

Four Six Sigma tactics for a lean start-up

By Charles Mburugu

7 Apr 2016

If you're starting a business and haven't yet heard of the Six Sigma concept, it's time to take notice. Familiarising yourself with the set of tools and techniques employed by Six Sigma can take you from failure to the position of hot, innovative startup company.



Image source

By using data, analysis, and quality control you'll enable your company to set your own profit margins without letting the market dictate the value. Here are four tactics to adopt to trimming the fat in your new startup.

Lower cost without compromising quality

Startups face the unenviable task of competing with companies that are already established in the business. Thus, differentiation is key, as is lowering costs to undercut the competition. Six Sigma establishes this practice by implementing a <u>set of practices</u> to define, measure, analyze, improve, and control production.

This isn't necessarily applied just to physical goods, but to service industries as well. By using these five steps, you can find where the business is lacking and where it's ahead of the game.

Separate innovation from continuous improvement

Before beginning your foray into the business world, consider that Six Sigma is a set of principles based on continuous improvement, albeit in the form of baby steps. In the ever-changing business landscape of today, however, innovation needs room to blossom. Organisations that do this successfully are known as ambidextrous companies.

In a <u>study by Bloomberg</u>, 35 ambidextrous organisations met with interviewers about their business model, and 90 percent of them were successful. Therefore, it isn't enough to do one or the other. If you aren't sure of what the balance should entail, <u>finding advice online</u> can be a great resource to help the company succeed.

Don't spread yourself too thin

The concept of Six Sigma also validates the thought that spreading your resources too thin or putting too many people on one job is counterproductive. If you have a workforce ready to do a special project, then determine how many people you'll need and put your best employee on it. Take the rest and put them on a different project. With this method, you'll have the ability to spread your resources aptly and not put all your eggs in one basket.

Develop a minimum viable product

As you get into finding business partners in your entrepreneurial adventure, you'll undoubtedly find that fine-tuning your product first is a giant mistake. By developing a <u>minimum viable product</u>, or your product without any sort of polish, you'll eliminate waste and put your efforts towards finding customers, which is the sole component of generating new leads and revenue.

For many companies, using the Six Sigma technique fosters growth and slow, continual improvement. However, startups don't have the luxury of time. Instead, you need the benefits and ideas of Six Sigma, but with continual innovation and improvement. While this is easier said then done, you can plant the seed in your own mind and the mind of your employees. Once you've figured out the balance, your startup will be off to the races.

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