



**GE Capital**  
*Information Technology Solutions*

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# **Six Sigma in Action: Demonstrating Customer Value**

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*Putting  
the power  
of GE  
behind IT*

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## Six Sigma in Action: *Shipping Cost Reduction*

**Customer Profile** – GE Aircraft Engines, Lynn MA

### **Business Problem & Impact**

Customer needed a reduction in shipping costs and improved order delivery performance for short cycle PC orders

### **Measure & Analyze**

**Data Collection:** Defects with respect to on-time deliveries were over 30%. Over one year, the customer was spending approximately \$33,000 on rush orders.

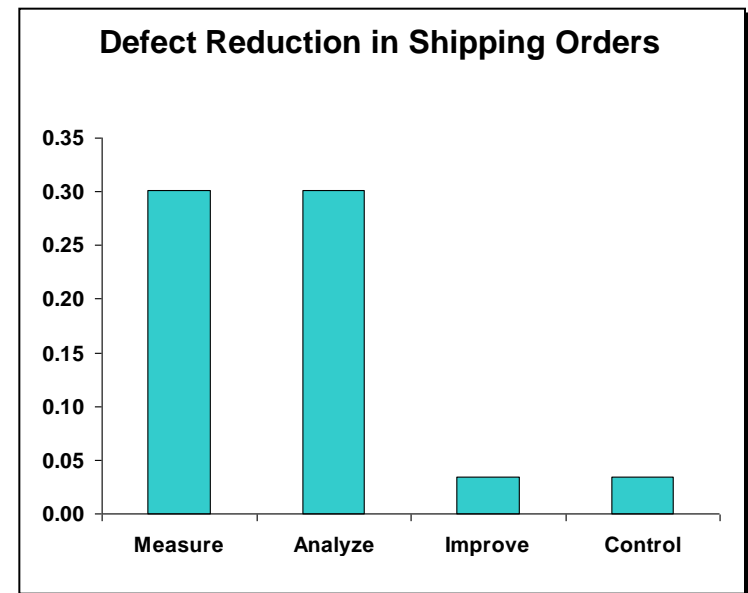
**Root Causes:** Statistical analysis proved multiple variation sources, including variation in OEM shipping time, client staffing to receive PCs and end user availability for set up

### **Improve & Control**

Improvements included a modification in the inventory levels to accommodate variation in OEM ship time, a staffing change that led to more consistent receiving practices, and a change in the process for scheduling with end users that accommodated their availability

### **Results/Benefits**

Defects in short cycle PC deliveries was reduced to less than 5% (from 30.1% to 3.2%), which resulted in a savings to the client of **approximately \$30K** annually in shipping costs.



***Reduced client's staffing cost by \$30K while improving performance!***