

**Editor's note:** This department features Six Sigma related content excerpted from the annual reports and other communications produced by a variety of the world's most successful companies.



*Michael S. Dell,  
chairman and CEO*



*Kevin B. Rollins,  
president and COO*

FROM DELL AND MEDIA SOURCES

## FEATURED COMPANY:

# Dell

**Michael Dell remarks during Morgan Stanley MarketView program, March 5, 2004:** We are finding lots of opportunities to continue a shift left in terms of investing more in product integrity/quality, whether it's in design or in a factory, to avoid the cost of repair. So we see our service and warranty costs continuing to come down as product reliability continues to improve; and you get to 5 $\sigma$  or 6 $\sigma$  on more and more of the ingredients that go inside these products.

**From Dell's 2003 annual report:** We regularly assess ourselves against a broad range of customer focused measures, including the timeliness with which we deliver built-to-order systems, the reliability with which they perform and the speed and quality of service and support.

We are increasing the number and skills of Dell leaders at all levels of the company. Our leadership training programs are broad based, and we're bringing even more rigor to the way we develop people throughout our team.

And when the men and women of Dell are free to apply their expertise to identify and address crucial business issues, the results are extraordinary. More than \$800 million in savings last year came from employee initiated process improvement teams.

**From E-Commerce News, Nov. 11, 2003:** [Kevin B.] Rollins and his

boss, founder and chairman Michael S. Dell, have taken a number of steps to challenge employees and smooth the rough edges of Dell management. ...

They launched a General Electric style Six Sigma quality review of manufacturing and marketing practices aimed at slashing waste.

**From BusinessWeek, Nov. 3, 2003:** Rollins is overseeing a Six Sigma transformation of everything from manufacturing to marketing that is expected to help cut expenses \$1.5 billion this year.

The emphasis is on small surgical strikes on defects and waste, not massive restructurings.

Consider a Six Sigma meeting one balmy July afternoon. Rollins listened to John Holland, a technician in Dell's server factory, describe how his team replaced the colored paper it used to print out parts lists with plain white paper, saving \$23,000.

"Where else do you get a supervisor making \$40,000 a year presenting to the president of a \$40 billion company?" says Americas Operations Vice President Rick Hunter, Holland's boss.

**From USA Today, Oct. 30, 2002:** "Whether corporate success can be repeated in a federal bureaucracy is an open question. Six Sigma is 'powerful stuff' that could work even in the sprawl of the U.S. government, Dell Computer CEO Michael Dell says. 