

# Project Name: Budget Planning Improvement Project

Sponsor: Israel Israeli

Six Sigma Project Leader (Black Belt):  
**John Doe**

# Sample Problem Description

- Budget is determined in an annual cycle with short term and long term plans.
- Net profit is determined by income and expenses. Proper planning and measurement is critical to achieve target net profit levels.
- The current planning and control of the budget is experiencing chronic problems. The current budget does not properly present alternatives and sensitivity studies. There are currently not enough initiatives for cost reduction efforts and these initiatives are not necessarily effective.

# Sample Mission Statement

- The budget planning improvement project will provide management with a better capability to 1) identify and evaluate budget alternatives and 2) improve the ability to detect and launch cost reduction efforts.

# Team Members

Yossi - Finance

Hanna - Operations

David – Purchasing

Sam – IT

Sara- R&D

Daphna - Quality

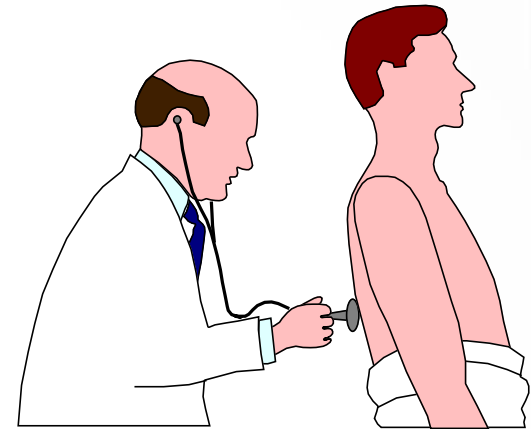
# The two parts of the DMAIC journey

## Diagnostic Journey

From symptom to cause

## Remedial Journey

From cause to remedy



**DEFINE MEASURE ANALYZE IMPROVE CONTROL**

# DMAIC

# Step 1: Define

What is wrong?

What is expected from the team?

What is the planned schedule?

## Step 2: Measure

What are the sources of data and information?

What data do we have?

What are the current processes?

# Step 3: Analyze

FMEA

Cause and effect analysis

Data analysis



# Step 4: Improve

Brainstorm for ideas to address causes of problems

Test ideas using reversed fishbone diagram and alternative scenarios

Conduct pilot experiment and analyze data to assess improvement

# Step 5: Control

Set up control systems to hold gains

Design KPIs and a Dashboard to track budget planning processes

Evaluate effectiveness of improved process