THE SECRETARY OF THE NAVY
WASHINGTON, D.C. 20350-1000

May 3, 2006

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Transformation Through Lean Six Sigma

As the Secretary of the Navy, I am challenged to lead the Department in executing two great tasks simultaneously: fighting today's war and positioning our Force for an uncertain future. We face additional fiscal pressures that lead us to better stewardship of taxpayer dollars where greater efficiency leads to improved effectiveness. While in industry, I found that both buyers and suppliers who employed Lean Six Sigma (LSS) experienced better efficiencies, increased morale and higher levels of performance.

LSS is a proven business process that combines the strategies of Lean (eliminate non-value added activities and improve cycle time) and Six Sigma (reduce variation and produce highly repeatable processes). Several elements of the Navy and Marine Corps have engaged in LSS activities to include the training of over 500 Black Belts and 1,500 Green Belts that have facilitated 2,800 events and projects. These activities averaged a 4:1 return on investment. This initiative applies to entities engaged in transactional, service and support missions.

The mission is clear: creation of more readiness and assets within our budget through LSS. I expect that you, my Leadership Team, will personally support this initiative by injecting it into our performance objectives. To accomplish our goal of LSS integration, we will be educated on a broad spectrum of LSS to include framework, efficiency methodologies and tools, and accelerated change management approaches.

LSS will be deployed using a top-down approach. My leadership deployment session will be held on 15 June from 1300-1700. I ask that each of you participate in the deployment session. The objective for this meeting is to: establish a common knowledge baseline among participants; review examples of successful commercial implementations; assess current LSS implementation in the Department; and establish the next steps toward more fully employing LSS in our organization.

Donald C. Winter

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