Building a competitive advantage based on the leading methodologies of:
Lean Management, the Theory of Constraints and Six Sigma
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In our efforts to design solutions that help our clients achieve operational excellence, we are guided by a combination of the three leading market methodologies:

**THEORY OF CONSTRAINTS (ToC)**
To identify key problems and guarantee delivery of the expected results

**LEAN MANAGEMENT**
To eliminate or exploit identified “bottlenecks”, or to eliminate all non-value-adding activities

**SIX SIGMA**
To improve value-adding activities
The use of world-class solutions

The approach presented here helps maximise the efficiency of our work and offer practical immediate solutions to our clients.

We see operational excellence as the comprehensive optimisation of processes to ensure the delivery of business goals by means of:

- Reducing constraints
- Eliminating unnecessary waste and reducing of process variability
- Organisational development and instilling a culture of continuous improvement

Our competencies cover the entire supply chain, from the procurement process, through the strengthening of supplier relations and co-operation principles, to operational processes in manufacturing and service companies.
We offer our services to the following industry sectors:

- Manufacturing
- Services
- Administration
- Healthcare
- Financial institutions
A comprehensive approach to improving process efficiency

Businesses often focus their activities on the immediate implementation of selected Lean tools, without verifying whether the mended area constitutes a “bottleneck” for the organisation treated as a whole. The results of such an approach can be invisible, and even negative.

Our approach looks at a system and identifies possible constraints in its whole structure. This guarantees the effectiveness of the measures taken.

A comprehensive look at the flow of added value along the entire supply chain facilitates effective process improvement. This approach enables us to meet our clients’ basic expectations, which are to focus on matters vital to their organisation, and make changes in a manner that guarantees breakthrough results and ensures change sustainability.

Theory of Constraints

Our approach guarantees the efficient identification of real “bottlenecks” in a client’s organisation and processes. While focusing on them, we apply the 1/99 rule i.e. by improving 1% we improve the remaining 99% of the organisation.

Lean Management

The Lean Management methodology delivers the tools necessary to eliminate process waste and to exploit the constraints identified.

Six Sigma

The Six Sigma methodology ensures process stability and perfects processes and activities that add value, as per the Lean thinking.
What is the Theory of Constraints?

The Theory of Constraints (ToC) is currently one of the leading methodologies used to improve process and organisational efficiency taken as a whole.

It treats business holistically, while assuming that only identifying and focusing on the “bottlenecks” that are the constraints for the entire system yields measurable benefits for the organisation.

The exploitation of constraints

The output of the entire process is defined by the output of its weakest link. Therefore, the key is to identify the constraint for the entire organisation and to focus on eliminating this constraint, or to maximise its exploitation.

This approach guarantees visible and fast results.
GUIDING PRINCIPLE
Identifying and levelling the elimination of constraints in processes

METHODOLOGY
1. Identifying a constraint
2. Optimal exploitation of the constraint
3. Adjusting the remaining resources to the constraint
4. Eliminating the constraint
5. Return to point 1

FOCUS
The system

TASKS
To eliminate „bottlenecks” or maximise their exploitation
What is Lean Management?

The Lean concept, in a nutshell, is defined as the **elimination of activities performed in the production process or service rendering that do not add value to the final product or service**. The activities to be eliminated are described as waste and are classified into three groups: MUDA, MURA and MURI. The origins of Lean Management go back to the production system used in the Japanese company, Toyota (Toyota Production System - TPS). Thanks to its universality and results, it was then adopted by other sectors of industry, as well as by service companies, financial institutions, health care and IT.

Lean provides a number of practical tools for eliminating waste. It is a philosophy, a company’s management culture based on open lines of communication and making mistakes visible, as only such an approach guarantees sustained change and continuous organisational improvement.

In typical processes, the activities that generate added value for which customers are willing to pay amount to no more than **5% of total process activities**. The remainder of the activities are a loss, a waste.

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**TRADITIONAL APPROACH**

Focus on activities that, from the customer’s perspective, add value:

- Raising work standards
- Local “revolutions”
- Overburdening processes
- Acceptance of waste

**LEAN APPROACH**

Focus on **eliminating activities that do not add value**, i.e. those for which customers would not want to pay, if they had a choice.
GUIDING PRINCIPLE
Eliminate waste in the process to reduce lead time

METHODOLOGY
1. Considering what is “value” for customers
2. Examining the value-adding stream
3. Creating a continual flow of value
4. Establishing a pull - and demand-based control
5. Ensuring continuous improvement

FOCUS
The process

TASKS
To eliminate waste
What is Six Sigma?

Six Sigma is a method of quality management introduced at Motorola in the mid-1980s. This method (or its derivatives) is currently used by the following corporations, among others: GE, 3M, Honeywell, Rockwell Automation, Alstom, Raytheon, HP, Philips, ABB, TRW Automotive and Microsoft. The implementation of Six Sigma results in a 99.99966% probability that a defect will not be passed on to customers (3.4 defects for every one million opportunities).

The Benefits of Six Sigma implementation:

- Lower process variability
- Process centralisation
- Better customer satisfaction
- Lower costs of bad quality

Six Sigma means a 99.99966% probability that the client will not pass a defect on to the customer.

The statistical approach in Six Sigma reduces variability and centres the process toward the given value.

From the customer’s perspective, variability is more important than average value.

Improves the areas defined as adding value from the customer’s perspective.
GUIDING PRINCIPLE
Focus on the given value and eliminate variability

METHODOLOGY
1. Define
2. Measure
3. Analyse
4. Improve
5. Control

FOCUS
The problem

TASKS
Reliability
Predictability
Our competencies and experience
Why should you trust us?

Our team members:

• Have in-depth knowledge and experience in implementing Lean Management, Lean Manufacturing, Lean Supply Chain, Six Sigma, the Theory of Constraints (ToC) and World Class Manufacturing (WCM) into production processes, supply chains and other areas (logistics, finance, customer relations) at manufacturing and service companies

• Are Certified Six Sigma Black Belt professionals

• Lecture at many conferences and symposia on the subject of Lean, Six Sigma and ToC

• Acquired, prior to their engagement at EY, considerable experience in implementing and living the rules of the Lean, the Theory of Constraints, Six Sigma and WCM regarding production management, engineering and supply chain departments, continuous improvement cells and entire facilities at numerous international corporations, including:
What do we offer?

• Comprehensive implementation of Lean Management, the Theory of Constraints and Six Sigma, including the implementation of Continuous Improvement structures, and the certification of client staff for the Lean and Six Sigma Black and Green Belts

• Comprehensive consulting in the area of manufacturing and service company restructuring
  • Optimisation of manufacturing and support processes
  • Adaptation of organisational structures and resources to processes
  • Optimisation of machine set up and tooling (development of layouts for manufacturing processes)
  • Production line transfers
  • Productivity and flexibility improvement, LT (lead time) shortening, OTD (on-time delivery) and MTBF (mean time between failures) improvement
  • Costs and loss reduction

• Transformation of the procurement function
  • Development of supplier co-operation rules based on the Lean Methodology (supplier selection and approval, inventories, delivery rules and frequency, supplier evaluation, quality control, complaints, VMI etc.)
  • Development of effective structures for the supply function (functions, limits, information etc.)
  • Costs reduction through centralised procurement
  • Embedding control systems within procurement practices and procurement process optimisation business process outsourcing (BPO)

• Organisational structure optimisation

• Development of Management by Objectives systems (MBO)
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What sets us apart?

Our comprehensive project approach, which combines the Lean, Theory of Constraints and Six Sigma tools, guarantees measurable results of implementation within a short period of time.

As the EY team, we provide comprehensive client service and, should the needs change, we can swiftly respond to any new project issues. We offer this flexibility by including in our project teams specialists in such fields as, for example, IT (ERP, MRP), tax, finance, transaction advice (mergers and acquisitions, valuations, due diligence etc.), strategic advice etc., while co-ordinating all client tasks and taking responsibility for the final result of the project.

As part of the global EY network, we enjoy unlimited access to solutions developed all over the world and, at any moment in time, we can provide access to experts and solutions proven in other countries.

In executing our engagement projects, we apply and share the knowledge obtained during co-operation with companies recognised as being the leaders in the Lean, ToC, Six Sigma and WCM methodology – we design tailored solutions that suit our clients’ specific needs and circumstances.

We strive to work with our clients as a team, as this guarantees the transfer of techniques and knowledge to client staff, the sustainability of implemented solutions and the client’s capability to continue the work itself after project completion.

At EY, we co-operate with the American Productivity and Quality Center (APQC) and have access to the largest base of benchmarks (over 2,300 enterprises and more than 5,000 benchmarks completely updated every year), which we use to confirm and verify our hypotheses.
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