

OLAO Lean Six Sigma (LSS) Green Belt Project Support

This document provides information about Lean Six Sigma (LSS) project mentoring facilitated by OLAO and demonstrates how applying an effective LSS project can provide a significant return on investment (ROI) to your office and customers.

Why LSS?

Budget cuts are forcing NIH – like all federal agencies – to find innovative methods to accomplish the same level of productivity with fewer resources. To deliver on its mission to support NIH customers, OLAO invested in developing and maturing an LSS Program to improve productivity, quality, customer satisfaction, and efficiency while reducing cost and waste.

The LSS methodology provides a rigorous, proven process improvement approach to addressing tough business problems and empowers staff to continuously improve the organization. OLAO is committed to building the process improvement capability organically by deploying a LSS program that fosters a culture of quality and reduced waste. This culture begins with developing LSS practitioners across NIH called Green Belts (GBs). Certified GBs are staff trained in LSS who carry out improvement projects. To be a certified GB, a candidate must attend the OLAO LSS GB course, pass the proficiency exam, and complete an LSS project.

"90% of failed LSS projects are a result of lack of mentorship and leadership engagement."

-Mikal Harry
Founder of Six Sigma Academy

LSS Project Impact

Lean Six Sigma projects provide organizations with two key benefits:

Effective mentorship provides:

- *Effective coaching of GBs from project initiation to certification*
- *Efficient task management to assist projects to close on time*
- *Improved project quality*
- *Improved ROI from projects*
- *Just-in-time training to supplement GB training*

- **Process improvement** within the organization to reduce errors or eliminate waste, often resulting in significant returns on investment (ROI).

- **A learning experience to develop staff** who can continue to provide impactful solutions to the organization long after the initial mentoring investment.

IC's realize significant savings by using their own people to solve their own organization's challenging problems in a condensed timeframe, avoiding potentially significant costs

associated with contractor involvement or long-term projects. Furthermore, the lessons learned by the Green Belt candidate can easily be imparted on new projects to further enhance value to the organization.

LSS GB Project Mentorship Costs

Project mentorship by a certified Black Belt has a cost component for staff outside of OLAO to help the office recoup its own costs for this mentorship. Note that OLAO is able to offer mentoring services at a significantly reduced rate to customers over what it would typically cost the IC from an outside source. Project mentorship by a certified Black Belt is required to obtain OLAO's LSS GB certification to ensure the candidates are up to the standard of a certified GB. To further reduce the cost to ICs, OLAO is able to offer discounts based on multiple

candidates being mentored concurrently as they conduct one improvement project. Our Black Belt can help you organize the project in a way that achieves desired organizational outcomes while providing up to three candidates the required experience to meet certification requirements. Mentoring rates are highlighted below.

Key Assumptions —Projects that are delayed due to organizational challenges outside of project related issues may increase project mentorship resources and thus drive up the per project costs. Below are additional assumptions used in developing the pricing analysis.

- GB candidates will have full support from their respective organization's leadership
- Candidates will identify a viable LSS GB level project
- Candidates will have the opportunity to work on their LSS projects
- Project support costs are based on number of GB candidates per project

LSS Mentor	Cost per Hour	Number of GB Candidates	Total Project Mentorship Hours	Gate Review Support Hours	Certification Preparation Hours	Cost	Cost per Candidate*
OLAO Black Belt	\$134	1	40	8	4	\$6,968	\$6,968
		2	50	9	5	\$8,576	\$4,288
		3	55	10	6	\$9,514	\$3,171

Figure 1. OLAO LSS GB Project Mentorship Pricing Analysis

*Please note, cost per person decreases with more candidates, because the number of hours to provide project mentoring does not increase linearly per candidate. In other words, larger teams will need slightly more hours of support overall, but will not need double or triple the amount of support with two or three GB candidates.

OLAO LSS Training & Project Mentoring Past Performance

- LSS Green Belt training provided to **128** leaders across **17** Institutes and Centers and Offices within the NIH Office of the Director.
- **22** NIH employees have been mentored through the OLAO Green Belt certification program, successfully completing **18** improvement projects.
- Successful project outcomes have included:
 - Reduced acquisition redundancy/duplicated purchase efforts
 - Reduced inventory shortage levels to less than 2%
 - Improved freezer accountability and lifecycle management
 - Standardized reporting that facilitates improved procurement projections