



# Six Sigma Implementation in Dell



## **Overview**

Implementation of Six Sigma in Dell is one of the prime and successful examples of a Company using Six Sigma as an enabler to achieve successful results.

Michael Dell built a successful model using the Lean Six Sigma which has emulated Dell inc to a large extent. Around the year 2000, using the six sigma methodologies and keeping it as a basis for improvement, one of the key initiatives led by Michael Dell was known as Business Process Improvement (BPI). Even 5 years later, this program is still growing stronger year by year and becoming a model which the companies want to adopt and are trying to follow.

Business Process Improvement is a set of tools and skills that have been employed by Dell to improve, understand and investigate business processes. It is a process in which any employee can get involved easily. If a group of employees face a similar problem then instead of complaining, they collectively take the initiative for Business Process Improvement and it becomes a project in the global database.

### **MISSION OF BPI**

To empower the knowledge, skills and tools among employees in order to make Dell more efficient through quality improvement, reduced cycle time and reduction in cost.

Pursuing BPI has some inherent benefits as well to all the major stakeholders of the company. For this reason, the company has prioritized it to the maximum owing to its long term success.

### **Benefits to the Business**

It has led to huge cost savings (more than 1.55 Billion USD during FY04) and improvement in quality to a significant extent.

### **Benefits to the Employees**

BPI has led to the empowerment of knowledge among the employees as they know the necessary actions to be taken instead of complaining. It helps in enhancing the career opportunities.

### **Benefits to the Customers**

Better experience for the customers due to cost, quality and cycle time improvements. It has led to improvement in customer satisfaction due to better performance in the organisation.

## **STRATEGIC DRIVERS FOR BPI**

Executive Leadership/Development

Measurement Systems

Strategic Business Linkage

P&L Mapped Financial Results

Organizational Development

Recognition

Communication

Winning BPI Culture

These 7 strategic drivers are the key drivers of BPI program which has contributed to various strategies and indicate how the projects regarding BPI are to be taken.

## **NOTABLE CHANGES FOR CONSUMERS AND SUPPLIERS**

Following BPI for quite a number of years, Dell has made significant changes in its way of dealing with customers, thus enhancing customer satisfaction as well as suppliers. Essence of the latest strategy is Lean. Instead of producing big batches of systems like competitors, Dell has decided to follow lean strategy i.e. producing small batches which can be customized as per user's preference.

Dell's suppliers also build to order. Dell orders part and places them in production as soon as supplier delivers them. With Dell, one doesn't have to wait for the latest technology to incorporate them from a batch manufacturer. It can be delivered almost immediately.

## **CONCLUSION**

Dell has emerged as one of the strongest leader in everything they do right from supply chain to customer service to marketing. It is harnessing the power of their employees efficiently and effectively to achieve such big milestones. It has become possible with the BPI strategy followed based on six sigma methodologies.

It's no wonder that Dell is #1 in Fortune's America's Most Admired Companies list since they have earned it.

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