

X-Matrix Combining with Lean/Six Sigma for Company Great Results

Die Kombination zwischen X-Matrix und Lean/Six Sigma für ein hohes Unternehmensergebnis

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Abstract — The big competition between companies leads to usage of various methods for assuring qualitative products in a short run. Therefore, some of the large companies on the market decide to use combination between well-known process improvement methods and create their own on the basis of existing ones to achieve great company results.

Zusammenfassung — Die große Konkurrenz zwischen den Unternehmen führt zu der Verwendung der verschiedenen Methoden für die kurzfristige Qualitätssicherung der Produkte. Deswegen verwenden die großen Unternehmen auf dem Markt eine Kombination zwischen bekannten Methoden der Prozessverbesserung und Methoden für ein hohes Unternehmensergebnis.

I. INTRODUCTION

The purpose of this article to show X-Matrix interaction with the other process improvement methods: Lean and Six Sigma. It also aims to describe how the combination of these three process improvement methods usage lead to significant improvement of the business environment and management control. When focused on the highest value projects and supported by the right performance improvement infrastructure, definitely the company achieves great results in: inventory working capital optimization, procurement optimization, focusing in strategic marketing for rapid products development based on the voice of the customers, improvement of company's position in high growth regions. All this progress is achieved by well-developed breakthrough initiatives based on Hoshin Kanri X-Matrix supported by Six Sigma, an effectiveness based process that brings the company process under statistical control, and Lean, an efficiency based process that improves dramatically the process speed or reduced the invested capital.

II. HOSHIN KANRI X-MATRIX

The likelihood of success in strategic planning can be increased significantly when the priorities are agreed executive level.

Hoshin Kanri Planning process takes into account execution of every step of the way, providing the company with a systematic method of strategic planning and managing progress toward achieving the company's strategic goals. Hoshin Kanri Planning process is used in combination with business development and innovation tools. This process aligns the company strategic objectives with the specific resources and action plans needed to make them happen. Through a back-and-forth refinement system known as "catchball," the entire organization becomes involved in delivering a combination of breakthrough performance and daily management [2].

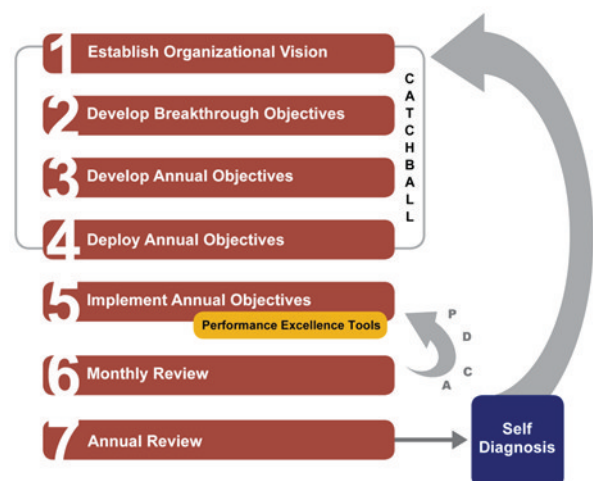


Fig. 1. Hoshin Kanri Planning 7 Steps [2]

Hoshin Kanri Planning is a flexible method that focused on the company's needs to make it successful. It helps the business to be connected in a right track that generates great results.

The X-Matrix is used by the companies to develop top-level improvement priorities and then to apply metrics to them. Then, it is created business-specific second- and third-level targets to improve that tie directly to the top-level priorities. Each level goes down into more and more detail to the end-product manufacturing and sale. This alignment keeps people focused and integrates different departments, making sure everything across the entire company aligns back up to the strategic objectives. The strategy centered thinking drives innovation to create breakthrough opportunities and creates balance in short term and long term objectives. All functions and stakeholders operate as a unified organization to drive accountability. The capabilities required to achieve breakthrough initiatives are defined and resourced. A strategy deployment process is in place from the top level of the business to the point of execution.

“HOS Gold focuses on growing sales and becoming more productive, integrating all of Honeywell major internal process initiatives into a total business operating system. It is an end-to-end business management process focused on customers and markets, strategy development and execution, robust management, standardized work and cross-functional engagement” [5].

“Honeywell Operating System (HOS) drives sustainable safety, quality, delivery, cost, and inventory improvements that ultimately will give us a 20-year competitive advantage” [5].

“Functional Transformation (FT) is doing more with less, standardizing the way Honeywell works, reducing costs and improving service quality across Honeywell administrative and back-office functions” [5].

“Sales, Inventory & Operations Planning (SIOP) enables integration and collaboration among Honeywell Integrated Supply Chain, Sourcing and Engineering teams, allowing Honeywell to respond quickly to changes in demand and supply, and driving accountability to reach one set of numbers” [5].

“Velocity Product Development (VPD) brings together all of the functions necessary to successfully launch new technologies - R&D, Manufacturing, Marketing and Sales - to ensure Honeywell delivers the right products at the right price, and faster than Honeywell competitors” [5].

“Honeywell User Experience (HUE) is a systematic process focused on developing solutions for Honeywell users, maintainers, installers, consumers and employees that are easier to use, more intuitive, more efficient and more productive” [5].

“Capability Maturity Model Integration (CMMI) Level 5 certification confirms that a robust and reliable software development process has been achieved” [5].

“Cycle Time initiatives, improved through the application of HOS, are helping to reduce inventories and improve customer delivery” [5].

“Six Sigma/Lean provides the best process analysis tools available, enabling millions of dollars in productivity savings for Honeywell each year” [5].

X-Matrix captures the breakthrough objectives and cascading priorities within Honeywell.

Implementation of combined methods X-Matrix, Lean and Six Sigma leads to great improvement within company management and control, rapid product development based on the voice of the customers, growth, available operating capital, income and cash for a company success.

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