Standards for Lean Six Sigma Certification: Raising the Bar across the Board

March 10, 2010
Agenda

• Welcome

• Overview of Current Certification Practices
  • Bill Hathaway, MoreSteam.com

• The New COE Lean Six Sigma Certification Standards
  • Peg Pennington, OSU Fisher College of Business - Center for Operational Excellence

• Implications for Lean Six Sigma Companies
  • Rachel Lane, Nationwide

• Open Discussion and Questions
Bill Hathaway
CEO and Founder

MoreSteam.com LLC
• Founded 2000
• Over 250,000 Six Sigma professionals trained
• Over 1,800 corporate customers, including 45% of the Fortune 500
• First firm to offer the complete Black Belt curriculum online
• Courses reviewed and approved by ASQ
• Registered education provider of Project Management Institute (PMI)
Current State = Everybody Gets One

http://rock-n-riverhalfmarathon.com/kids_race
Qualified .... Really?
Belt Capability Varies Widely

Belt Capability

High Capability
Organizational Demands are High

Company Requirements

Belt Capability

High Capability
VoC – Who IS the customer?

Company Requirements

Belt Capability

High Capability
Achieving Certification That Means Something
Listening to VoC – Standards for LSS Belts

Peg Pennington

Executive Director of The Center for Operational Excellence (COE)

OSU Fisher College of Business
OSU Fisher College of Business

• “There are no back seats in our classrooms”
FCOB Center for Operational Excellence

- Interactive forum for business leaders and educators
- Provides professional development seminars
- Conducts research to develop new management approaches
COE Members

- ABB Inc.
- Abbott Nutrition
- Aggreko
- Boehringer Ingelheim Roxane
- Cardinal Health
- Coca-Cola North America
- Crane Group
- Diamond Innovations
- Emerson Climate Technologies
- Castle-Harlan
- Goodyear Tire and Rubber/Exel
- Gordon Food Service
- Greif, Inc
- Hexion Specialty Chemical
- Kaiser Aluminum
- Keystone Foods
- Lancaster Colony
- Mettler Toledo
- Nationwide
- New Product Innovations
- Ohio Willow Wood
- OSU Medical Center
- Owens Corning
- Rolls-Royce Energy Systems, Inc
- Scotts Miracle-Gro
- Sonoco-Phoenix Corporation
- Tinnerman
- Tosoh SMD, Inc
Industry Inputs into Common Standards

LSS Company Requirements
iSixSigma Certification Survey
LSS Training Affiliates' Curriculum
Current ASQ BOK
Academic Faculty
Highlights of 2008 iSixSigma Certification Survey

- 1,160 respondents

![Pie chart showing 77% Certified and 23% Non-certified.]

![Pie chart showing 63% In-house programs and 37% External programs.]
## Highlights of 2008 iSixSigma Certification Survey

<table>
<thead>
<tr>
<th>2.1</th>
<th>Average number of projects a Black Belt must complete for certification.</th>
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<tr>
<td>$181,563</td>
<td>Minimum financial benefits, on average, required per project, for Black Belt certification.</td>
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<tr>
<td>84%</td>
<td>Percentage of respondents who said their company requires an exam for Black Belt certification.</td>
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Survey says ...
Somebody Had to Do Something
Common Belt Certification Standards

• Body of Knowledge
  – Stronger focus on Lean tools
  – Requires different levels of mastery for given subject areas

• Body of Experience
  – Evidence of results on REAL projects

• Assessment
  – Knowledge test
  – Verification of project work

• Maintain certification credentials
LSS Black Belt Certification Standards

• Body of Knowledge set by COE LSS Working Group

• Body of Experience
  – Leadership role on a minimum of two projects
  – Generate substantial results, e.g. $100,000

• Assessment
  – Comprehensive test with a minimum score of 80%
  – Executive affidavit validating project work and results
  – Oral interview to review project work

• Maintain certification credentials
LSS Green Belt Certification Standards

- Body of Knowledge set by COE LSS Working Group

- Body of Experience
  - Leadership role on a minimum of one project
  - Generate substantial results, e.g. $25,000

- Assessment
  - Comprehensive test with a minimum score of 80%
  - Supervisory affidavit validating project work and results

- Maintain certification credentials
Feedback solicited from Communities of Practice
  - Take a look and send us some feedback:
    http://fisher.osu.edu CENTERS/coe/lean-six-sigma-black-belt-certification-standards/

Standards will be reviewed annually based on VoC
Coming soon: Master Black Belt Program

- Blended program
- Online coursework component
- Two one-week classroom sessions
  - First session will be held May 2010
The Challenge for Lean Six Sigma Companies

Rachel Lane

Associate Vice President, Business Excellence

Nationwide
• Founded in 1925 as the Farm Bureau Mutual Automotive Insurance Company

• Grew into one of the largest insurance and financial services companies in the world

• Ranked #124 of Fortune 500 Companies with more than $135 billion in statutory assets
History of Lean Six Sigma at Nationwide

- Highly fragmented approach
- External training
- Inconsistent Belt competencies across organization
- No internal mechanisms to support continuous improvement culture
- Additional time demands on MBBs and BBs
The Call to Action

“...It is time for us all to stand and cheer for the doer, the achiever - the one who recognizes the challenge and does something about it.”

- Vince Lombardi
Institutionalizing Lean Six Sigma at Nationwide

On Your Side®
CONTINUOUS IMPROVEMENT

“On Your Side® Continuous Improvement is a “win-win-win” – it helps Nationwide, it helps our teams, and it helps individual associates grow and succeed.”

- Steve Rasmussen
  Chief Executive Officer (CEO)
An Integrated Approach to Provide Tools

This is an extremely important initiative for us, as we are looking to improve every customer-facing process that our company has.

- Larry Hilsheimer
  President, COO Nationwide Direct

FINANCIAL

INTERNAL PROCESSES

LEARNING/GROWTH

CUSTOMER
Lean Six Sigma at Nationwide

Grass Roots

• Intent is to empower front-line associates with tools and techniques to become change agents

Center of Excellence (Institutional Capability)

• Flexible continuous improvement framework and toolset developed
• Training curriculum developed and delivered
• Community of practice created

Major Strategic Initiatives

• Transformational in nature
• Focus on key initiatives where there is a big impact to the customer and/or bottom line

Coach ➔ Consult ➔ Partner / Drive

The role of our new Business Excellence team: Enable the organization to execute “On Your Side” initiatives with a disciplined approach.
The Role of the Business Excellence Team

- Collaborate and partner with business owners
- Provide a flexible framework
- Use objective data and ensure efforts are driven by customer and market insights and company performance relative to benchmarks
- Focus on high impact area(s) to generate early, quantifiable results
- Use proven methodologies and tools
- Have fun!
Staffing the team with the “right” people

- Qualifications:
  - Knowledge of LSS methodology
  - Practical experience, and
  - Leadership capability

- No consistency in certification received by candidates

- Selection process is burdensome & resource intensive
Interview Question: How do you spell DMAIC?
## Implementing the Standards at Nationwide

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<thead>
<tr>
<th>Category</th>
<th>Black Belt</th>
<th>Green Belt</th>
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<tbody>
<tr>
<td><strong>Body of Knowledge</strong></td>
<td>Online training, study halls, individualized coaching, simulation</td>
<td></td>
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<tr>
<td><strong>Body of Experience</strong></td>
<td>2 projects</td>
<td></td>
</tr>
<tr>
<td><strong>Assessment</strong></td>
<td>Comprehensive exam</td>
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<td></td>
<td>Project review panel</td>
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<tr>
<td><strong>Maintain Certification Credentials</strong></td>
<td>Ongoing project completion</td>
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[36x36 to 108x756]
[Image 522x72 to 562x174]
[Image 522x582 to 566x709]
Capable and Confident

“We’re cross-pollinating in this Community of Practice with our ideas, with what we bring to the table, with our experiences, and that piece is very invaluable.”

- Jeanne Scott
AVP, P & C Customer Service
Thank you for joining us
Questions? Comments? We’d love to hear from you.

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Rachel Lane, Associate Vice President - Nationwide
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Bill Hathaway, CEO - MoreSteam.com
bthathaway@moresteam.com

Additional Resources:

COE Certification Standards: http://fisher.osu.edu/centers/coe/lean-six-sigma-black-belt-certification-standards/

Archived presentation: http://www.moresteam.com/morenews/webcast031010.cfm