



Problem solving and improvement

Scottish Power: Introducing Six Sigma

Frank Malley, Business Transformation Manager

In 1998 the electricity and gas supply within the UK was deregulated. Very quickly we realised our systems weren't up to new competition and gaining new customers. So very quickly we had to try to develop new systems and that got us into a mess.

We were losing 10 000 customers a week to competitors. So our customer base was going down below the three and a half million that it started with and we needed to find a method of taking out cost and at the same time providing better customer service.

Six Sigma was chosen because it was a proven methodology within industry. So manufacturing mainly and there was evidence that General Electric at the time had saved over a billion pounds by deploying it and we had a look at them and said that we could probably make that work as well.

Basically when we kicked this off our management team were very resistant.

Our managing director was right behind it, and he introduced the projects etc. Very quickly, it was obvious that we had what he deemed as 'terrorists' – people that were saying, 'Yes, yes, we're right behind this', but they were doing everything in their power to make the programme fail. So very quickly, about, probably about six months to nine months into the programme, he shook up his management team, and I think about four or five of those directors that were on that team were asked to move on. So very quickly he made it very clear that if you're not with us, then you're not part of the plan.

We set up a programme which looked at four areas. One was around the delivery of Six Sigma project. So we had sessions on identifying the various projects and issues across the business.

We then pulled out twenty of our best people across the business to become our 'black belts', which are our project managers that deliver the change.

Ross Bern, Complaints Manager and Master Black Belt

The black belt is there to steer the project, if you like, and to bring some of the analytical tools that they have as part of the Six Sigma methodology. So, to bring skills to that project team, and, but it's very much to complement the project team and not to basically dictate.

Frank Malley

In terms of 'green belts', we took out of our top 250 managers; we took the first 100, the top 100, and trained them all to green belt level. So that was actually them using the methodology and delivering projects on the back of it. And that includes the directors, so they knew why black belts were coming and trying to change things within the departments.

All 4000 staff in our division had a two-day course on why we are introducing Six Sigma and what it will mean for them and how they can get involved.

From that we end up with 500 'yellow belts' and yellow belts are the people that understand the processes. So they have the skills and knowledge for the process.

Ross Bern

The problem solving, and I guess the solutions that you implement and the decisions that you make on a daily basis, are based on facts and data rather than intuition or instinct, so there is a rigour to it.

Frank Malley

You can use data to make decisions to change people's attitudes, and come up with the sustained cultural change.

We'd go and ask our customers how they perceive Scottish Power, issues, etc. and that helps generate some of our charts further down the line as well.

We have also kicked off projects within correspondence and within complaints, trying to find the root cause, because one of the big things about Six Sigma is using data to find the root cause of why people are complaining, why they are telling us this, and then we look at trying to resolve that through solutions.