

TOC LEAN SIX SIGMA

TOC – Lean – Six Sigma (TLS) Experts Workshop

Many organizations we see today are struggling with their Continuous Improvement (CI) efforts. Many “improvement” projects are started, but little is achieved and attaining real bottom line benefits, whether in cost savings or rising revenues, has proven to be difficult. In spite of the widespread implementation of Lean and Six Sigma principles, poor results persist. That’s not to say there are not pockets of success: some implementations do deliver a competitive edge; but these projects are the exception, not the rule.

You and your team may be under constant pressure to achieve bottom-line results through continuous improvement strategies, and yet you may instead be coming up against:

- Resistance to change
- Difficulty sustaining gains
- Reluctance to fund additional projects
- A ‘headless chicken’ mentality and chronic lack of focus

So what can be done?

The crux of the problem is that most CI efforts are not aligned to the strategy of the organization as a whole. Using TLS - i.e. Theory of Constraints in combination with Lean and Six Sigma - solves this problem and unifies your improvement efforts.

You do not have to fight about which method is better; you simply deploy the tool or methodology that best fits the problem being addressed. Using the TOC tools to enable real focus across the whole of the supply chain, internal and external, means that the Lean and Six Sigma tools then really do have the chance to show what they can do. Without that level of focus, real and sustainable benefits are hard to come by.

~ ~ See below for the evidence supporting TLS, from the APICS magazine ~ ~

What results can we expect from using TLS?

- Tenfold return on Continuous Improvement (Lean and Six Sigma) projects
- Improvements that benefit the entire organization, not just a single department
- Increased revenue
- More profits, with a better return on investments
- Better Cash Control
- Ability to attack either existing markets or even open up new markets
- Be able to integrate Lean and Six Sigma in a new and more powerful way into, and throughout, the whole organisation

By making the right strategic changes to your continuous improvement strategy, it is possible to create a unified approach where all the teams within the organisation will be working on the right issues using the right tools to get the right job done. All the teams will begin to do what they are supposed to do; facilitate focused, lasting improvements that improve the position of the company as a whole.

How can I learn to use TLS?

By attending our two-day workshop, which introduces TLS concepts and uses a combination of simulations, DVD case studies and discussions to provide a forum capable of assessing the organizational readiness for implementation. The emphasis is on identifying a path forward to accelerate CI team results by adopting the focusing power of TOC throughout the whole of the supply chain.

In the workshop, attendees will gain a new insight into how to leverage improvement projects for the most return, learn how to identify which situations fit which tools, how to create a unified continuous improvement approach and the elements required for a successful implementation. During the workshop there will be the opportunity to sample several tools from each of the three methodologies to ensure a deep understanding of how the TLS strategy operates.

The workshop will challenge some assumptions you might have about what improvement really means, and how to make the right decisions in terms of investing time and money, when both are scarce, to making a real difference to the bottom-line.

Who should attend?

All your Lean and/or Six Sigma Belts (black and green) who are responsible for guiding improvement teams including CI team leaders and.....

Functional / Operational Managers who are responsible for ensuring results plus.....

Senior Managers who want to achieve a step change in organizational performance and understand how to truly lead their organisation at times of great stress and pressure from all sides.

When can I attend?

The workshop will be held on consecutive days at our Training Centre in Melton Mowbray, but the timing is highly flexible - please contact us (details below) to arrange mutually convenient dates.

The fee for this workshop is £ 750 per person (ex VAT)

TLS Works – The Evidence

A study by Pirasteh and Farah*, published in the May 2006 APICS magazine, demonstrated that using TOC, Lean and Six Sigma together delivered 15 times more results than with Lean alone and 23 times the results with Six Sigma alone. This result is even more remarkable given that 'cost savings' (which are traditional Lean and Six Sigma measurements) are not even the primary benefit of TOC, whose main focus is on increasing profitability and productivity ('Throughput').

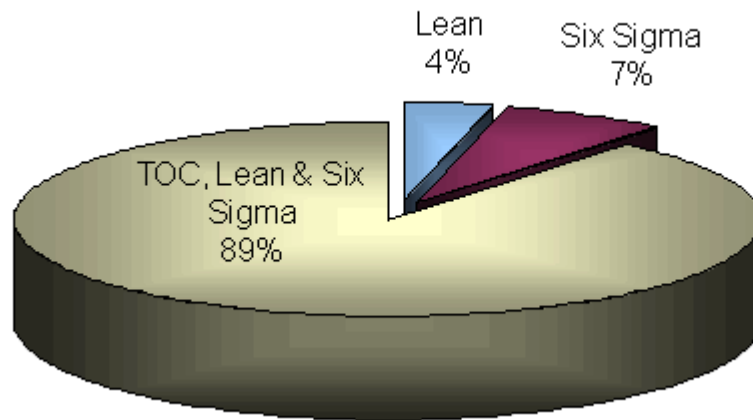
This was a scientific double-blind study, performed in actual business plants, where:

- 11 plants applied Six Sigma
- 4 plants applied Lean
- 6 plants applied TOC, Lean and Six Sigma

The authors analysed 101 projects within these plants over a two-year period.

The results were unequivocal:

Percentage of contribution to Savings Realised:



A little further analysis shows that it is possible – if we assume that each methodology is additive - to estimate the effects of using TOC alone. On average, the 4 Lean plants contributed to savings realized by 1% per plant (4% /4) whilst the 11 Six Sigma plants contributed 0.64% per plant (7% /11). So, if we subtract $(1 + 0.64) \times 6 = 9.84\%$ from the percentage total of the 6 TLS plants, the estimated TOC alone contribution to savings is 79.16% (89% - 9.84%), or 13 % per plant. So, using TOC on its own is 13 times more effective than using stand-alone Lean and 20 times more effective than using stand-alone Six Sigma.

**Pirasteh, R. and Farah, K. (2006). Continuous Improvement Trio: The top elements of TOC, lean, and six sigma make beautiful music together. APICS magazine, May, 2006*

Please see the link on our web page to access Pirasteh and Farah's article in full.

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