

Notes of Reaching Strategic Edge

1. **Six sigma** is nothing but providing defect free products or services. Six sigma is a process that help in developing and delivering near perfect products or services. The main objective behind six sigma is to meet and improve quality and cost in outputs of the organisation. In six sigma enterprise has continuously revising the current standards and establishing higher once. It aims in improving customer satisfaction. For implementing six sigma there are two methodologies which are as **(i) DMAIC (ii) DMADV**

- I. **Define**:- First of all experts decide the in which process the improvement is needed which is consistent with the strategy of the organisation and as per customer demand. For that purpose the enterprise would obtain feedback from the customers to know the defects in products or services.
- II. **Measure**:- In measurement existing processes are compare with the future processes. After knowing what is need to be change in this stage experts process various data and measuring it.
- III. **Analyze**:- In this stage experts need to identified different relationship between factors. They analyze cause and effect relationship between different factors.

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- IV. **Improve**:- On the basis of above analyze stage, experts make a plan to improve the processes and remove all defects from the products or services.
 - V. **Control**:- After implementing above process experts need to continuously measure the variances and removing them before they result in defects.
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- I. **Define**:- In this experts need to define goals and formulating activities which are consistent with the strategy of the enterprise and as per the demands of the customers.
 - II. **Measure**:- In this stage identified the factors which are very important to quality of products or services. Also risk involved in above activities is measured in this stage.
 - III. **Analyze**:- In this stage experts need to find or design the different alternatives evaluating it and choose the most suitable alternative.
 - IV. **Design**:- In this stage experts are trying to design the strategy for implementing the six sigma.
 - V. **Verify**:- Once the above process successfully done experts need to verify that no any kind of defects are in process or in products and services.

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It is important to know that the first process is apply when there is an improvement in the **existing** process and the second is applying when the enterprise design **new** process.

Six sigma has its base in the concept of probability and it strives that 99.99966% of products or services are defect free.

Six sigma target mainly three areas (i) Improving customer satisfaction (ii) Reducing the cycle time (iii) Reducing defects.

The elements of six sigma are putting into themes which are as follows:

- **Theme One** – Genuine focus on the customers
- **Theme Two** – Data and Fact driven management
- **Theme Three** – Processes are where the action is
- **Theme Four** – Proactive Management
- **Theme Five** – Boundaryless Collaboration
- **Theme Six** – Drive for perfection and tolerate failure

2. **Total Quality Management** is a people focused management system. It aims to increase the customer satisfaction at continually lower cost. Everyone in the organisation including suppliers are responsible for preventing rather than detecting defects in products or services. As like its name it is total system approach. It is an integral part of high level strategy. It

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works horizontally involve all employees top to bottom and extend forward and backward including suppliers and customers as well. TQM is different from traditional management system as it involve change in process, beliefs, attitudes and behaviours. Traditional means the way things are usually done in most organisation. The key differences in TQM and Traditional are (i) Strategic management and planning (ii) Changing relationship with customers and suppliers (iii) Organizational structure (iv) organizational change (v) Teamwork (vi) Motivation and job design. Three important elements of TQM are as follows:

- **Universal quality responsibility:-** Everyone take responsibility for quality of the products or services. TQM require that the responsibility of quality is not just restricted to quality assurance department but is shared everyone in the organisation.
- **Preventing rather than detecting defects:-** In TQM, the main objective is to prevent defects rather than just detecting it. This saves cost, time and wastages.
- **Continuous improvement and learning:-** TQM is not one time process. TQM should be regular part of daily

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work. It adopt a philosophy of continuous improvement in all areas.

3. The internet is integrated network of computers, servers, switches, routers, telecommunication lines and individual computers of users. It has provided very fast means to provide communication without any geographical barriers. Through internet, an enterprise is able to find, negotiate and deal with suppliers and customers across the world. Characteristics of E commerce are as follow:

- Companies are able to compete in global market everywhere through the use of internet.
- There is no any kind of restriction to business through internet so today there are numerous rival firms are selling their products through internet so the customers are able to get products at very low price with good quality.
- Increase the bargaining power of the customers to compare the products, prices and other terms and conditions of rival sellers.
- Enterprise also deal with suppliers all over the world so that cost may be reduced. Internet is very useful to

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enterprise to collaborate with them for improving efficiency and cost saving.

- Enterprise can use the internet to monitor latest technological development.
- The internet is an economical means of delivering customer services. Enterprises are getting ways for deliver service in a centralized manner.
- The enterprise which use the e commerce are find relatively easy to raise the capital.

4. **Business Process Reengineering** is reconstruction of process. The workflows and processes both between and within the organisation are analysed and redesign in BPR. In BPR, business processes are totally rethink and reconstruct. In this the workflows are studied and improved in terms of time, cost, quality and responsiveness to the customers. It aims to simplify the process and removing all the extra unavoidable steps, activities and transactions. It implies giving up old practises and adopting new ones. Improving business process is very important to every enterprise to stay competitive in market. It includes the following steps :

- Determining objectives and framework

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- Identify customers and determine their needs
- Study the existing process
- Formulate a redesign process plan
- Implement the redesign

5. **Benchmarking** is process of finding the best practises within and outside the industry to which an organization belongs. It is process of continuous improvement in search for competitive advantage. Enterprise can use this to improve tasks like (i) Maintenance operations (ii) Product Development (iii) Product distribution (iv) Customer service (v) Human resource management. The elements of it are as follow:

- Identifying the need for benchmarking
- Clearly understanding the existing decision processes
- Identify best processes
- Comparison of own process and performance with that of others
- Prepare a report and implement the steps necessary to close the performance gap
- Evaluation

6. **Education** is considered as noble profession. An educational institutions are often found as not-for-profit organisation and

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run by the trusts or societies. They include schools, colleges and universities. Educational institutions do not have cut throat competition as like commercial enterprises. But in the present era, No. of educational institutions are very high so the competition is gradually rising. The strategic techniques like (i) Getting better name and recognition (ii) Attracting talented students (iii) Designing a curriculum in such way to provide better employability (iv) Appointing and retaining quality faculty for teaching (v) Preparing students for the future challenges.

7. **Enterprise Resource Planning** is an IT based system linking information centres across the organizations. It is successor to MRP. Modern ERP system provide end to end capabilities to support the entire performance management of an organization.

The above notes are made for the purpose of revision at the time of exam. I hope that the above notes are very useful to you in your exam and you all pass with a good marks. Thank You very much.