

CASE STUDY | Discovery Health

Lean Six Sigma tools support fast-paced growth

The Challenge

Discovery Health was enjoying considerable success as the largest health insurance company in South Africa. The COO at the time—Johan van Rooyen—wanted to ensure the business could sustain its growth path and fulfill its service vision to “Be the best service organisation in the world.” To accomplish this, van Rooyen set out to formalize the company’s approach to problem solving and equip management at all levels with the necessary tools needed to achieve that goal.

The Solution

After investigation, executive leaders at Discovery felt that Lean Six Sigma would be the best methodology to enable the service vision. Discovery chose BMGI as a partner because of its strength in educating Lean Six Sigma resources and deploying the methodology.

BMGI has been Discovery Health’s partner for more than four years now. The initial Lean Six Sigma program was with Discovery Health only and, given the success there, has since been extended to a number of Discovery Holdings’ companies. BMGI has trained, coached and certified more than 300 employees at various Lean Six Sigma levels—Yellow Belt, Green Belt and Black Belt.

The training methodology deployed followed a “learn-apply-review” approach where each person received training on a tool set, applied the tools to a project and then reviewed the application through formal coaching. Trainees were allocated to a project based on issues identified in the business. BMGI assisted with this project selection.

BMGI also assisted with problem solving events to enable Discovery people to apply their tools, as well as with train-the-trainer programs to enable Discovery to be self-sufficient in training staff members.

Discovery took the approach that in the first few years of the deployment, education and creation of a common understanding of Lean Six Sigma were the imperative. They wanted to invest in the people first. Once people were talking the same language and

solving problems using Lean Six Sigma tools, Discovery would start allocating a formal return on investment (ROI) calculation to projects and initiatives.

A unique aspect of Discovery’s Lean Six Sigma program is that the company decided to select parts of the DMAIC (Define, Measure, Analyse, Improve, Control) roadmap, focusing on what would resonate most with employees. Discovery’s view was that depending on the nature of the problem, tools should be accessible as part of a stand-alone approach or within a project context.

The training material was based on BMGI’s curriculum but supplemented and customised to Discovery’s requirements. Instructors used Discovery examples in training to give greater relevance to the program, and all program delegates were given projects specific to Discovery.

Another major element of Lean Six Sigma deployed to achieve performance improvement was defects per million opportunities (DPMOs). This concept was incorporated into Discovery’s quality-auditing framework and rolled out across the business. DPMO has given a structure and uniform approach to understanding and measuring quality and variation.

Results

The problem solving ability at Discovery Health has been greatly enhanced through the relationship with BMGI and application of Lean Six Sigma principles across the business. Some of the results achieved include:

- Ability to listen to the voice of the customer and know how to quantify it.
- More holistic approach to understanding data.
- Customized, formalized approach to project scoping, definition and measurement.
- Greater understanding of processes and related wastes.
- Improved ability to identify root causes and fix the causes of the problems.
- New methods to solve problems.



SUMMARY

Organization

Discovery Health

Industry

Financial services / Health insurance

Business Problem

Formalizing a problem solving approach in support of sustaining the company’s growth path and fulfilling its service vision

Methodology

Lean Six Sigma

Solution

Trained employees on Lean Six Sigma principles and implemented an approach that encompasses both stand-alone and project-based improvements

Benefits/Results

Enhanced problem solving ability and reduction of defects in quality metrics

Key Tools Used

- ▶ Voice of the customer
- ▶ Defining and scoping a problem
- ▶ Data analysis (DPMO calculation)
- ▶ Root cause analysis (5 Whys)
- ▶ Solution generation (brainstorming)

“Lean Six Sigma has established itself as a strong brand within Discovery,” said Larry Borowitz, head of Quality Management. “People at all levels within the organization use LSS terminology and tools automatically as if it is part of their Discovery DNA.”

Discovery has demonstrated how, in a service environment, one can apply Lean Six Sigma tools to measure variation and quality and improve these. Through the use of some key Lean Six Sigma tools and focusing on the detail of every process, the business has transformed its continuous improvement approach.