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Implementing Lean Marketing Systems



Design for Lean Six Sigma, the Xerox Way Guest was Jeffrey M. Koff

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Lean Six Sigma is a major Xerox initiative for driving new levels of business performance, product offerings, and results on the customer-centered, industry-recognized methodologies. Jeffrey M. Koff, the Director of Lean Six Sigma Learning and Corporate Lean Six Sigma Operations for Xerox Corporation was a guest on the Business901 podcast. This transcription is centered on the use of Design for Lean Six Sigma strategies and related product delivery improvement initiatives.



Xerox has made a major commitment to using Lean Six Sigma tools and methodology -both to drive improvements in our own business and to deliver measurable results for customers. Their unique, disciplined approach involves analyzing business processes and identifying ways to eliminate both errors and unnecessary steps. Xerox Global Services looks for ways to deliver improvements quickly and focus on leveraging your existing IT investments. From streamlining paper-choked workflows to automating labor-intensive functions, the results can be remarkable.

Prior to his current assignment, Jeff was a product design and manufacturing manager, where he was responsible for design and development activities for a family of printing marking engines. He was also responsible for manufacturing including design and implementation of the factory as well as managing the manufacturing operation.

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Note: This is a transcription of an interview. It has not gone through a professional editing process and may contain grammatical errors or incorrect formatting.

Transcription of Interview

Joe Dager: Thanks, everyone, for joining us. This is Joe Dager, the host of the Business 901 podcast. Participating in the program today is Jeffrey Hoff, the director of Lean Six Sigma Learning and Corporate Lean Six Sigma Operations for Xerox Corporation. Jeffrey is responsible for the corporate-wide Lean Six Sigma training and the design for Lean Six Sigma strategies and related product deliveries and improvement initiatives at Xerox. Jeff, could you start by telling us some history about Xerox and when they started their Lean Six Sigma initiatives?

Jeffrey Hoff: Xerox started working a plan to implement Lean Six Sigma at the basic level back in 2002. If folks recall, Xerox was going through some pretty tough economic times then, and we were looking for a way to shore up the company and make sure we could get things back on track. We started working a recipe which is probably fairly common throughout the industry. I think the difference there is that it was very much supported and encouraged at the highest levels in the corporation. In fact, we started with a corporate-wide initiative. This combination of top-down support and bottoms up work to develop belts really started to yield good results starting in 2003, and then carried us forward from there.

Joe: When I think of the early adopters of Six Sigma, I think of GE and Motorola. When I

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think about Six Sigma at Xerox, I think of them being the early adaptor of applying it with their customers. Do you think I am correct?

Jeffrey: One of the things that we did, Joe, I think early on... Maybe some people a little bit smarter than me saw that there were two things going on out there. There were companies that were adopting Six Sigma in sort of the Motorola recipe, and there were companies that were adopting Lean more along the lines of the Toyota recipe. And Xerox decided to combine the two so we could have the combination of inwardly working on efficiencies and outwardly trying to make sure that we keep the customers at the forefront of whatever it is that we were doing. We actually went through some work to bring these two disciplines together and got some good early success out of that. I guess one of the things that you see these days that you didn't used to see back in '02 or '03 that you're probably going to see a fair number, maybe more than 50 percent of the companies that are trying to work Six Sigma, do it in conjunction with Lean these days. So I think in that respect I think Xerox did forge some new ground.

Joe: How do you see the two disciplines, Lean, and Six Sigma combining?

Jeffrey: That's a really good question. The Lean part of it really talks to flow and getting rid of waste and trying to create almost a harmonious situation in an operation. And in my mind, that is really great foundational work to create an environment where folks can go back in and do more optimization. In other words, starting with the Lean and getting an operation to run very efficiently really helps uncover the opportunities to apply the Six Sigma techniques to try and further optimize outputs and those sorts of things.

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I think when you put the two together you really find that you can get some fairly quick impact using the Lean tools, and then can come back in and make things better still with the Six Sigma processes.

Joe: So, Six Sigma is a little more project based?

Jeffrey: The way we think of it, Joe... we actually combine both Lean and Six Sigma in a project. But quite often what you'll see is that the projects start out trying to get things to run effectively. In a lot of projects, we will start looking at process maps and trying to understand how to get rid of the non-value added activities in those process maps, how to get flow in the operation. And then it could be in the same project or could be a follow-on project we'd come back and try and do some further optimization using statistical techniques.

Joe: When it's applied at Xerox are you using these initiatives with the customer? You are not only just doing it within Xerox, but you are going out on a customer's platform and working with him in driving these initiatives?

Jeffrey: There are a couple things that you'll see. We do have a fairly large category of black belts that go out there and work with the customers to help optimize their operations. They might have a print center, or they're doing data handling, those sorts of things. We will do projects with them and on their behalf. So those are definitely customer projects. So selling them a piece of gear is interesting, but allowing them to have a more holistic solution in their operation is really where it's at. We want to bring more value than

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they would get just by buying a box from us if you would. So in those cases we could be right out there working with the customers directly.

We also do a fair number of internal projects. One of the things we need to make sure is whenever we do an internal project; we have the customer's best interests in mind. For example, we're doing some work to improve a billing operation, then we would want to make sure that we clearly understand what the customer needs out of the operation. While we're trying to improve efficiencies in there, we also want to improve the customer experience.

So it's really two ways. One is right out there with the customer. And the other is internal but keeping a focus on the customer as we're doing those also.

Joe: Do you also use Lean and Six Sigma in the design stages for Xerox?

Jeffrey: Actually a lot of my roots are in product design and development. One of the things that really excites me about the Lean Six Sigma roll-out at Xerox is an awful lot of our work focuses on new offering and product development. We started in 2002 with DFLS set of offerings. Then starting in 2005 or somewhere in there we wanted to figure out how to more closely serve the product development side of the business. We actually started looking at mechanical design; that is a big portion of what we do here mechanical design and research. What we found is that in the basic demand process there is some work around optimization that has to do with design experiments and what not. We realized is that if we took that part of the demand process and sort of put it on steroids in other

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words really beefed it up so that it becomes something strong then we could focus that in on our research and development and our mechanical design.

We developed a program, our first DFLSS program that is designed to meet Six Sigma. The first one focused in on that one environment where we are doing that mechanical design. And it really takes a few elements, and those elements are around developing the house of quality, creating IPO or input-process-output diagrams and creating design experiments around those so that we could do optimization. Doing some expected value analysis so that is really a form of simulation so that we could understand expected outcomes and the optimization around that. We found that if we take that piece of it and focus it on our R & D; we could really make an impact in our design.

So that was our next step. We went from DMAVV into this mechanical environment. Since then we have grown some more, I don't know if you want hear more about that or not.

Joe: Oh most definitely, it is very interesting. You are really one of a few people I hear call it DFLSS. Most of these people you'll hear call it Design for Six Sigma, and you'll hear DMAVV and the VDAMD. Very few people will ever mix Lean and Six Sigma together when it comes to design.

Jeffrey: On the product design side, we started in the mechanical world but actually XEROX is more of a software development company than a hardware development company these days. There is this huge component in our product which is really software focused. The challenge is for our software development community to be really more

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along the lines of making sure they are working on the right things and that they are working efficiently, effectively and as flexible as possible.

What we did in that arena is actually adopted some work around agile software development that has been out there in the field. This really takes some of the meaning processes, some of the more control systems kind of things and specifically applies them to software development. Right now what we are doing is agile software development and product driven development. For us, it has been a real interesting journey. We're getting good results, but agile software development also comes with some social shifts which are greater than we've seen with other implementations of Lean Six Sigma.

In other words, we go to a team environment, and folks really need to have a lot of shared personal responsibility to make all this happen. So, it's a little bit different, or very different, from the waterfall process used in the traditional management process that we used in the past. Now that is really starting to take hold for us.

In the hardware arena, and in the software arena right now, we have Green Belt programs, and then we have Black Belt programs. When you reach the Black Belt level, not only are you getting more advanced topics being covered, but you're also getting a fair amount of training in personal effectiveness and team effectiveness methods. A person may spend up to a week, developing their own skills, in terms of ability to work in one-on-one situations and manage teams and work with their own management staff.

Joe: Everybody thinks of Six Sigma as the engineers behind the computer, and they're all

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sitting there looking at calculations, and all these statistical things going on, but you're bringing the social aspect into it. Is that one of the driving factors at Xerox?

Jeffrey: Yeah, it's enormous. We first learned this back in 2003, and I guess I should say I've actually been managing with Lean Six Sigma almost from the start here. I've been living this, and I can tell you that when you see projects that are not successful when you see studies that are not successful, it's almost always a problem that is not technical. It's almost always a problem in the inability for someone to properly manage a team.

Sometimes it comes down to, does the person understand where there's a crucial conversation, and should they engage in that crucial conversation. Sometimes, it's how do I get the most out of these people who are working with me on this? And sometimes, it's what are the things needed to be done to ensure acceptance among departments and managers that are going to be taking ownership of this thing when I'm done with it. We immerse all our black belts in about a week of training in these areas. 40 hours of training and we ask and expect that they continue to do these things after they're done with their classroom experience and while they're working on their first few implementations.

I do read the articles, and I see some other companies having really good success with their programs and some companies having it stall. I don't know, but I would guess that if you looked under the hood you would see that a fair number of them that are successful are focusing on personal and team effectiveness, and a fair number of them that are failing are perhaps ignoring the human side of this thing.

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Joe: I think you heard the previous podcast I had with Aqua. She had mentioned the team-building and the process that is used at Xerox. I can see that everybody is on the board at Xerox because you even bring it up its importance. You use Lean and Six Sigma in design. I believe it is the natural extension for it since most of the process problems and other problems you have in a product are built into it and designed in it to begin with. How do you start with that process?

Jeffrey: We work within our outlying community to help them to be more efficient, more effectively gather requirements from customer, help them segment the market, understand the market forces and demystify the whole market research process so that they can work quicker, respond in the market and work with the hardware and software development teams. I think this link is one that we're not quite as advanced as other areas, but the impact is just enormous. When you see people embracing the message and using more and reaching for the program development teams, we are getting some really, really good stretch, through the whole value chain up to the whole delivery process.

I think it is essential to for the hardware and software folks to get this information. There is sort of a diagram such as a Venn diagram that overlaps the Voice of the Customer, Software development, and the Mechanical Hardware development pieces. They all need to interact, and the marketing piece basically takes the lead, grab the VOCPs and put them on steroids. The software development basically takes the main piece and put it on steroids, and the Hardware piece takes the actualization and puts that in steroids.

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I mean it is hard to separate one from the other and when I draw a diagram, filling in the big loop of that thing and that loop to me is lean because of the basic principles apply throughout the activities and so we talk about why we're doing this and how we're doing this. I think it really comes down to, if we get the thing firing on all cylinders, then we're delivering the right customer value to the right customer. And we're getting products out there that should have great reliability and great cost model attached to them. And I think it's sort of our Holy Grail here.

Joe: How early in the process do you get the customer involved?

Jeffrey: Well it's all over the map, there are lots of programs. But, essentially, you want to get a customer involved before you start designing the product, right? Ideally, you want the needs of the market to dictate what it is you're working on.

Now this is an interesting one, Joe, because think of Xerox four years ago. And Xerox got to be where it is because it's a company that innovates really, really well. I mean, great engineers, great scientists here, invented xerography and just took off from there. But now we're in an environment where our competitors have some pretty darn good engineers and scientists also. And things get tougher, and so we're in a transition where we're trying to go from an innovation led company to a, this is subtle but very important, to a market driven/innovation led company.

We don't want to lose that innovation element that's made us who we are, but we recognize that we need to understand our customers extremely, extremely well. And we

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need to focus that innovation energy on the right things in order to hold our place and keep our place in the market.

Joe: Are you finding that from these interactions, Xerox has with their customers now and getting engineers out in the field, that you see it a lot more innovation?

Jeffrey: Yeah, definitely, you know it's interesting, there are activities going on. I'll cite one example. There's an activity going on with our Research & Development Community, our Products Innovation Group, where they have been trying to work a customer study. What they do, and try to understand their profit models, right? When we catalog that sort of information and share it with engineers, it really does get their creative juices going. So, sometimes it's talking to the customer and understanding where the needs are. And sometimes there's some unspoken stuff that goes on, right?

So sometimes you'll find that customers are using your equipment in ways that you never really thought it was meant to be used, however they're making money at it, right? They are taking one of our products, one of our services and linking it with something else. As a result, they find solutions; they're going to find solutions that work for them. We observe those things, and as we talk about those things, it really does help our engineers understand where to direct their efforts.

Joe: I think it just might have a great benefit for Xerox. As they work with customers, get engineers out there to see the applications first hand. Engineers want to fix stuff. They look at things from that point of view. It's their nature.

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Jeffrey: Right... I mean, so I can say this because I am an engineer, right, but an engineer left to his or her own devices will always find, will usually find, some really cool solutions. But the question is whether it's a solution to a problem that anyone cared about, right?

I tell you, it's directing the energy in the right, orienting it correctly. That is really, I'm sure it pertains, through a lot of industries, you get great people, but you've got to make sure that they're focused on the right thing, in order to make things happen. This whole idea of observing customers and understanding how they work is just really, really key.

One of the things that I found from a study, it more tied to social sciences and this whole notion of ethnographic studies. One thing that we have here is we have people that are actually doing these ethnographic studies. So you're in Rochester, where I'm located but also in Europe, and also in our Palo Alto Research Center. And just last week, or two weeks ago, I had the opportunity to sit with folks from all three locations that were here in Rochester and found that the information that they gathered and some of the seemingly unrelated topics, like, for example, studying how people use their projectors and linking them to their PCs.

But really means a lot to understanding, our customers' behavior in general in terms of how they operate and how they want to want to work in their own environment. So it's fascinating. It's from a science mind, it's a little bit, and you've got to, well sit back and watch and let it happen. You've got to sit back and relax, whereas, for many other things

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that we do in our daily life, you want to sit on the edge of our chair and just react quickly. So, to me it's really, some, pretty cool science going on there.

Joe: So many times a problem isn't with that piece of equipment. It's usually when you're adding in two or three pieces together, or you're connecting them up. That's where issues come up. Just think of today's world, you plug in a computer, and you expect everything to work on it, and be up and running in five minutes out of the box.

Jeffrey: Right, or else you won't buy it again, right?

Joe: Yes, that's your expectation. In the design procedure, why do you choose that methodology over, let's say, some of the others. Why do you think DFLSS is a better methodology than maybe what Triz is or some of the others out there?

Jeffrey: I've got a couple of directions I want to take this one. The methodology itself is interesting; I will say unequivocally that I never develop anything on my own. We sort of eat our own dog food. We recognize that there's a gap to be filled, and right now we probably have 20, course offerings and workshop offerings out there. And we recognize there's a gap to be filled, we actually reach out to the business. And we start with trying to get some business, what their user stories are.

A user story so goes something like this. I want to learn a particular skill so that I can do a particular thing, right? So we start with our user stories so that we can understand the gap. And then we identify those, we start to build a house of quality. We go back to the...

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once we get it organized, we go back to the business and work with them to get the prioritization ranking, and then we go about looking for solutions like we would, a product solution or a process solution.

So the methodology that we're that we're lashing onto and the methodology that you know we interacted with the business on, and we're picking things that we believe would work in, for our company and our environment.

I think that's really a key. You know, I would caution anyone that this comes up and said it worked with Xerox; I'm going to try it, right? Because every corporation has a different culture; businesses within the corporation have different cultures and skill sets have different cultures.

You've got to let them be part of this whole process of what you think and how you roll it out and how you develop it. And, so I think, it works here for us; because the ownership is there from the get-go, from the managers and the thought leaders that are using it on an everyday basis. I think that's what led us to the position where we are now.

Joe: I think that's true because the, with your design with respect to the different cultures that you have there, it's something that is not mimicked easily, and you can sit and talk about it and in fact it's not easy just because it's called Xerox.

Jeffrey: Right, right. I've spoken to folks in other high-tech companies that have had success in product deployments. I look at their deployment and say I don't know for sure

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that would work for Xerox, but I understand why it works for your company and your industry. So I think there is not a cookie cutter approach. Use your main processes to develop these things as you go forward, and you get some good results.

The other thing that I wanted to comment on was, you had mentioned, Triz. And you said why, Xerox didn't pick a Triz methodology. We ask our black belts, do the basic curriculum that we need them all to work through, and then we ask them to pick one or two additional areas and improve their skills, spike up their skills in those areas of their own choosing. So they'll pick an area that is either in their current role or might help them move their career forward in a particular direction. A number of them actually would include elements of other process improvement cultures. For example, one of the electives that we offer is an elective called Tactical Innovation for Problem Solving.

We recognize that sometimes, with all the really good work that we think people are doing out there, sometimes people run into a situation where the DFLS technique will not yield a good solution by themselves.

We offered a training proposal including Triz in order to take the problem, a sticky, a problem or a sticky issue and work through some innovative techniques, so that they can open up the stage of possibilities, possible solutions. So that they are doing this diverse converse process in order to shake the problem free. We don't want to ignore it; we are just trying to place it in the right position within our DFLS into our overall structure.

Joe: Have you seen much interest in utilizing the Theory of Constraints? Utilizing any logic

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trees or anything like that?

Jeffrey: It is interesting trying to get that thinking sort of a higher level. There is a particular process we are using. Things work well and then we try, but we probably struggle a little bit still trying to figure out how to get it working in higher levels cross-organizational, cross-functional issues so...

Joe: I had sort of a silly question to ask, but does Six Sigma really stand for Six Sigma anymore?

Jeffrey: Well, yes and no I guess. I mean the notion of practically zero defects is I say no when we walk around... I think it may mathematical level, I'd say sometimes. Sometimes we have seen some phenomenal work done around optimization and liability that is taking us to levels that we never thought achievable.

I don't want to do a sales pitch, but this latest product that Xerox put out there is the ColorQube, which is a color office product -a solid ink product. We ended up launching that with a reliability target. We had a reliability target, and what we actually achieved was close to five times better than what the target was. Of course, the target was based on what we know, and what the past products have done, and things like that.

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We have seen some phenomenal improvements in our products, which the customers should be able to feel out there.

I think at a higher level, at an emotional level, I think Six Sigma is still the right phraseology, because what it means to a lot of people is a goal. It's a goal that you may never actually attain, but you've got to keep on the journey. For a fair number of the things that we've done, we may have started out at a two sigma level, which means lots of errors. But moving to three sigma, moving to four sigma, and continually trying to make these improvements -particularly when you're trying to make the improvements on behalf of your customer -becomes a culture that you want to make sure is good and deep in the fabric of the company.

I am more than happy to defend the Six Sigma in the Lean Six Sigma title as something that should be there. How does that grab you?

Joe: That is a very good answer. I would like to finish up by saying thank you very much, Jeff, appreciated the conversation. I really look forward to learning more about Xerox. It seems that the customer initiatives that you have surrounding your Lean Six Sigma program is outstanding, and the more I see, and more I hear about it, I'm impressed.

Jeff: Joe, I wanted to say thanks, but the other thing I want to say is I'm glad that we did this. One of the things I did when Glenda and Elizabeth hooked us up was I went on, and I actually said, "I'm going to spend 20 minutes on Joe's website, and learn a little bit about it."

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Four hours later, I got out of your website, so it looks like you're covering the waterfront. You're doing some really good things out there, in terms of letting the world know what other folks are doing, and what possibilities are out there.

Joe: Thanks, I'm trying to be a Lean and a Lean Six Sigma advocate for marketing. I think there are great possibilities out there, and I'm trying to leap to the forefront of that a little bit.

I would encourage anyone; if they want to find out more information about how Xerox can apply Lean Six Sigma to their business visit the outsourcing area on Xerox.com There are a number of different Lean Six Sigma case studies and other examples.

The podcast is available on the Business901 Podcast site, and if you'd like to download this podcast to your iPod, it'll be available at the Business901 store. And again, I would like to thank Xerox, and I would like to thank you specifically, Jeff, for your efforts and for a delightful time.

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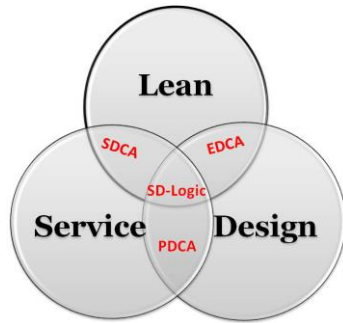
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Joe Dager is President of Business901, a firm specializing in bringing the continuous improvement process to the sales and marketing arena. He takes his process thinking of over thirty years in marketing within a wide variety of industries and applies it through Lean Marketing and Lean Service Design.

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