



## Dilbert Déjà vu

Can we separate the facts from the humor?

In the April 2001 issue of *Quality Digest*, I wrote a column titled “Ignore Six Sigma at Your Peril,” about an article by Lee Clifford in *Fortune* magazine titled “Why You Can Safely Ignore Six Sigma.” As you can probably guess, I disagreed with this article, and if you get the drift of the Nov. 26, 2006 *Dilbert* comic strip, *Fortune* is at it again.

Don’t get me wrong; I love *Dilbert*. My Google homepage includes a *Dilbert* RSS feed. However, as a source of factual business information, *Dilbert* leaves something to be desired. The Nov. 26 strip references a July 11, 2006 *Fortune* article, which appeared online, titled “New Rule: Look Out, Not In,” that quotes a study by Charles Holland of QualPro questioning the effectiveness of Six Sigma. The problem? Holland didn’t say, “Most companies that used Six Sigma have trailed the S&P 500.” He said that 58 companies that announced using Six Sigma did.

Fifty-eight companies is hardly an adequate sample size to characterize all businesses using Six Sigma even if the

sample were properly selected. If I were *Fortune*’s reporter I would have asked:

- Which are the 58 companies?
- What was the selection criteria?
- How much time elapsed between the announcement of Six Sigma deployment and the time Holland measured the companies’ performance?
- How did the companies’ performance after announcing Six Sigma compare to their prior performance?
- How did the companies compare to similar firms in their industry that didn’t use Six Sigma?

In other words, is this serious research or just a marketing ploy? (QualPro offers a process improvement program that competes with Six Sigma.)

Serious academic research *has* been done on the effectiveness of Six Sigma’s parent methodology, total quality management (TQM). A study titled “The Long-Run Stock Performance of Firms with Effective TQM Programs” (*Management Science*, Vol. 47, No. 3) showed that firms that deployed TQM

enjoyed improved stock performance, operating income, sales, total assets, employment growth, return on sales and return on assets when compared to their non-TQM counterparts. The sample sizes were large, and firms were matched using an objective set of criteria. The study compared performance during the five years prior to deployment to the five years following deployment.

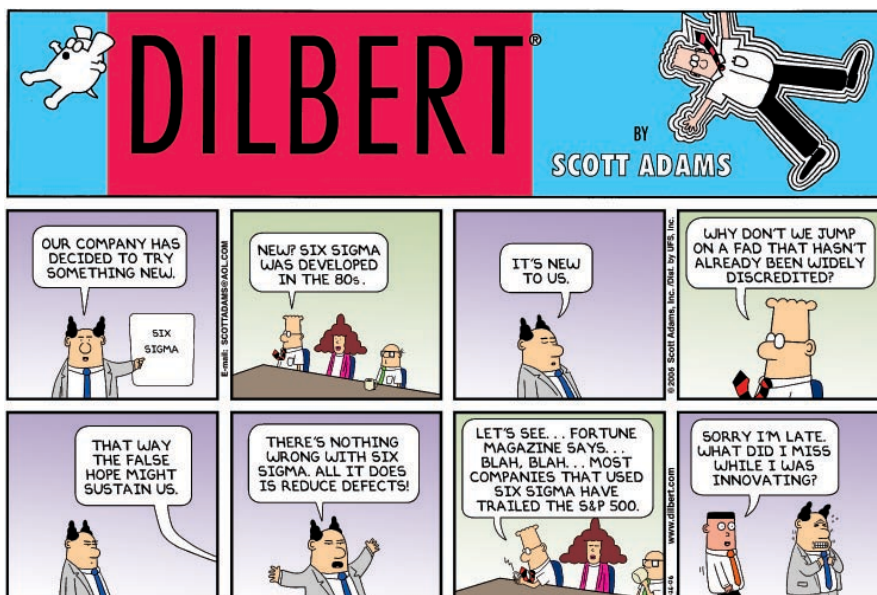
The flawed premise of the *Fortune* article is that companies must choose between innovation and business process excellence. Any company that pursues Six Sigma and ignores innovation, or that pursues innovation and ignores its business process, is doomed. I don’t believe that Six Sigma is necessary to business success, let alone sufficient. Many great firms do very well, thank you very much, without Six Sigma. But, barring some freakish competitive advantage such as dirt-cheap labor or a government monopoly, no company is successful in the long run that ignores process excellence completely. To do so invites more efficient competitors to enter the market and steal investors, customers and employees—or all three.

The tendency of companies to latch onto a single aspect of business is misplaced and makes management appear unstable as it careens wildly from initiative to initiative (giving *Dilbert* lots to talk about.) There’s no way to succeed in the long run by focusing obsessively on any one element.

To hear my podcast on this topic, visit <http://pyzdek.com/podcasts.html>, and click on “Episode 1.”

### About the author

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### Comments

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