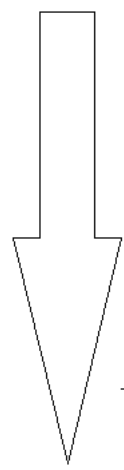
X-ray

Urine test



**5 Why Analysis
3-4-7**

Why-Why Analysis



Vilfredo Preto - Italian economist



Pareto rule/graph
Vital Few and Trivial many

Peas pods
Pods Plants
Plants garden
Sales Produce
Sales Customers
Revenue Sales
Issues Cause

80:20
70:30
60:40
Time
Resource
Budget

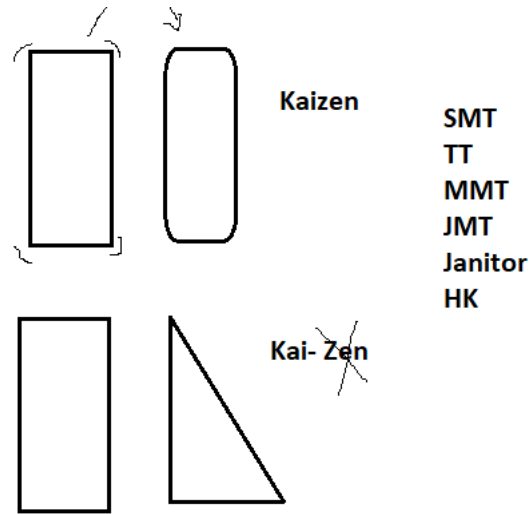
✓ TPS- Toyota Prodcution System.

✓ TPS- Thinking People's System

Kaizen
Kai- change/modify
Zen - Good/Better

No cost
Low Cost
Less Time
Less Resources

Engagement
Team work
Partnership



SMT
TT
MMT
JMT
Janitor
HK

Measure:-
How much
Since When

**What you can't measure, you can't improve and
you can't manage**

Types of Data:

Data Collection:

Normal/ non-normal distribution

Base line

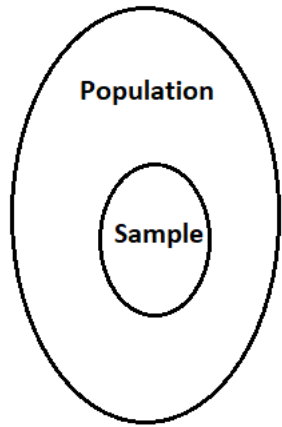
As- is VSM (process map)

Process capabilities (cp/cpk)

DPMO - Sigma level (current)

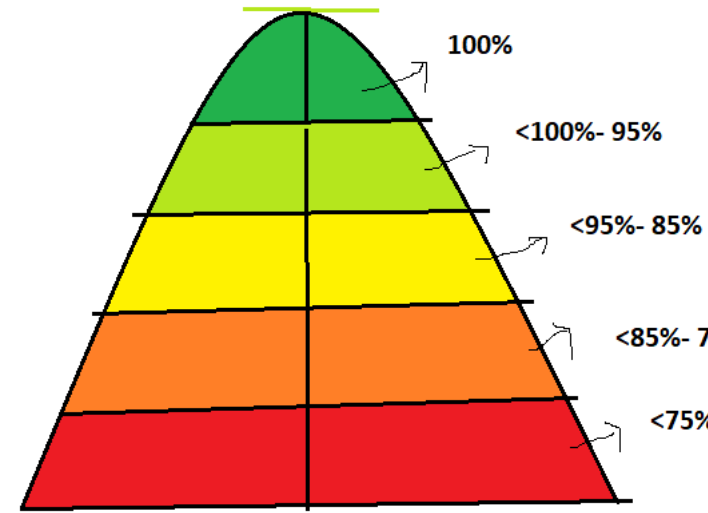
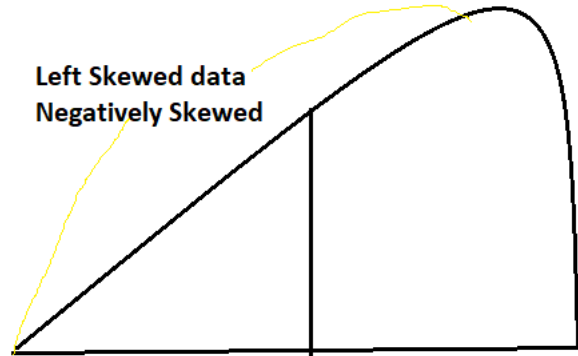
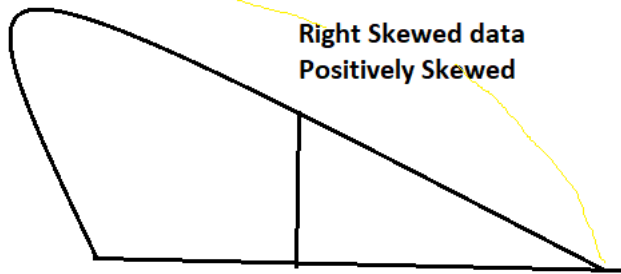
Measure of Central Tendency & Dispersion

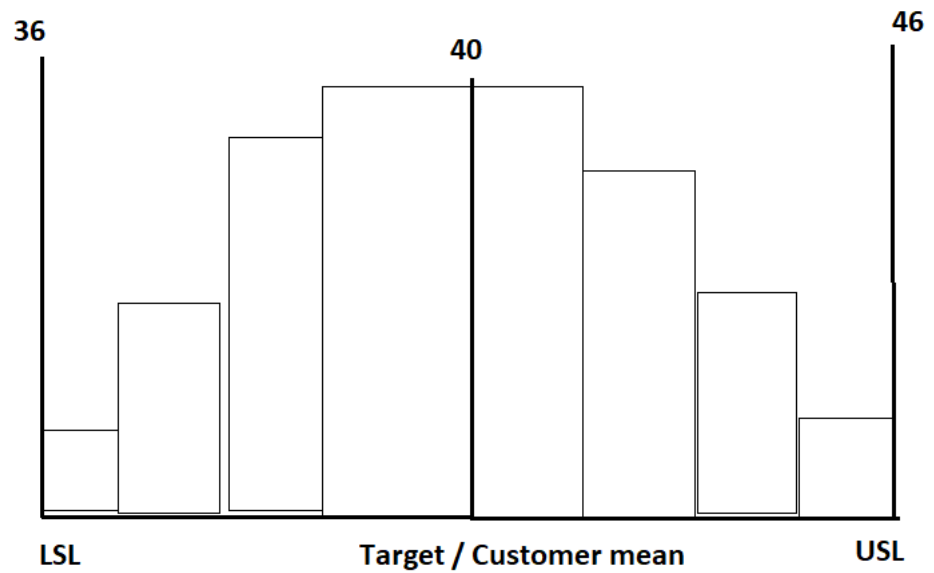
(mean, median, mode & range, StDev, Variance)



Normal
Normal Curve
Bell Curve

Non-Normal Curves



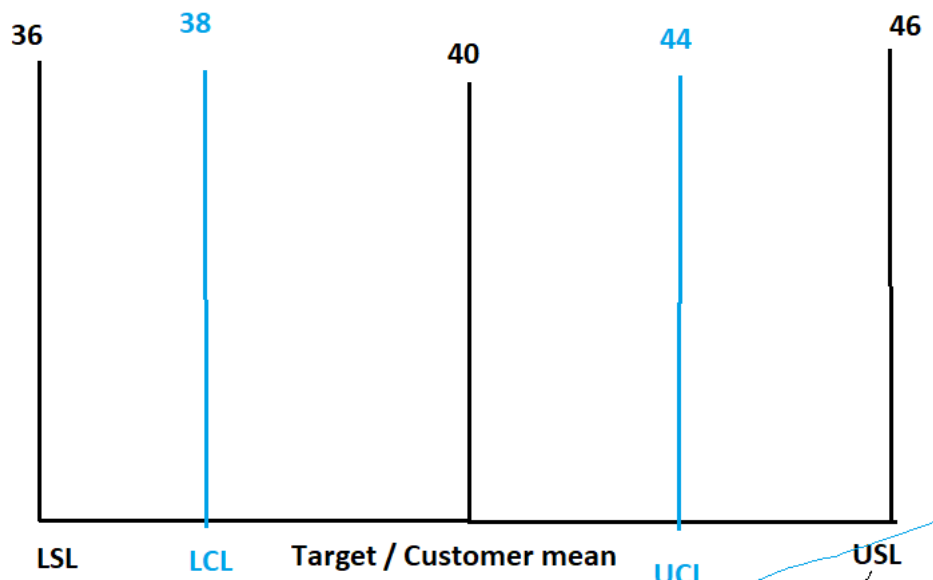


Kelly - Client - 1000 shirts

M - 40

36 - 46

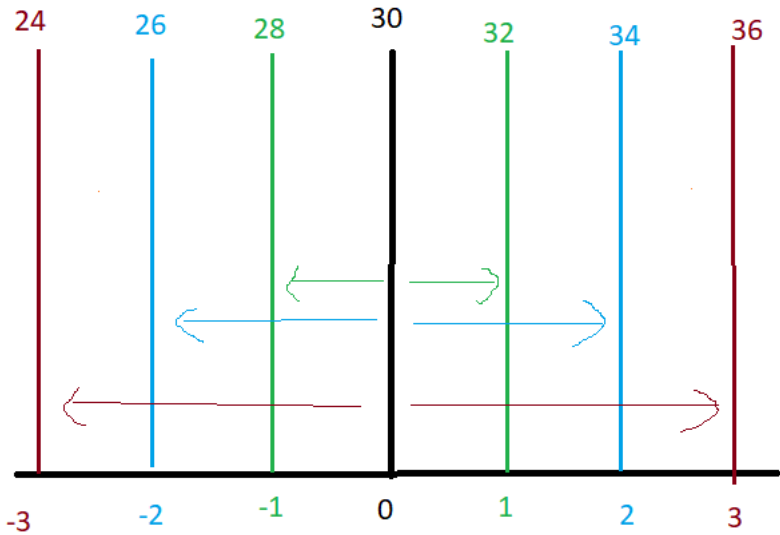
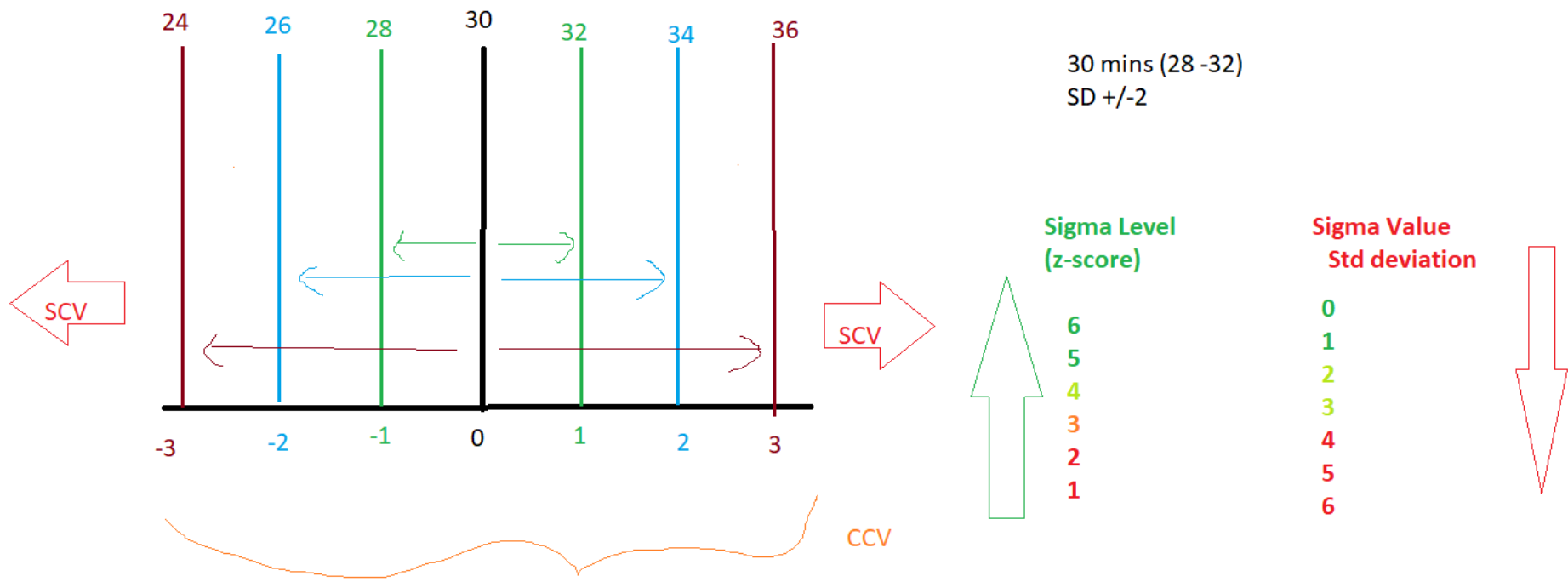
David - manufacture (garments)



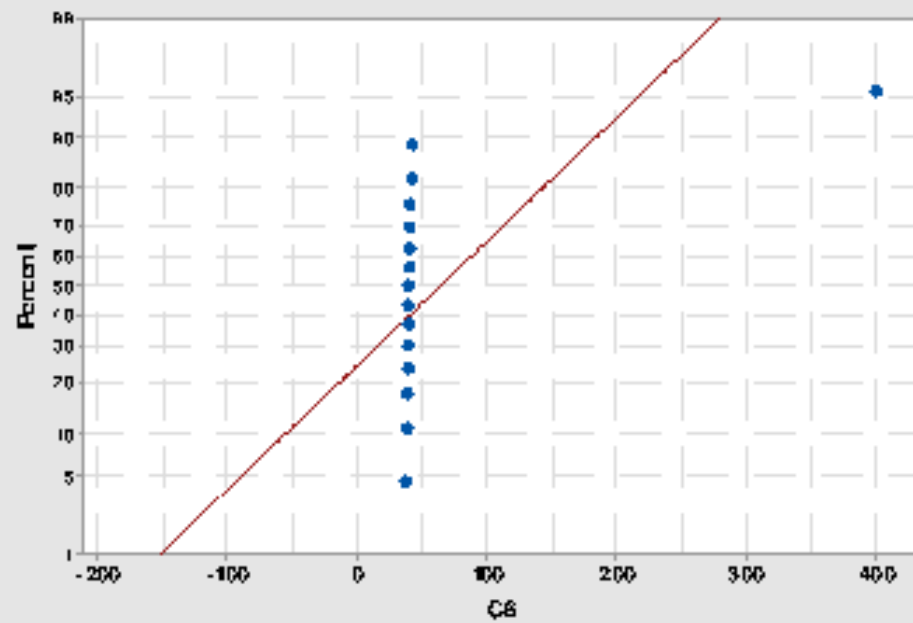
✗ Kelly - Client - 1000 shirts
 M - 40
 36 - 46
 David - manufacture (garments)
 20 tailors

VOP- Process Control Limits
 SPC control charts

VOC
 Specification Limits
 Tolerance Level
 Freedom of variance
 cp / cpk



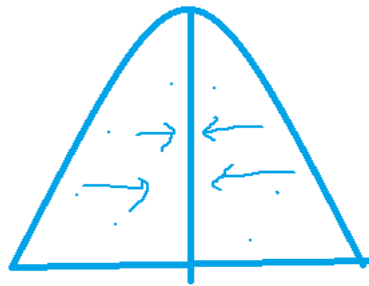
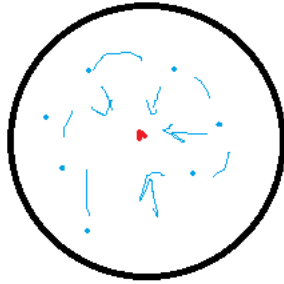
Probability Plot of C6
Normal



Mean	87.0
StDev	82.87
N	5
AD	5.056
P-Value	< 0.005

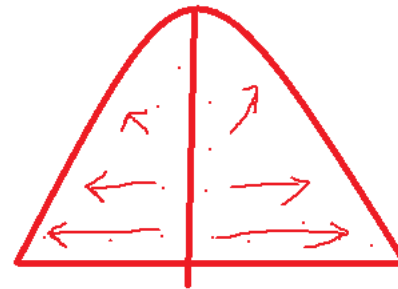
Measure of Central Tendency

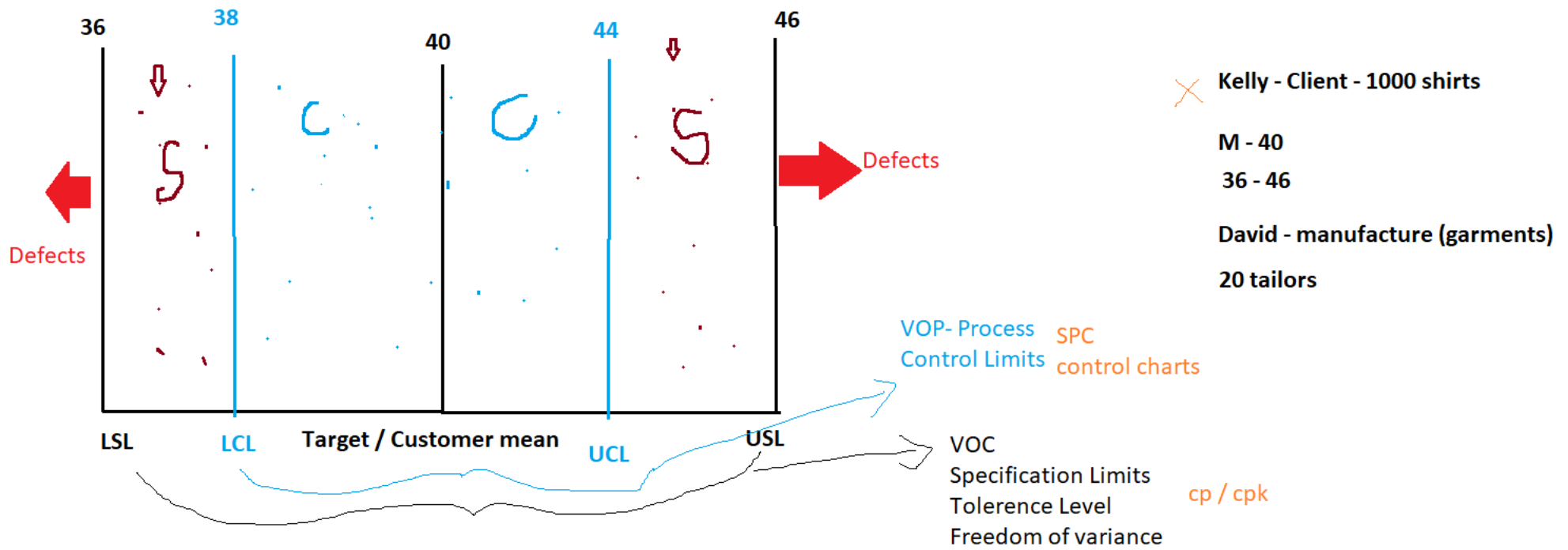
Mean, Median, Mode

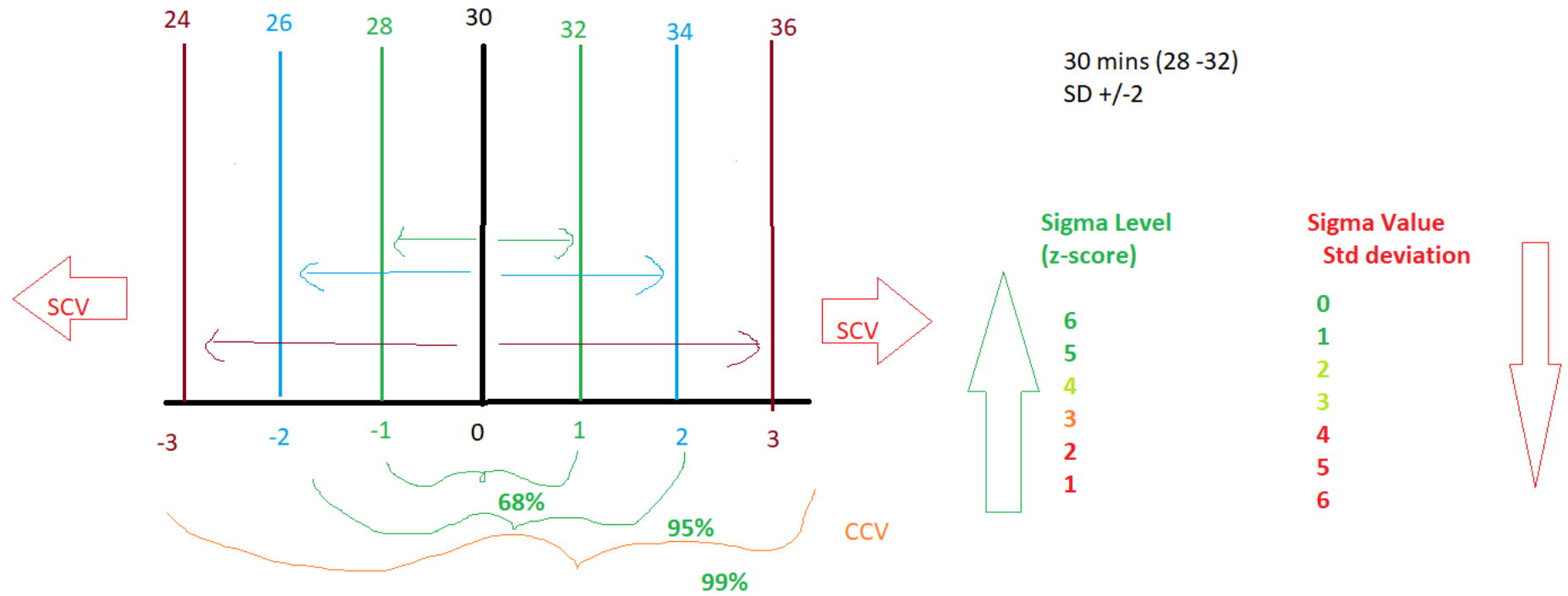


Measure of Dispersion

Range, Variance, Standard Deviation







Data Normality

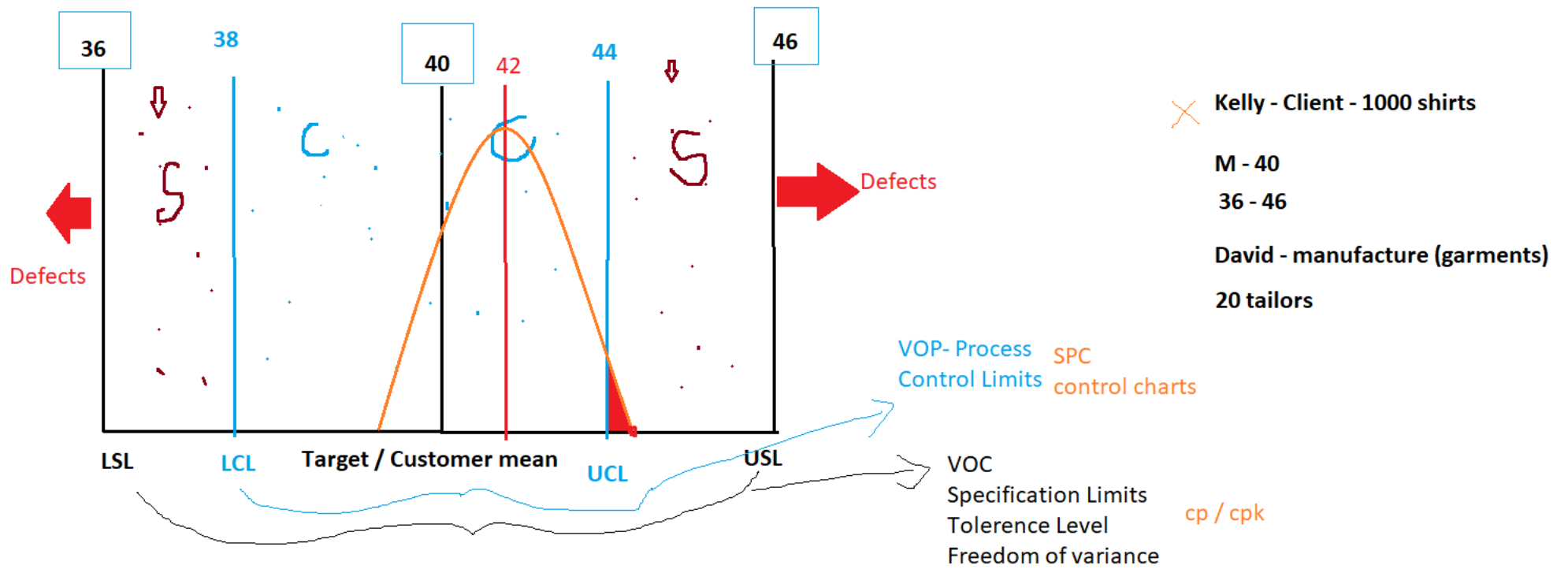
- 1) Histogram (bell curve)
- 2) Mean=Median=Mode
- 3) A_D test

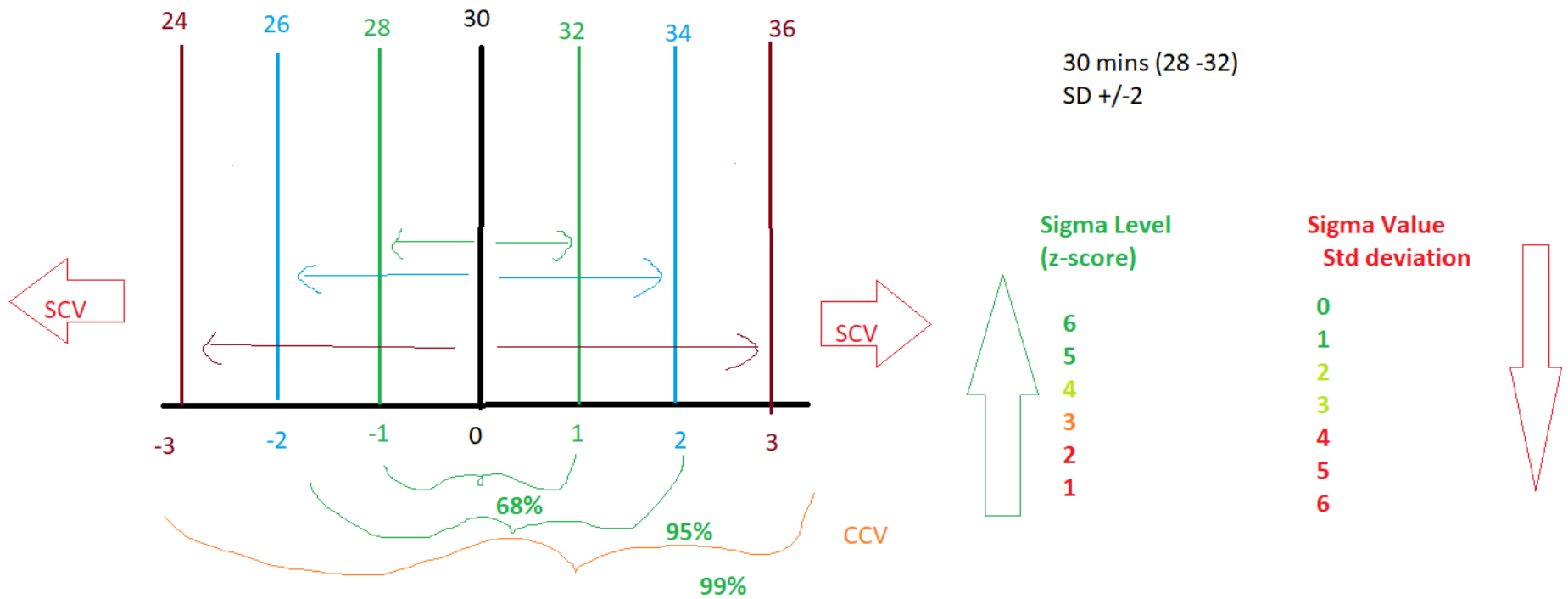
3) A_D test
Anderson Darling Normality Test
Wilbur **Anderson** and Donald **Darling**

p-value, 0.05

More than 0.05, normal

Lesser than 0.05, non-normal





MSA :-

MSA- <https://www.youtube.com/watch?v=k8NLd5linfw>

Gage RnR - https://www.youtube.com/watch?v=6sRN1ICTqSM&ab_channel=LEARN%26APPLY%3ALeanandSixSigma

Before data collection, data collection plan, check Measuring system is good (MSA)

Measuring System Analysis

Home - 77
Clinic - 76
Gym - 75

} Equipment Variance

Gym:-
A - 75
B - 76
C - 75.5

} Apraiser Variance

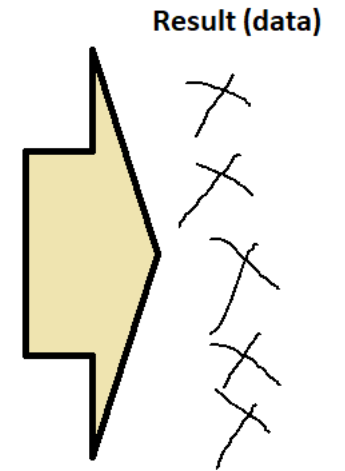
PT:-
1 - 74
2 - 75
3 - 75.5

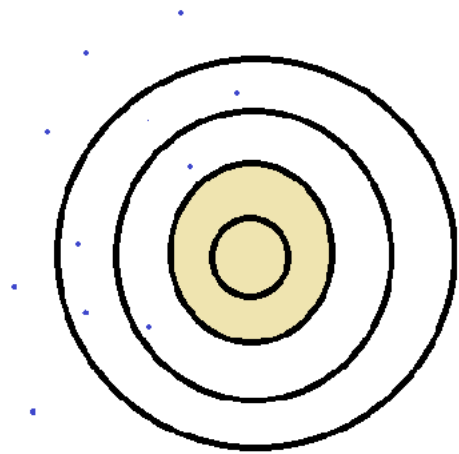
} Operator variance

H
W
PR
BMI
Fats %

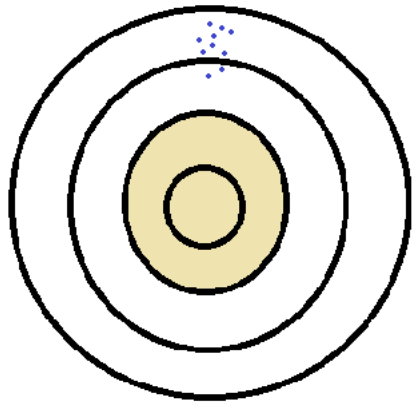
} part-to-part variance

Nurse	Equipment	Settings	Training	Method
✓	✗			
✗	✓			
✓	✓	✗		
✓	✓	✓	✗	
✓	✓	✓	✓	✗

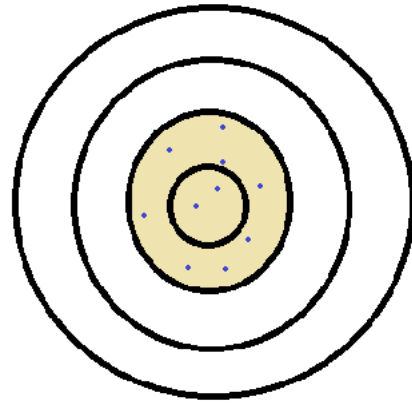




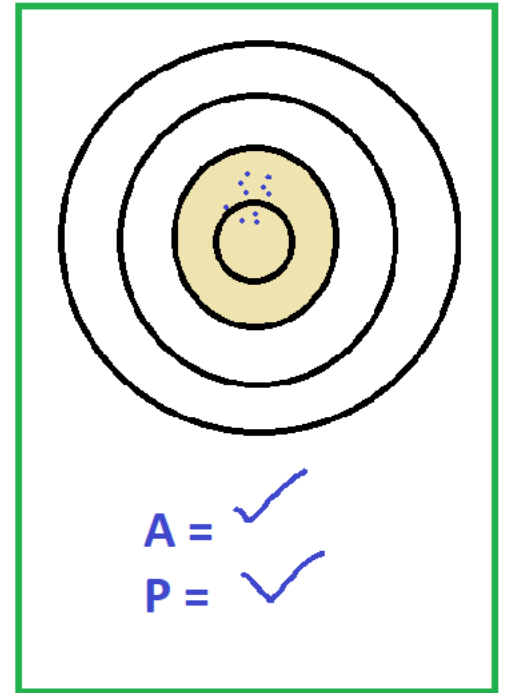
A = X
P = X



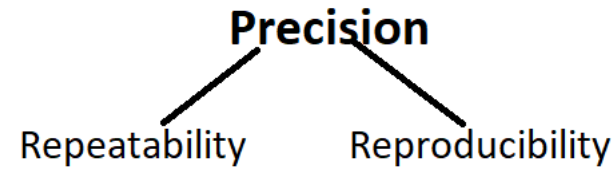
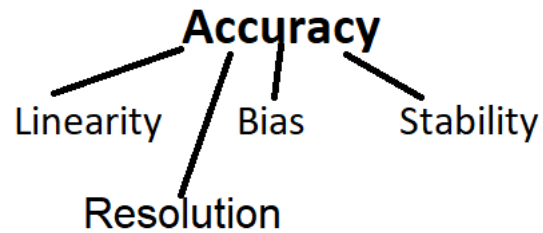
A = X
P = ✓



A = ✓
P = X



A = ✓
P = ✓



$$cp = (USL - LSL) / (6 * SD)$$

$$cpk = (\text{Nearest specification limit} - \text{Mean}) / (3 * SD)$$

$$cp * 3 = zst \text{ (short term sigma)}$$

$$cpk * 3 = zlt \text{ (long term sigma)}$$

Sigma Level

1) DPMO + calc

2) cp/cpk * 3

	✓ A	✓ B
USL	44	9.2
LSL	35	8
Mean	40	8.5
Std dev	2.6	0.09
cp	0.577	
cpk	0.513	
zst	1.73	
zlt	1.54	

$$\Rightarrow C_{pu} = (\text{Process mean} - \text{LSL}) / (3 * \text{Standard deviation})$$

$$C_{pk} = \min (C_{pu}, C_{pl}) \quad \Rightarrow C_{pl} = (\text{USL} - \text{Process Mean}) / (3 * \text{Standard deviation})$$

$$\min (0.64, 0.512)$$

$$C_{pu} = (40 - 35) / (3 * 2.6) = 0.641$$

$$C_{pl} = (44 - 40) / (3 * 2.6) = 0.5128$$

SCV Long Term

Annual Revenue

Quarterly Quality score

Monthly Quality score

Weekly sale (50)

Daily sales (24)

Short Term **CCV**

Monthly , Quarterly

Monthly Quality score , Fortnightly

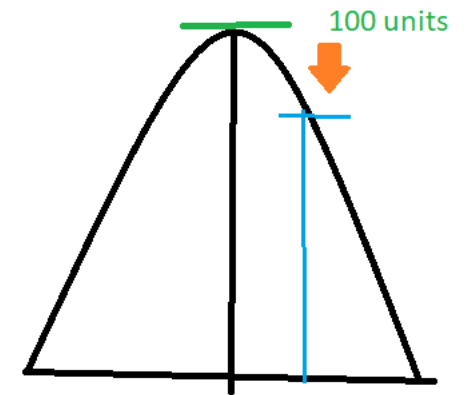
Weekly QC, Daily QCd

Daily - 12

Hourly sales (3) * 8 =24 sales

100 units
85 units

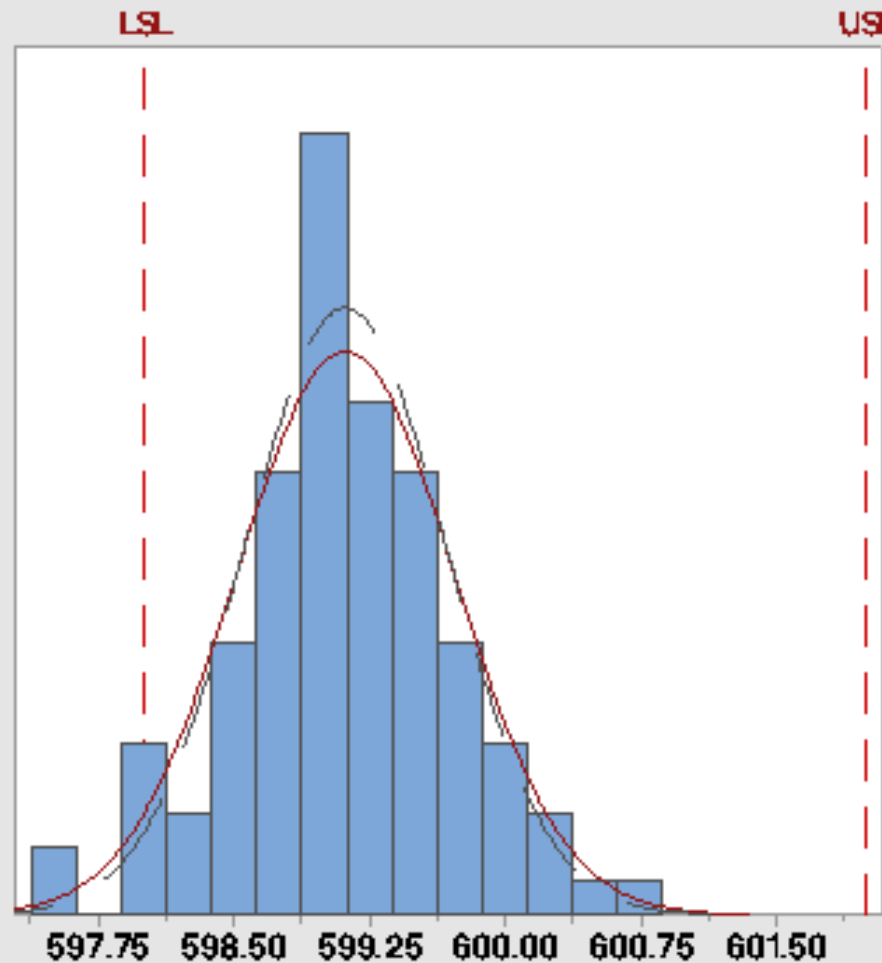
$z\text{-shift} = zst - zlt = 1.5$
ranges from 1.4 to 1.6 ~ 1.5



	A	B	C	D	D	F
$zst = 4 \text{ sigma}$	4	5	3	3.5	4	6
$zlt = 1 \text{ sigma}$	3	3	2.5	3	2	3.5
$z\text{-shift}$	1	2	0.5	0.5	2	2.5

Process Capability Report for Supplier 1

Process Data	
LSL	598
Target	^
USL	602
Sample Mean	599.115
Sample N	100
SDDev(Overall)	0.602583
SDDev(Within)	0.559239



— Overall
— Within

Overall Capability	
Pp	1.11
PPL	0.62
PPU	1.60
Ppk	0.62
Cpm	^

Potential (Within) Capability	
Cp	1.19
CPL	0.66
CPU	1.72
Cpk	0.66

	Performance		
	Observed	Expected Overall	Expected Within
PPM < LSL	30000.00	32130.26	23088.05
PPM > USL	0.00	0.84	0.12
PPM Total	30000.00	32131.10	23088.18



Process Capability Indices - Continuous Data

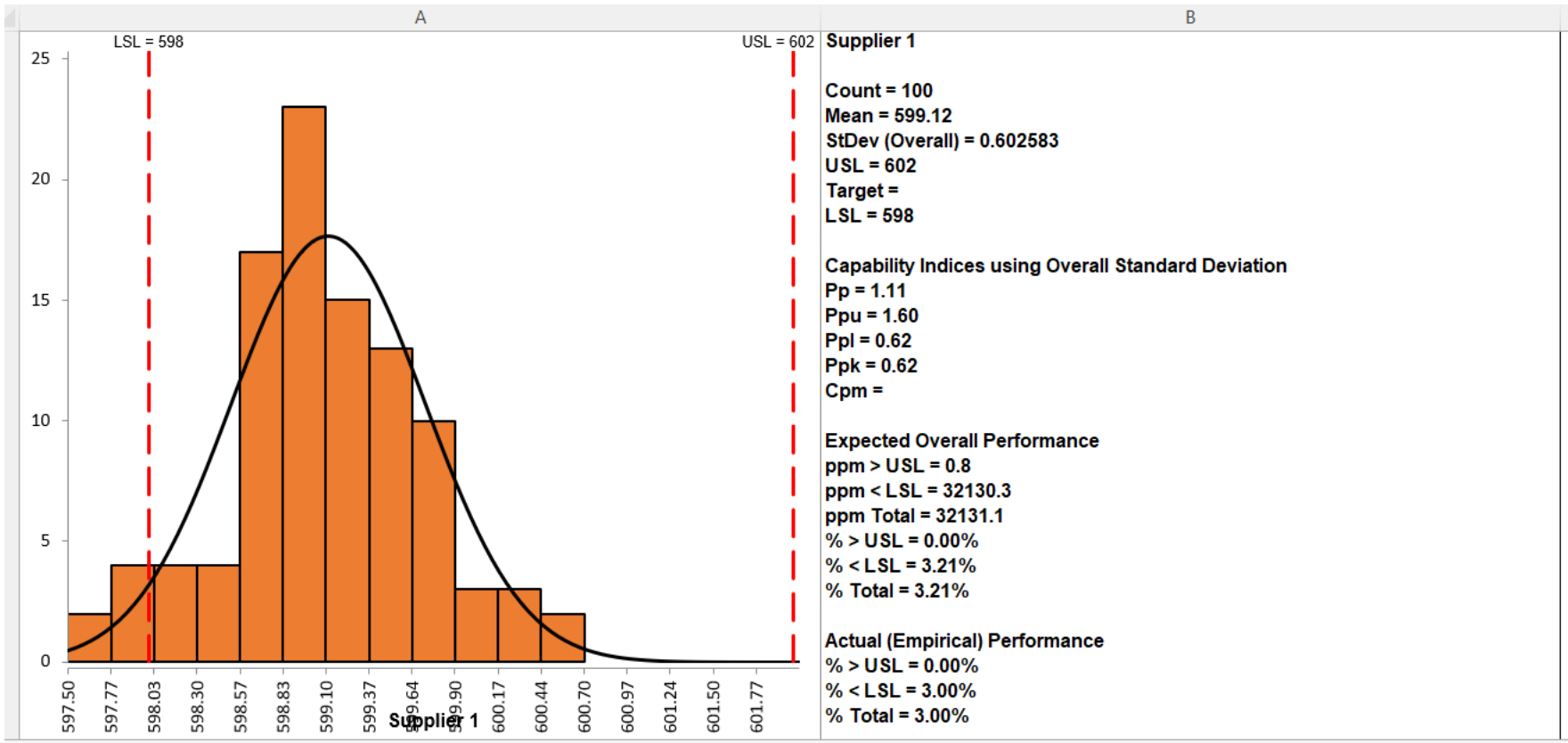
(Assumes that data are normally distributed)

Sample Data (user inputs):

Mean	x-bar	40
Standard Deviation	s	2.6
Upper specification limit	USL	44
Lower specification limit	LSL	35

Results:

Cp, Pp	0.58
Cpu, Ppu	0.51
Cpl, Ppl	0.64
Cpk, Ppk	0.51





Process Sigma Level Calculator - Discrete Data

Sample Data (user inputs):

Number of units	n	1,200
Total number of defects observed	d	650
Number of defect opportunities per unit	o	5
Sigma Shift (typically +1.5)		1.5

Results:

Defects per Unit	dpu	0.541666667
Defects per Million Opportunities	dpmo	1,08,333.3
Defects per Opportunity	dpo%	10.83%
Yield	yield%	89.17%
Process Sigma Level	sigma	2.735



Process Sigma Level Calculator - Continuous Data

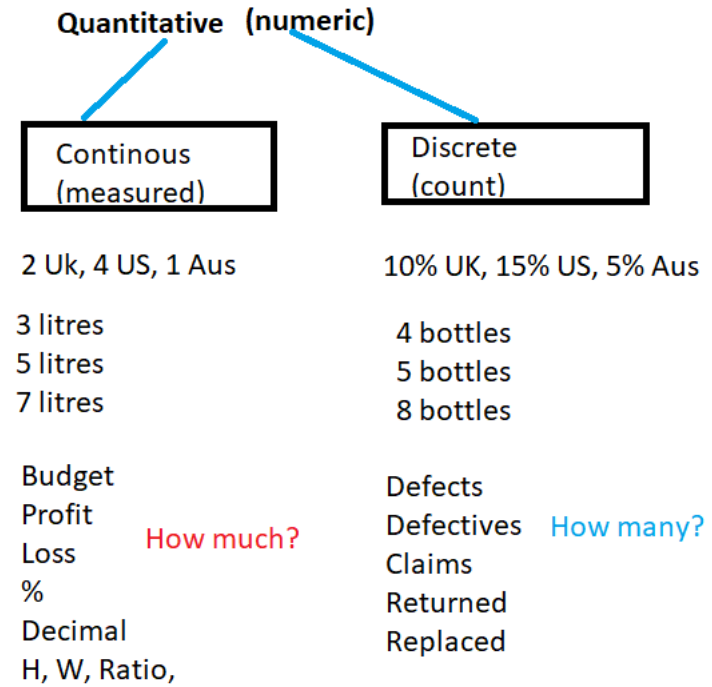
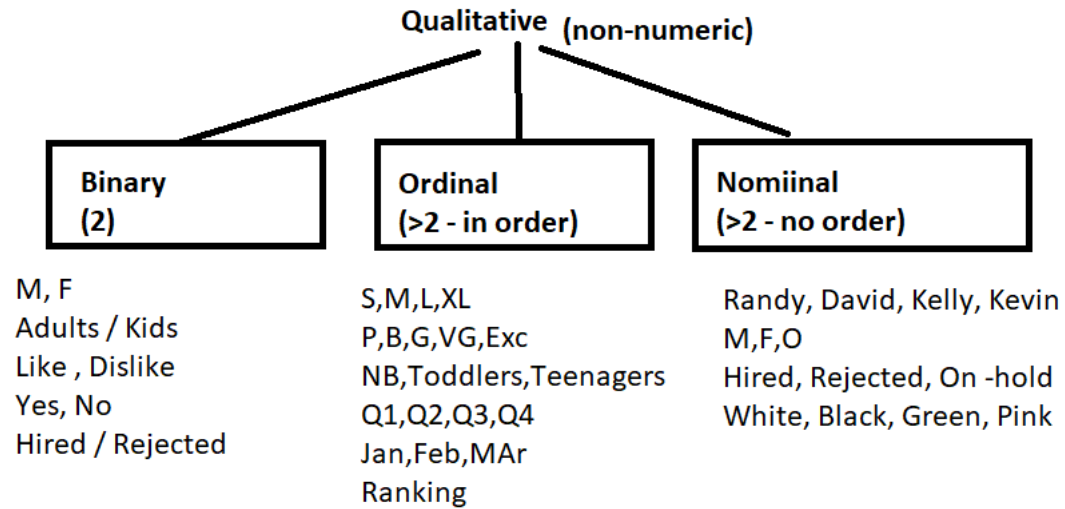
(Assumes that data are normally distributed)

Sample Data (user inputs):

Mean	x-bar	40
Standard Deviation	s	2.6
Upper Specification Limit	USL	44
Lower Specification Limit	LSL	35
Sigma Shift (typically +1.5)		1.5

Results:

Expected ppm > USL	61967.9
Expected % > USL	6.20%
Expected ppm < LSL	27235.2
Expected % < LSL	2.72%
Expected ppm (overall)	89203.1
Expected yield (overall) %	91.08%
Process Sigma Level	2.846



Next week:-



Analyze Phase

Please watch these videos for the next class:-

https://www.youtube.com/watch?v=8JOJ_7R_OWY - simple linear regression on excel

<https://www.youtube.com/watch?v=HgfhewK7VQ> - multiple linear regression on excel

Scatter Diagram : - <https://www.youtube.com/watch?v=1D2gudv591M>

https://www.youtube.com/watch?v=SG3_mWwReac

Gemba academy - DEO – <https://www.youtube.com/watch?v=tZWAYbKYVjM&t=53s>

What is Design of Experiments (DoE)? Example: <https://www.youtube.com/watch?v=Srq9Q-yd1Rk>

Design of Experiments DOE used in Service and Transactional Businesses as well as Manufacturing.

By John Dennis and Paul Allen

https://www.youtube.com/watch?v=tmEe9GdKBNY&ab_channel=LeanSixSigmaTrainingLtd

Analyse:-

Hypothesis Test

Null is a claim or a belief which does not need any proof

Alternate hypothesis

P-value is more than 0.05, accept the Null

P-value is less than 0.05, Reject the Null

He is innocent until proven guilty

He is innocent - Null Hypothesis

He is not innocent - Alternate Hypothesis

Judge = Proof, photo, witness, camera footage (data)

There is a risk involved in trusting the data.

P-value is more than 0.05, CCV , not statistically significant (no impact)

P-value is less than 0.05, SCV , statistically significant (has impact)

Null Hypothesis
Alternate Hypothesis

P-value (0.05)
Risk
Alpha
Beta

Type 1 and 2 error

Sky is blue
Schools have teachers
Teachers are strict
The sun rises in the east
Sun is hot
Temperature in California is 100DC

Analyse:

Collected data in the measure phase. Toll gate Review
RCA - Fishbone+ 5 Why analyse
Hypothesis Test

Risk	alpha	CI
5%	0.05	95%
4%	0.04	96%
10%	0.1	90%
3%	0.03	97%

How much risk is OK?

New business = 80% profit - 20% loss (risk)
Steel or iron industry = 10% is ok
Pharma / medicines = 10% is not ok
5% is still a risk ...
>3%

Over the decades , statisticians or business leaders or experts have decided
that 5-10% risk is ok.

Minimum risk is better.

5% risk is OK

This risk is alpha, which is the p-value

P-value is more than 0.05, CCV , not statistically significant (no impact)
P-value is less than 0.05, SCV , statistically significant (has impact)

P-value is more than 0.05, accept the Null
P-value is less than 0.05, Reject the Null

|

P-value is more than 0.05, accept the Null
P-value is less than 0.05, Reject the Null

If you reject Null, **Type 1 error**, risk alpha, **producer's risk**
If you accept Null, **Type 2 error**, risk beta, **consumer's risk**

Assumption = Good
Reality = Good
Assumption = Reality
Null Hypothesis, Accept

It wasn't good
If you reject Null
Type 1 error

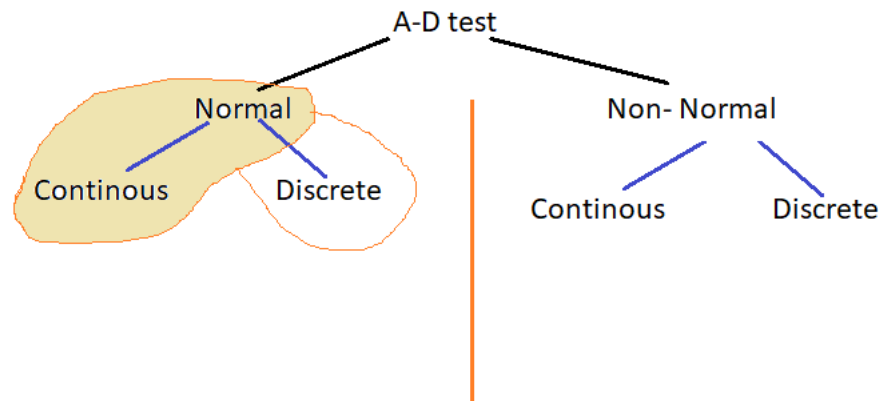
Titanic
Assumption = Good
Reality = Good
Assumption = Reality
It was not good
Producer's risk

Assumption = Good
Reality = Not so good
Assumption \neq Reality
Alternate Hypothesis, Reject Null

It was good
Failing to reject Null
Type 2 error

Me Time
Assumption = Good
Reality = Not so good
Assumption \neq Reality

It was good.
Type 2 error
Consumers will watch it
Consumer's risk



Difference between t and z tests

t-test

Sample size (<30)

both the samples should be equal

12 - 12

08 - 08

21-21

29-29

z-test

Sample size (>30)

samples can be equal / unequal

32-32

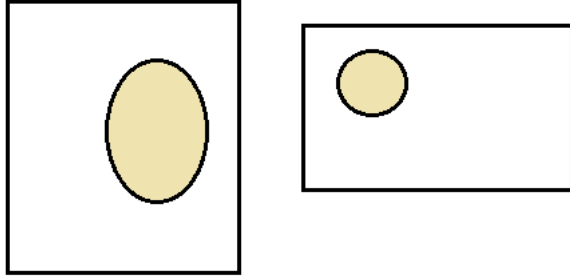
32-300

48-48

48-340

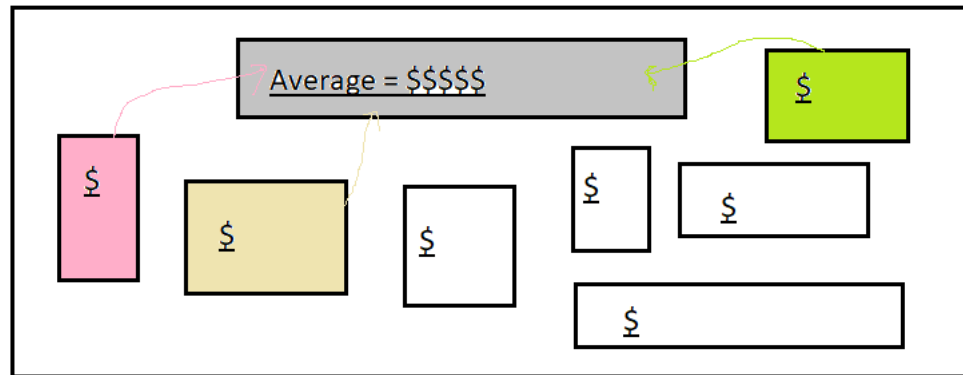
Difference between 1-sample and 2-sample tests

2 sample tests are when the samples are compared from 2 different population



1-sample test

When the sample is compared with the **AVERAGE** of the **same POPULATION**



Paired t -test:-

Paired t-test Before - After

Pharma - BP patients
 1 month course
 1tab+1cap+1inj

20 sales reps
 cost per head
 8 sales rep- training
 12 - BAU

Before	After
30	150
32	200
31	30
350	65
150	230
32	56
90	92
15	20

P-value is more than 0.05, CCV , not statistically significant (no impact)
 P-value is less than 0.05, SCV , statistically significant (has impact)

P-value is more than 0.05, accept the Null
 P-value is less than 0.05, Reject the Null

1 way Anova

			Kelly	David	Kevin
Voice	CS	}	80%	52%	100%
			75%	62%	100%
			86%	89%	25%
Chat email	Sales	}	96%	100%	25%
			93%	63%	60%
			95%	100%	98%

2 way Anova

1 way Anova Detergents

			Det 1	Det 2	Det 3
cold	}	80%	52%	100%	
		75%	62%	100%	
		86%	89%	25%	
Hot	}	96%	100%	25%	
		93%	63%	60%	
		95%	100%	98%	

2 way Anova

Parametric tests - Normal

Non Parametric tests - Non-Normal

Analyze Phase: Hypothesis Testing with Non-Normal Data

Non-Parametric

1 Sample Sign
1 Sample Wilcoxon
Mann-Whitney
Kruskal-Wallis
Mood's Median
Friedman




Will discuss
more with
examples

Parametric (normal data)

One-sample t-test
Paired t-test
2 sample t-test
One-way ANOVA
One-Way ANOVA
Balanced ANOVA

One- and Two-Sample Proportion: (for pass/fail data)
Chi-Squared (Contingency Tables): (for association)

Improve:-

- S** **SUBSTITUTE:**
 Replace a thing, or concept with something else. 
- C** **COMBINE:**
 Unite! What? Who? Ideas? Materials? 
- A** **ADAPT:**
 Adjust to a new purpose. Re-shape? Tune-up? 
- M** **MODIFY, MAGNIFY, MINIFY**
 Change the colour, sound, motion form, size.
 Make it larger, stronger, thicker, higher, longer.
 Make it smaller, lighter, slower, less frequent, reduce. 
- P** **PUT TO ANOTHER USE:**
 Change when, where, location, time, or how to use it. 
- E** **ELIMINATE:**
 Omit, get rid of, cut out, simplify, weed out... 
- R** **REARRANGE, REVERSE**
 Change the order, sequence, pattern, layout, plan,
 scheme, regroup, redistribute... 

PICK chart – prioritize the solution.

CBR = Cost Benefit Ratio
CBA = Cost Benefit Analysis

Cost = 100
Benefit = 200

CBR : B/C

CBR > 1 , do it

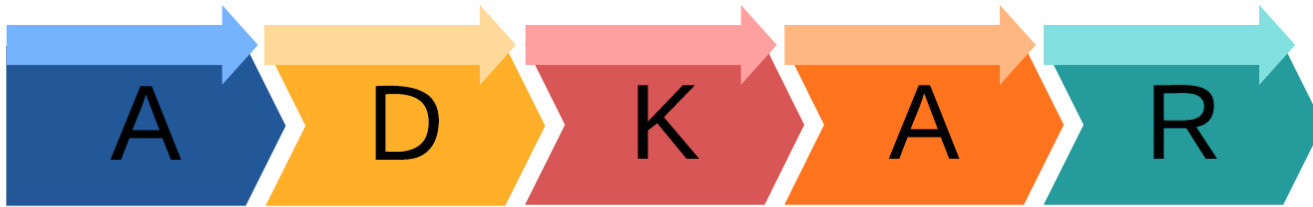
CBR < 1 , do it

CBR = 1 , getting approval is difficult.

Check for hidden benefits

Change Management

ADKAR



Awareness

- Announce the change to employees well ahead of time.
- Explain your reasoning behind the change, including current pain points and potential ROI of the new solution.
- Give employees an opportunity to ask questions and make suggestions.

Desire

- Gauge employees' reactions to the change.
- Identify champions.
- If employees are resistant or indifferent, address their concerns or show them how the change benefits them personally.

Knowledge

- Provide training or coaching to show what employees need to do after the change takes place.
- Address any skill gaps.
- Offer resources, such as process flowcharts, that employees can reference later on.

Ability

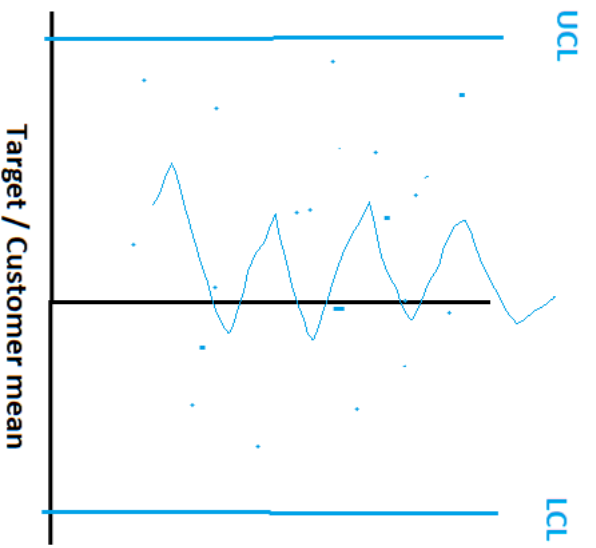
- Schedule practice runs before the change is fully implemented.
- Monitor performance immediately following the change and provide constructive feedback.
- Set reasonable goals and metrics at the start.
- Adjust processes as necessary.

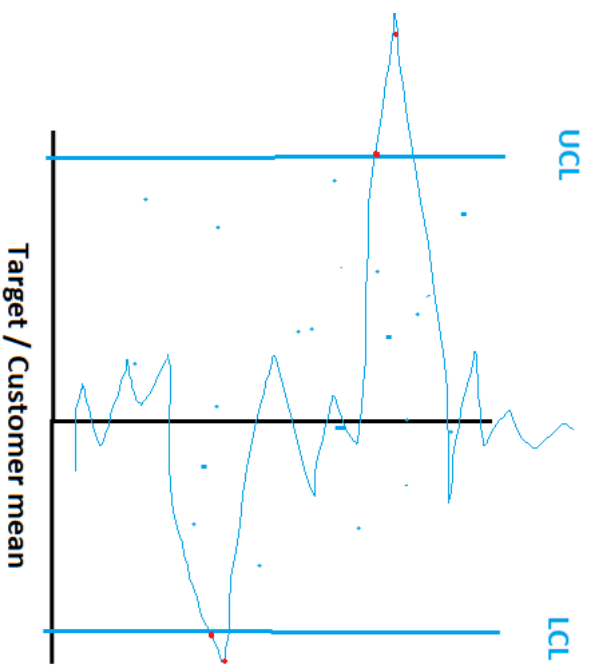
Reinforcement

- Monitor the change over time to ensure it fulfills your desired outcome.
- Use positive feedback, rewards, and recognition to encourage employees to keep following the new process.

← Enablement zone

Engagement zone →





Continuous



Individual
moving range

Mean Range

six value/ std deviation

1

2-9

10 and above

Normal

Normal/ Non-normal

Normal/ Non-normal

Discrete

Defectives

np chart

p chart

equal

unequal

Defects

c chart

u chart

equal

unequal

