



Lean Six Sigma (LSS) Charter



Event Description/Type VSA Project Kaizen/RIE JDI DFSS

| | | | |
|---------------------------|------------------------------|-----------------|----------|
| Date: | 11 May 2011 | Revision | 1 |
| Project Name: | Travel Cost Reduction | | |
| Project Sponsor: | Mr. Marvelous | | |
| Black Belt: | Ms. Wonderful | | |
| Master Black Belt: | William G. Journigan | | |

Business Impact – *Defines the business impact of the project:*

By applying the Lean Six Sigma (LSS) problem solving Kaizen method these processes can be improved in the following areas in a focused and rapid way:

- **Type 1 (Hard Savings)** – Potential annual savings \$5,000,000 x 30% travel reduction = \$1,500,000
- **Type 2 (Cost Avoidance)** – By reviewing the travel requirements and sending fewer people from home locations to remote sites, travel would be reduced and travel cost in the amount of \$500,000 could be avoided.
- **Type 3 (Quality of Life)** – By eliminating non-essential travel requirements, employees can spend more time being at home location working other issues related to their line of work.

Opportunity or Problem Statement – *Defines the opportunity or problem of the project:*

The Business Manager and Comptroller has identified the need for LSS effort to identify root causes and develop solutions to reduce the approximate weekly travel cost of \$100,000 per week which yields an annual \$5,000,000 in travel cost to our company. The Kaizen event will utilize the DMAIC approach to solve this cost reduction opportunity. In addition, to identify and obtain new opportunities. The $Y = f(x)$ is the total cost of travel accumulative to the number of trips made and the number of days personnel spend at sites to determine how many trips are essential and the minimum number of travel days required to complete assigned tasks to prevent having unneeded resources (staff) deployed for travel that may not be necessary.

Goal Statement – *Defines the goals of the project:*

1. **Cost:** Estimated target savings of 30% of total travel budget.
2. **Schedule:** TBD
3. **Performance:** TBD



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Project Scope – *Defines the process boundaries of the project:*

Start: Identification for need of travel

Stop: Travel has been completed and travel documents rectified.

In Scope: Travel Budget – Implementation, 5.0 Roll-Out and Oracle contract travel

Out of Scope: Program Management Office, Training, Cut-Overs and all other company processes will be out of scope on this event.

Project Plan – *Defines the initial plan for completing the LSS DMAIC Project*

Team Launch: 15 Jun 2011

| Tollgate | Scheduled | Revised | Complete |
|-------------|-----------|-------------------|----------|
| Prep Work: | 5/16/11 | 6/28/11 - 6/30/11 | |
| Event Week: | 6/6/11 | 7/5/2011 | |
| Post Work: | 6/17/11 | 7/15/2011 | |
| Tollgate: | 7/8/2011 | 8/5/2011 | |
| Validation: | 7/15/2011 | 12 Aug 2011 | |

Project Roles and Utilization –

| Role | Name | Utilization | Start | End |
|---------------------------|----------------------|-------------|-------|-----|
| Project Sponsor | Mr. Marvelous | 1% | | |
| LSSMBB | William G. Journigan | 2% | | |
| Black Belt Candidate | Ms. Wonderful | 20% | | |
| Team Process SMEs | TBD | 20% | | |
| Extended Team Process SME | TBD | 5% | | |

Blue = Yellow Belt

Green = Green Belt

Red = Black Belt

Purple = Master Black Belt

Approved By:

| | | |
|---|--|------|
| Mr. I. M. Marvelous Project Sponsor | | Date |
| Ms. U. R. Wonderful Black Belt | | Date |
| William G. Journigan Master Black Belt | | Date |