

The History of Six Sigma

1970s:

► Motorola finding itself unable to compete in the consumer products with Japanese companies. Art Sundry's famous critique, "Our quality stinks" accelerated the change process in Motorola.

1980s:

► Motorola rolled out four-point plan, 1. Global competitiveness 2. Participative management 3. Quality improvements 4. Motorola Training and Education Center.

► 10X quality improvement was launched and Motorola Manufacturing Institute was established in 1984, it later renamed to Motorola Management Institute. Motorola still lacked a common metric for sharing and comparing improvement initiatives until Bill Smith presented Six Sigma idea to Bob Galvin in late 1985.

About Bill Smith: Bill Smith is a key person in inventing Six Sigma concept though many news media ignore his contribution. Born in Brooklyn, New York in 1929, Bill Smith graduated from the U.S. Naval Academy in 1952 and studied at the University of Minnesota School of Business. In 1980s, after working for nearly 35 years in engineering and quality assurance, he joined Motorola, serving as senior quality engineer for the Land Mobile Products Sector. He passed away after an heart attack in early 90s and Bill Smith is recognized as "The father of Six Sigma" for his great contribution to the quality's evolution journey.

► In 1987, Motorola founded Six Sigma improvement program headed by George Fisher at Motorola's Communicators Sector.

► Motorola received first Malcolm Baldrige National Quality Award from the U.S. Government in 1988.

Meanwhile, in the decade between Six Sigma's beginning in 1987 and 1997, achievements have included the followings:

- Five-fold growth in sales, with profits climbing nearly 20 percent per year.
- Cumulative savings based on Six Sigma efforts pegged at USD 14 billion.
- Motorola stock price gains compounded to annual rate of 21.3 percent.

1990s:

► Motorola established Six Sigma Research Institute (SSRI) to accelerate the achievement of "Six Sigma and Beyond". Black Belt concept was mooted by SSRI.

► Introduced Total Customer Satisfaction (TCS) teams.

► Allied Signal (1993) and General Electric (1995) adopted Six Sigma methodology. In the meantime, project management tool (DMAIC) was added into Six Sigma toolkit by Mikel Harry and others.

Other companies adopted Six Sigma also achieving significant results.

- GE saved \$12 billion over five years and added \$1 to its earnings per share.
- Honeywell (Allied Signal) recorded more than \$800 million in saving.