

# SIX SIGMA - GLOSSARY & TERMINOLOGY

[http://www.tutorialspoint.com/six\\_sigma/six\\_sigma\\_glossary.htm](http://www.tutorialspoint.com/six_sigma/six_sigma_glossary.htm)

Copyright © tutorialspoint.com

This introductory tutorial provides just a glimpse of Six Sigma and it is by no means a comprehensive one. We recommend our readers to explore other resources available on the Net to collect more information on Six Sigma. For readers' benefit, we have listed down a few resources in our Resources section.

Given below is a glossary of terms commonly used in the domain of Six Sigma:

## "As Is" Process Map

It depicts a process as it is, currently. "As is" process maps are usually characterized by several input options, bottlenecks and multiple handoffs, inspections and rework loops.

## "Should be" Process Map

A depiction of a new and improved version of a process, used in DMAIC and iDMAIC projects, where all non-value added steps are removed.

## Affinity Chart

An affinity diagram is a tool for organizing large quantities of information from many people. It is often used with brainstorming and other creative thinking activities. The ideas are usually written on sticky notes, then categorized into groupings of similar ideas.

## Analyze Phase *DMAIC*

Analyze phase identifies the root causes of the problem and confirms them with data.

## Area SIXSIGMA Council

Leadership group *AreaVP, AMD, AD, MBBs, and oftenGMs* guiding the implementation of quality and SIXSIGMA within the organization; establishes, reviews, and supports the progress of SIXSIGMA DMAIC and iDMAIC projects.

## Assumption Busting

A questioning process that helps identify and eliminate preconceptions or blind spots that hold people back from proposing or pursuing the best solution.

## Attribute Data

It is any data that is not quantified on an infinitely divisible scale. Includes a count, proportion, or percentage of a characteristic *e. g. region, location, roomtype. . .* or category *e. g. gender: male/female. . .*. This is in contrast to "continuous" data that is not limited to categories *e. g. cost in dollars*.

## Balanced Scorecard

It categorizes ongoing measures into a few significant areas such as finance, process, people, and innovation. It is used as a presentation tool to update sponsors, senior management, and others on the progress of a business or process; also useful for process owners.

## Baseline Measures

Data that reflects the performance level that exists at the beginning of an improvement project, before any solutions are initiated. It is the "Before" snapshot to be compared later with the "After" view.

## Best Practice

A completed project *usually, but not always a Six Sigma project* that is particularly valuable for use in other

properties based on meeting the following three conditions: success, transferability, and Speed of benefit realization

## **Black Belt**

An associate fully assigned to Six Sigma and trained in the DMAIC methodology, analytical tools, and team leadership skills. Black Belts are responsible for guiding DMAIC projects to completion. They lead DMAIC projects, assist with Quick Hits and provide coaching and expert support for iDMAIC transfer projects. Their role in Best Practice and Innovation transfer projects is to assist and coach the Import team on the DMAIC tools and methodology.

## **Both/And**

It is a narrowing/selection process that seeks to identify solution ideas, which are similar *AND* as well as workable together even when not similar ideas *BOTH*. This technique helps the team seek connections and combinations of ideas to develop better and more workable solutions.

## **Box Plot**

It is a graphic display of groupings of data that compares the groupings to the others on one chart. An example of the tool would be looking at the variation in check-in time by different front desk associates.

## **Critical to Quality CTQs**

Refers to what customers consider important in any given process. Collecting Voice of the customer data leads to the discovery of CTQs, which are translated into distinct requirements that can be measured.

## **Cause and Effect Diagram *Fishbone/Ishikawa***

Brainstorming tool used for proposing root-causes the "bones of the fish" for a specific effect the head of the fish. This can be used in combination with the Affinity Diagram to determine the major categories. Also commonly used in combination with the "5 Whys" technique in order to help people understand the root cause.

## **Charter**

It is a team document defining the context, specifics, and plans of an improvement project. It includes business case, problem and goal statements, constraints and assumptions, roles, preliminary plan, and scope.

## **Checksheet**

Forms, tables, or worksheets that are set up ahead of time for people to use in data collection; it allows for collection of stratified data in a consistent way.

## **Common Cause Variation**

It is normal, everyday influence on a process. This form of variation is usually harder to eliminate and requires changes to the process. Problems from common causes are referred to as "chronic pain".

## **Complexity Matrix**

A tool used to assist teams in determining the level of complexity of a project.

## **Continuous Data**

Any quantity measured on a continuous scale that can be infinitely divided; primary types include time, dollars, size, weight, temperature, and speed.

## **Control Phase DMAIC**

Control phase in DMAIC evaluates the solutions and the plan, standardizes the solutions, and

outlines the steps for ongoing improvements including opportunities for using the solutions elsewhere.

## **Control Chart**

It is a specialized graph that shows process performance over time, shows average upper and lower control limits and helps determine the influences of common usual causes or special unusual causes.

## **Correlation**

It is a measure of the degree to which two variables are related. It is calculated to quantify the strength of the relationship between the two variables.

## **Cost of Poor Quality COPQ**

It is a financial measure depicting the impact of problems due to internal and external failures in the process which includes labor and material costs for handoffs, rework, waste or scrap, inspection, and other non-value-adding activities.

## **Process capability Cpk or Cp**

Process capability is the degree to which a process can meet customer requirements.

## **Criteria Matrix**

It is a decision-making tool used when potential choices must be weighed against key factors such as cost, ease to implement, impact on customer, etc. It encourages use of facts, data, and clear business objectives in the decision-making.

## **Customer**

It is an internal or external person/organization who receives the output product or service of the process.

## **Customer Requirements**

They define the needs and expectations of the customer; translated into measurable terms and used in the process to ensure compliance with the customers' needs.

## **Cycle Time**

The time it takes to complete a process from start to finish. It includes actual work time and waiting time.

## **Define, Measure, Analyze, Design, and Verify DMADV**

It describes the application of SIXSIGMA tools for designing new products and processes.

## **DMAIC**

Acronym for a Process Improvement/Management System that stands for Define, Measure, Analyze, Improve, and Control; lends structure to Process Improvement, Design or Redesign applications.

## **DMAIC 1 Training**

It is DMAIC training for Master Black Belts, Black Belts and Green Belts. This course begins the SIXSIGMA problem-solving methodology DMAIC, focusing on first steps of Define, Measure and a portion of Analyze.

## **DMAIC 2 Training**

It is DMAIC training for Master Black Belts, Black Belts and Green Belts. This course is the conclusion of DMAIC method, finishing Analyze, Improve, and Control.

## **DMAIC 3 Training**

It is DMAIC training for Master Black Belts. This course deepens the participant's mastery of problem solving and statistical tools.

## **DMAIC Project**

Projects that follow the DMAIC methodology led by a Black Belt; is generally goes for a duration of 3-4 months and can cross functional boundaries. A DMAIC project focuses on improving an existing process using the 5 steps Define, Measure, Analyze, Improve, and Control.

## **Defects Per Million Opportunities DPMO**

Calculation used in SIXSIGMA initiatives to show how much "better" or "worse" a process is by indicating the amount of defects in a process per one million opportunities.

## **Dashboard or Process Scorecards**

It is a graphical tool that provides a summary update on key indicators of process performance. It can include "alarms" to show if and when a key indicator is nearing a problem level.

## **Data Collection Plan**

It is a structured approach to identifying the required data to be collected and the approach to collecting it. It includes: the measure, the measure type, data type, operational definition, and the sampling plan if new data is necessary.

## **Decision Tree**

Used during the SIXSIGMA Council process to determine project selection weighting. It focuses properties on the area either Revenue, cost Reduction or ASI, GSI that needs the greatest attention to achieve overall property goals.

## **Defect**

It is any instance or occurrence where the product or service fails to meet customer requirements.

## **Defect Opportunity**

It is a potential defect on a unit of importance to the customer.

## **Defective**

It is any unit with one or more defects.

## **Define Phase DMAIC**

It is the first phase of DMAIC, where the project's purpose and scope are defined. Background information on the process and customer is collected. The output of this phase includes a clear statement of the improvement i.e. business case and Project Definition Form, a high-level map of the process SIPOC, and a list of what is important to the customer.

## **Deployment Process Map**

A map or graphical view of the steps in a process shows the sequence as it moves across departments, functions, or individuals.

## **Descriptive Statistics**

It is a statistical profile of the collected data which includes measures of averages, variation, and other numbers which help team members assess "how bad" a problem is and to pinpoint where to focus further analysis and solutions.

## **Design for SIXSIGMA DFSS**

Describes the application of SIXSIGMA tools to product development and Process Design efforts with the goal of "designing in" SIXSIGMA performance capability.

## **Discounted Cash Flows DCF**

A method of financial analysis that allows comparisons of dissimilar projects on the basis of their overall value in today's dollars. DCF converts future cash flows into equivalent current dollar equivalents.

## **Discrete Data Attribute Data**

It is any data not quantified on an infinitely divisible scale. Includes a count, proportion, or percentage of a characteristic or category

## **Division SIXSIGMA Council**

Leadership group Presidents and direct reports, Division SIXSIGMA leader, AMDs, and often MBBs and GMs guiding the implementation of quality and SIXSIGMA within the division; establishes, reviews, and supports the progress of SIXSIGMA DMAIC and iDMAIC projects. The Division Council is responsible for driving the SIXSIGMA initiative within that division and is accountable for project, process and business results.

## **Documentation**

Documentation is a historical account of the activities and decisions made throughout a DMAIC project, Quick Hit, and iDMAIC project, which is used to facilitate sharing of best practices across an organization and as part of the project close-out process.

## **E-SIXSIGMA Project Tool eTool**

Online database capturing project DMAIC, Quick Hit, and iDMAIC information including the proposed project goals, problem statement, projected cost and benefits, as well as tollgate documentation information from each phase of DMAIC and iDMAIC projects.

## **Effectiveness**

It is a measure related to how well the process output meets the needs of the customer. It links primarily to customer satisfaction.

## **Efficiency**

It is a measure related to the quantity of resources used in producing the output of a process.

## **External Failure**

It is when defective units pass all the way through a process and are received by the customer.

## **Failure Modes and Effects Analysis FMEA**

A useful technique for preventing future problems and reducing risks to a solution.

Used to identify and assess errors & defects which could result in a threat to quality, safety or reliability; it is useful in implementing improvements, redesign or design of processes. It is also a tool for process owners to build prevention and contingency steps into the project plan.

## **Fishbone Diagram**

See Cause and Effect Diagram.

## **Five Whys**

Five Whys are often used to generate a cause and effect. It is the technique of asking "Why" five times in order to dig into each potential cause. "Why" is asked until the root cause is revealed.

## **Force Field Analysis**

It involves a list of the factors that support and factors that "hurt" an idea; "restraining" factors are listed on one side of the page and "driving forces" listed on the other. Frequency Plot or Histogram

It is a graphical representation of the shape or distribution of the data by showing how often different values occur. It helps to answer the question: "Is the process capable of meeting my customer requirements".

## **Functional Map**

See Deployment Process Map.

## **Future Focused Cause and Effect**

A traditional cause and effect diagram used for brainstorming future actions employed during the Improve phase of a DMAIC project.

## **Gantt Chart**

It is a project planning and management tool that displays all the tasks or activities associated with a project or initiative as well as the relationships/dependencies between these tasks.

## **Global SIXSIGMA Council**

Leadership group Starwood's Senior Operating Committee and Division Presidents guiding the implementation of quality and SIXSIGMA within the organization, which establishes, reviews, and supports the progress of SIXSIGMA DMAIC and iDMAIC projects. The Global SIXSIGMA Council is responsible for designing and driving SIXSIGMA throughout Starwood.

## **Goal Statement**

Description of the intended target or desired results of Process Improvement or Design/Redesign activities; usually outlined during the proposal phase of the PDF, revised in the Define phase of a DMAIC project and supported with actual numbers and details once data is obtained.

## **Green Belt**

Associates trained to the same level as Black Belts, but not on full-time assignment to SIXSIGMA. They may do DMAIC projects, lead smaller SIXSIGMA projects on a part-time basis, serve on larger projects as team members, and/or undertake implementation of Quick Hits or Innovation Transfer projects.

## **Handoff**

Any time in a process when one person or job title or group passes the item moving through the process to another person; a handoff has the potential to add defects, time, and cost to a process.

## **Hawthorne Effect**

It is an increase in worker productivity that results from the psychological stimulus of being temporarily singled out and made to feel important.

## **Histogram or Frequency Plot**

See Frequency Plot.

## **Hypothesis Statement**

It is the complete description of the suspected causes of a process problem.

## **iDMAIC**

iDMAIC stands for "Innovation DMAIC". iDMAIC is a methodology designed to ensure consistent and rapid transfer of innovation throughout Starwood. Innovations can be DMAIC projects, Quick Hits, or other Starwood Innovations.

## **Internal Rate of Return IRR**

It is a way to compare potential projects by calculating the financial value of a project against the investment required

## **Impact/Effort Matrix**

A graphical representation of different projects plotted along two axes  $Y = \text{Impact}$ ,  $X = \text{Effort}$ . It is a project selection tool that allows comparison of dissimilar projects during the project selection portion of the SSC process.

## **Implementation Plan**

A project management tool used in the "Improve" stages of DMAIC and iDMAIC, compiling tools such as Stakeholder Analysis, FMEA, Poka-yoke, SOPs and pilot results if conducted in a consolidated format.

## **Improve Phase DMAIC**

The goal of Improve phase is to pilot and implement solutions that address root causes. This step helps to eliminate any errors/false starts when the team finally implements the solution.

## **Innovation Transfer**

The successful transfer of a new idea, method or solution from one property to another may be a Quick Hit, Best Practice, or any other innovation.

## **Input**

It is any product, service, or piece of information that comes into the process from a supplier.

## **Input Measures**

Measures related to and describing the input into a process; can be predictors of process and output measures.

## **Ishikawa Diagram**

See Cause and Effect.

## **Kano Analysis**

A graph of how customer satisfaction is effected by a particular problem, change, or other variable. The graph is divided into three regions of customer reactions to the variable: "Dissatisfiers", "Satisfiers" and "Delighters".

## **Leading SIXSIGMA Training LSS**

It is an introductory course for top-management to SIXSIGMA at Starwood, the SIXSIGMA problem-solving methodology DMAIC, and the project selection process.

## **Leading Teams Training LT**

It is a Team Leadership workshop designed to give participants the necessary skills to be able to lead teams in a challenging environment. The participants, Master Black Belts, Black Belts, and Green Belts are also introduced to the SIXSIGMA problem-solving methodology DMAIC and the project selection process.

## **Learning Cycle**

An individual and team based learning exercise that helps individuals identify their own and others' views on the team decision making process and the team's overall performance.

## **Learning Map**

It is an experiential, accelerated, and high-involvement learning activity to introduce SIXSIGMA concepts and the initiative at each Starwood property. It consists of a table-sized visual "SIXSIGMA: Innovation and Improvement" map and a set of cards that direct the participants through a discovery learning activity.

## **Master Black Belt MBB**

It is a SIXSIGMA business champion and coach for Black Belts. The MBB is trained in the DMAIC process, analytical tools, and facilitation skills. The MBB is responsible for project selection for the Property and Area, ensuring that the DMAIC process is being implemented, and that all projects are on-track towards completion.

## **Measure General Definition**

It is a numerical evaluation of based on observable data. A few examples of measures could be number of new reservations per day, the number of check-ins per week, the number of employees scheduled per shift.

## **Measure Phase DMAIC phase**

The Measure phase focuses the improvement effort by gathering information on the current situation.

## **Moment of Truth**

It is any event or point in a process when the internal/external customer comes in contact with a process. At each of these points the customer has an opportunity to form an opinion **positive**, **neutral**, or **negative** about the process or organization.

## **Multiple Regression**

It is quantitative method relating multiple factors to the output of a process. The statistical study of the relationship of a combination of multiple variables  $X_1, X_2, X_3 \dots X_n$  to a single output  $Y$ .

## **Multivoting**

It is a narrowing or prioritization tool. Faced with a list of ideas, problems, causes, etc., each member of a group is given a set number of "votes". Those items or issues receiving the most votes get further attention/consideration.

## **Net Present Value NPV**

It is the equivalent value in today's dollars of a stream of future cash flows. NPV calculation seeks to quantify the concept that money received in the future is worth less than money received today.

## **Non-value-adding Activities**

Any step in a process that do not add value to the customer or process. For example, rework, handoffs, inspection, delays, etc.

## **Operational Definition**

A clear, precise definition of the factor being measured or the term being used; ensures a clear understanding of terminology and the ability to collect data or operate a process consistently.

## **Optional Best Practices**

A completed project usually, but not always a Six Sigma DMAIC or Quick Hit project, that is particularly valuable for use in other properties.

## **Original Team Original DMAIC/Quick Hit Project Team**

It is the team that originated and completed the original process improvement project DMAIC or Quick Hit in their property. The role of the Original Team is to ensure proper project documentation to ease transfer and to provide advice, clarification and assistance to teams

importing their project.

## **Output**

Any product, service, or piece of information coming out of, or resulting from, the activities in a process.

## **Output Measures**

These are the measures related to and describing the output of the process; total figures/overall measures.

## **Pareto Principle and Chart**

A Pareto Chart is a data display tool based on Pareto Principle; or 80/20 rule. It is used to help a team focus on the specific causes or issues that have the greatest impact if solved.

## **Pilot**

It is the trial implementation of a solution on a limited scale to ensure its effectiveness and test its impact.

## **Plan-Do-Check-Act or PDCA**

It is basic model or set of steps in continuous improvement; also referred to "Shewhart Cycle" or "Deming Cycle".

## **Poka-Yoke**

Poka-Yoke is a Japanese term for "mistake proofing". Mistake proofing typically looks at every step in the process in detail, and uses creative thinking to develop ways to keep errors from occurring.

## **Precision**

It is the accuracy of a measurement. When used in reference to sampling, this entails how much of change you need to be able to detect. As the need for precision increases, so does the sample size.

## **Preliminary Plan**

It is used in the early phase of a project, while developing milestones for team activities related to process improvement; includes key tasks, target completion dates, responsibilities, potential problems, obstacles and contingencies, and communication strategies.

## **Process**

It is a series of steps or actions that lead to a desired result or output. A set of common tasks that creates a product, service, process or plan that will satisfy a customer or group of customers.

## **Process Owner**

Process owners are the responsible individuals for a specific process.

## **Process Capability**

Statistical measures that summarize how much variation there is in a process relative to customer specifications.

## **Process Improvement**

Improvement approach focused on incremental changes, involves solutions to eliminate or reduce defects, costs, or cycle time; leaves basic design and assumptions of a process intact.

## **Process in Control**

A statistical concept indicating that a process is operating within an expected range of variation and that variation is being influenced mainly by "common cause" factors; processes operating in this state are referred to as "in control".

## **Process Management**

It involves defining and documenting a process, monitoring it on an ongoing basis to ensure that measures are providing feedback on the flow/function of a process; key measures include financial, process, people, and innovation.

## **Process Map or Flowchart**

Graphic display of the flow or sequence of events that a product or service follows; it shows all activities, decision points, rework loops, and handoffs.

## **Process Measures**

It is a measure related to individual steps in the process and/or the overall process; can be predictors of output measures.

## **Process Redesign**

It is a method of restructuring a process by eliminating handoffs, rework, inspection points, and other non-value-adding activities; typically means a "clean slate" design and accommodates major changes or improvements.

## **Project Definition Form PDF**

It is the summary of pertinent information that describes a SIXSIGMA project. This includes problem statement, goal statement, scope, business case, financial benefits and costs, project timing, resource requirements, measures, etc

## **Project Management**

It is the use of tools, techniques, and/or software to track a project and prevent barriers to on-time success.

## **Project Nomination iDMAIC**

A Black Belt, MBB, Sponsor, or General Manager associated with a project nominates the project for Innovation Transfer, using the e-Six Sigma project tool. The nominator evaluates the project.

## **Project Selection iDMAIC**

During quarterly review meetings, each Division Council reviews all projects that have been nominated as best practices.

## **Project Sponsor**

This is a member of the executive committee, strong advocate of the project and can assist with barriers that may come up.

## **Project Rationale**

It is a broad statement defining area of concern or opportunity, including impact/benefit of potential improvements, or risk of not improving a process; links to business strategies, the customer, and/or company values.

## **Property SIXSIGMA Council**

It is the governing group responsible for project selection and status monitoring at each Starwood property. The members of the SSC are the General Manager, the Executive Committee and the Black Belt.

## **Proportion Defective**

Percentage or fraction such as 1/8 of defective units; number of defective units divided by the total number of units.

## **Propose**

It is the very first phase in the lifecycle of a SIXSIGMA project DMAIC or Quick Hit. in which the potential project idea or opportunity is proposed to the property SIXSIGMA Council.

## **Quick Hit Project**

It is a small project that can be quickly implemented and that does not require a Black Belt to resolve and implement.

## **RACI Matrix**

A project management tools that identifies all required tasks or activities, the parties are involved in those tasks as well as their level or type of involvement.

A RACI is used to ensure clarity on roles and responsibilities in a team environment.

## **Return on Investment ROI**

It is a measure of the financial returns from an investment opportunity, expressed as a percentage. All else being equal, projects with a larger ROI are more attractive investment opportunities.

## **Random Sampling**

It is a method that allows each item or person chosen to be measured, to be selected completely by chance.

## **Regression**

It is the statistical study of relationships. An analytical tool that allows an assessment of a key outcome and extent to which one or more factors being studied can explain the variation in results see also Simple Linear Regression; Multiple Regression.

## **Repeatability/Reproducibility**

Repeatability means that the same person taking a measurement on the same unit gets the same result. Reproducibility means that the other people, other instruments or other labs get the same result you get when measuring the same item or characteristic.

## **Required Best Practices**

A project designated by the division or global leadership team that delivers superior performance when implemented across a class of properties. "Required" means that all properties in a "class" must implement the best practice by a specified point in time.

## **Response Plans**

The plans that are developed during the "Control" phase for DMAIC and iDMAIC projects to ensure that the gains achieved can be maintained.

## **Reverse SIXSIGMA**

This is a method which can be used by MBBs and BBs in times of financial contingency to help guide restructuring discussions

## **Revision Plan**

A mechanism for updating processes, procedures, and documentation.

## **Rework Loop**

It is an instance in a process when the item or data moving through the process needs correction by returning it to a previous step in the process.

## **Risk Management**

Risk management is thinking ahead, identifying potential problems, and preparing for things that may go wrong.

## **Rolled Throughput Yield**

The cumulative calculation of defects through multiple steps in a process; calculated as the product of the individual yield at each step.

## **Run Chart or time plot, trend chart**

Measurement display tool showing variation in a factor over time; indicates trends, patterns, and instances of special causes of variation.

## **SIPOC**

A SIPOC is a high-level process map that includes Suppliers, Inputs, Process, Outputs, and Customers, and defines the start and end points of a process.

## **SIXSIGMA**

It is a term used to describe process improvement initiatives using sigma-based process measures and/or striving for SIXSIGMA-level performance.

## **SIXSIGMA Council Training**

A course designed to enable property Executive Committees and senior leaders to make value-driven decisions by identifying, prioritizing, and sizing projects for their Black Belts.

## **SIXSIGMA Councils**

It is a leadership group that guides the implementation of quality or SIXSIGMA within an organization; establishes, reviews, and supports the progress of quality improvement teams.

## **Statistical Process Control SPC**

It is use of data gathering and analysis to monitor processes, identify performance issues, and determine variability/capability.

## **Sampling**

Collecting and using a portion of all of the data to draw conclusions for example, timing the check-in process for every tenth guest.

## **Sampling Bias**

It is collecting an unrepresentative "slice" of data that leads to inaccurate conclusions.

## **Scatter Plot or Diagram**

It is the graph used to show the relationship or correlation between two factors or variables.

## **Scope**

It defines the boundaries of the process; clarifies specifically where the start and end points for improvement reside, defines where and what to measure and analyze and needs to be within the sphere of control of the team, working on the project.

## **Simple Linear Regression**

The statistical study of the relationship between a single variable X to a single output Y.

## **Solution Statement**

A clear description of the proposed solution used to evaluate and select the best solution to implement.

## **Special Cause Variation**

It is an event that impacts processes only under "special" circumstances i.e., not part of the usual, daily operation of the process.

## **Stakeholder Analysis**

Identifies all stakeholders impacted by a project and their anticipated and required levels of support for the project. Typical stakeholders include managers, people who work in the process under study, other departments, customers, suppliers and finance.

## **Standard Deviation**

Standard Deviation is an indicator of the amount of variation or inconsistency in any group of items or processes.

## **Standard Operating Procedure SOP**

A document that compiles all procedures, job tasks, scripts of interactions with customers or others, data collection instructions and forms, and an updated list of resources to be consulted for clarification of procedures.

## **Storyboard**

It is a visual display outlining the highlights of a project and its components leading the team to a solution.

## **Stratification**

Stratification means dividing data into groups based on key characteristics. The purpose of dividing data into groups is to detect a pattern that localizes a problem and explains why the frequency of impact varies between times, locations or conditions.

## **Sub-process**

It is a sub-component of a larger process.

## **Supplier**

It is a person or an organization that feeds inputs products, services, or information into the process.

## **Systematic sampling**

Sampling method in which elements are selected from the population at a uniform level. Systematic or subgroup sampling ensures the sample represents the process because each time period is represented.

## **Team Leader**

For DMAIC projects, the team leader is usually the Black Belt. For Quick Hit and iDMAIC projects, it is typically the Sponsor or Process Owner. For large DMAIC projects with more than one BB or MBB, the Team leader is the main point of contact for the project.

## **Team Member**

It is an active member of a Six Sigma Project team, heavily involved in the measurement, analysis, and improvement of a process.

## **Tollgate**

It is a review session that determines whether activities up to that point in a project have been satisfactorily completed. Tollgates are commonly conducted to review critical decisions during a project.

## **Transfer Team**

Team formed at a property, with responsibility for importing a Best Practice **Optional or required**, led by a Team leader appointed by the property Six Sigma Council, and coached by the Black Belt at the property when needed. Transfer teams will use the iDMAIC methodology to import innovation into their properties.

## **Transfer Team Leader Process Owner/Department Head**

A person selected by the GM and property SIXSIGMA Council to lead an iDMAIC project based primarily on proximity and decision-making authority relative to the process involved. This person has primary responsibility for implementing the project, leading the team, and interacting with others to gather information and understanding necessary to succeed. Often, the transfer team leader will be the department head or process owner of the process being improved with the best practice. The ability to lead the team and to anticipate clear barriers are important characteristics for a person in this role.

## **Transfer Team Member**

Associates selected by the Transfer Team Leader and Six Sigma Council to serve on the iDMAIC project based on their knowledge of key aspects of the process, experience with the current process, enthusiasm for improvement, and ability to champion change.

## **Transfer Project**

It is a project that a property imports from another property.

## **Tree Diagram**

It is a branching diagram used to break any broad goal into increasingly detailed levels of actions.

## **Trend Chart**

See Run chart.

## **Value Adding Activities**

These are the activities introduced to improve the current process closer to the ideal process.

## **Value-enabling Activities**

Steps/tasks in a process allowing work to move forward; can also be viewed as necessary steps that are not themselves adding value but that contribute to the delivery of the product or service. Examples include selecting new employees, purchasing supplies, and balancing the books.

## **Variation**

These are the changes or fluctuations that determine how stable or predictable a process may be or affected by environment, people, equipment, methods, measurements, and materials.

## **Voice of the Customer VOC**

It is a systematic approach to gather and analyze customer requirements, expectations, level of satisfaction and dissatisfaction through complaints, surveys, comments, market research, focus groups and interviews.

## **WACC**

Weighted Average Cost of Capital used to compare the value of 2 or more potential projects.

Discount rate used in financial analysis. Represents the average cost for a company to finance itself from equity and debt. In 2002, this rate was 12%, and was used for all SIXSIGMA projects and locations.

## **Web-based Event Required and Optional Best Practices**

It is a web-based kick-off communication from the Export team, to the transfer Team featuring a well-documented presentation of their Best Practice project. The event can be synchronous participation to a live event or asynchronous review of a recorded event.

## **Yield**

Total number of units handled correctly through the process steps, typically expressed as a percentage. Yield simply indicates how many items were delivered at the end of the process with no defect

Processing math: 14%