

# Lean Six Sigma Charter

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# Learning Objectives



Upon successful completion of this module, the student should be able to:

- Understand elements within a charter
- Be able to initiate a charter



# LSS Charter Overview

- Charter is your contract for success
  - You are the author of your charter and its associated success
  - Project Sponsor / Champion is the Owner of the Charter
  - Structure the charter (contract) so that you are successful
  - Specify boundaries, requisite resources, and support needed
- Download and use current LSS Charter Template from [Bon-Tech.org](http://Bon-Tech.org) Website



# LSS Charter Overview




- Charter is an organic, living document
  - Charter transforms as LSS team gets “smarter” on project
  - Organic nature assures success
- Begin crafting charter at project inception
  - Preliminary data needed
  - Use the “Library” vs. “Laboratory” approach
    - Library approach – data elements exist... somewhere Find Them
    - Laboratory approach – original research (avoid whenever possible)




# MARCORSYSCOM Charter





## Lean Six Sigma (LSS) Charter



**Event Description/Type**    VSA    Project    Kaizen RIE    JDI    DFSS

Date:		Revision
Project Name:		
Project Sponsor:		
Black Belt:		
Master Black Belt:		

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

- Type 1 (Hard Savings) –
- Type 2 (Cost Avoidance) –
- Type 3 (Quality of Life) –

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

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

1. Cost:
2. Schedule:
3. Performance:


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

In Scope:

Out of Scope:



## Lean Six Sigma (LSS) Charter



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

**Team Launch:**

	Toilgate	Scheduled	Revised	Complete
Define:				
Measure:				
Analyze:				
Improve:				
Control:				

**Project Roles and Utilization** –

Role	Name	Utilization	Start	End
Project Sponsor		1%		
LSSMBB		2%		
Process Owner		20%		
Black Belt Candidate		20%		
Team Process SMEs		20%		
Extended Team Process SME		5%		

Blue = Yellow Belt      Green = Green Belt      Red = Black Belt      Purple = Master Black Belt

**Approved By:**

XXXXXXXXXX Project Sponsor		Date
XXXXXXXXXX Black Belt		Date
XXXXXXXXXX Master Black Belt		Date



# Charter Elements – High Level

- Charter is an 8 panel document
  - Description
  - Business Impact
  - Opportunity or Problem Statement
  - Goal Statement
  - Project Scope
  - Project Plan
  - Project Roles and Utilization
  - Approved by
- Charter addresses: Why, What, Where, Who, When, and How
- Charter Objective: Populate each panel with required data elements (fill-in-the-blanks)



# Charter Element: Description

**Event Description/Type**  VSA  Project  Kaizen/RIE  JDI  DFSS

<b>Date:</b>		<input type="checkbox"/>	<b>Revision</b>	
<b>Project Name:</b>				
<b>Project Sponsor:</b>				
<b>Black Belt:</b>				
<b>Master Black Belt:</b>				

## Description = "Declarations"

- Event Type: VSA / Project / Kaizen/RIE / JDI /DFSS
- Date
- Project Name
- Competency
- POC
- Project Sponsor
- Deployment Champion
- Master Black Belt



# Charter Element: Business Impact

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

State the purpose or need.

What is the goal?

What are the current conditions?

What would happen if this value stream / event were not pursued?

What is the business benefit?

What is the process involved?

Why was the process selected?

What process metrics apply?

What process metrics are currently known or collected?

- **Type 1 (Hard Savings)** – What are the Hard Savings that could be achieved?
- **Type 2 (Cost Avoidance)** – What are the Cost Avoidance Savings that could be achieved?
- **Type 3 (Quality of Life)** – What are the Quality of Life issues that could be achieved?

**Business Impact = How this event improves operations**

- Expected outcomes relative to
  - Cost (Money)
  - Speed (Performance)
  - Quality (Accuracy)





# Charter Element: Opportunity or Problem Statement



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

- Are there any customer problems or concerns?
- Are there any Cost issues?
- Are there any Schedule issues?
- Are there any Performance (Quality) issues?

## **Opportunity or Problem Statement = Why**

- Identify an existing opportunity arising from problem(s) that take extraordinary or recurring effort to resolve and what problem elimination means to the organization relative to time, quality, money, and manpower
  - What is the “pain”?



# Charter Element: Goal Statement

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

What are the expected benefits? (e.g., Throughput Time, Cycle Time Reduction, Cost Savings/Avoidance, Increased Safety, Schedule, etc... - quantify them (SMART Goals))

What is the Return On Investment (ROI) value?

1. **Cost:**
2. **Schedule:**
3. **Performance:** |

## **Goal Statement = Planned Outcome**

- Realistic results that improve performance
- Can contain “stretch” outcomes



# Charter Element: Project Scope

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

**Start:** What triggers you to start the process?

**Stop:** What tells you that you are complete?

**In Scope:** What are the major processes or organizations that are involved or affected?

**Out of Scope:** What processes or organizations are not involved or affected?

## **Project Scope = Boundaries of project process**

- Describes process under resource control and influence of Sponsor and/or Champion
- Defines what is out-of-scope
- Prevents “boiling the ocean” or trying to improve something that really belongs to another Kaizen / Project



# Charter Element: Project Plan

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

**Team Launch:**

Tollgate	Scheduled	Revised	Complete
Define:			
Measure:			
Analyze:			
Improve:			
Control:			

## Project Plan = Milestone Timetable

- Planned event phase dates – initial, revised, completed
- Keeps the focus on making punctual progress



# Charter Element: Project Roles and Utilization

## Project Roles and Utilization –

Role	Name	Utilization	Start	End
Project Sponsor		1%		
LS SMBB		2%		
Process Owner		20%		
Black Belt Candidate		20%		
Team Process SMEs		20%		
Extended Team Process SME		5%		

Blue = Yellow Belt  
Belt

Green = Green Belt

Red = Black Belt

Purple = Master Black

## Project Roles and Utilization = “Who” and their commitment time

- Lists “Role” and specific person(s) in role
- Amount of time required by each person
- Start and End dates of role participation



# Charter Element: Approved by

## Approved By:

XXXXXXXXXX Project Sponsor		Date
XXXXXXXXXX Black Belt		Date
XXXXXXXXXX Master Black Belt		Date

## Approved by = Signatures

- Required Signatures are the Project Sponsor, the Black Belt, and the Master Black Belt
- Makes Charter a “Contract for Success”
  - Accountable / Enforceable
  - Sets-up team and team members to be successful



# Summary

- Elements within a charter
- Initiate a charter

