



Lean Six Sigma demonstration project in Vietnam

The purpose of an APO demonstration company is to convey success stories on the development and implementation of productivity improvement initiatives. A demonstration company epitomizes an enterprisewide productivity movement and becomes a role model for others.

In response to the NPO Need Assessment Survey conducted in 2007, the Vietnam Productivity Centre (VPC) identified the need for capacity building for Lean Six Sigma (LSS). The LSS concept is relatively new in Vietnam. Due to the low level of awareness, enterprises in Vietnam lack the strategies and tools needed to enhance their quality and productivity. The APO and VPC jointly implemented a one and one-half-year demonstration project launched on 26 January 2010 in the Vietnam Technological and Commercial Joint-Stock Bank (Techcom Bank) of Hanoi. The project kicked off with a workshop. Through the project, the VPC was able to promote the application of LSS among more Vietnamese organizations, which will eventually help them to increase their efficiency and gain a competitive advantage.

The APO, in consultation with the VPC, assigned LSS expert Kabir Ahmad Mohd. Jamil from the Malaysian Productivity Corporation. Jamil made six visits during a one-year period and helped to build the capacity of the VPC and Techcom Bank in applying LSS. First, he guided the VPC and Techcom Bank team in understanding the LSS concept, methodology, and applications in the service sector; second, he helped them identify processes

in Techcom Bank suitable for LSS to achieve improvements through the DMAIC approach of define → measure → analyze → improve → control.

The project successfully demonstrated the application of LSS and produced the following immediate improvements:

- A reduction of three steps in the ATM money feed procedure and increase in ATM uptime from 95% to 97%, saving VND111,286,666 per year and increasing in customer satisfaction with ATM use;



MPC Expert Jamil discussing applications of LSS in back operations with Tech-Com Bank staff. Photo courtesy of VPC.

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- Average time of reconciliation reduced from 12 to 8 minutes, reduction in number of mismatches by 47%, and time to find mismatches reduced from 18 to 5 days, saving the bank money;
- Reduced seven process steps and four approval signatures in the process of import of LC issuance, upgraded sigma level from 1.6 to 2.5, and saved 20% processing time for customers; and
- Reduced one step and one approval signature in the LC export process, upgraded sigma level from 2.0 to 2.7, and saved 25% processing time for customers.

After achieving measurable, demonstrable results, the project was completed by organizing a national dissemination seminar on 30 March 2011, which was attended by more than 100 participants. The LSS journey has begun in Techcom Bank and in Vietnam. Now, many service-sector organizations are looking forward to applying it for higher productivity benefits. The VPC has a crucial role in promoting LSS based on the success story created through the demonstration project.

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