Just An Idea
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Does Your Money Machine Employ SIPOC?

Last week I talked about the importance of building a money machine that produces quality as defined by your customers. This week I'm going to drive this idea a little deeper into a "how to" for building a quality money machine.

Beginning with your customers' expectations as your end result is a good start. But how do you design a money machine that consistently creates what your customers expect? One of the tools I have found to be incredibly useful is SIPOC, or Supplier Input Process Output Customer. My premise is your money machine can be defined as a process where supplier(s) provide input(s) to your process (the money machine) so that it produces output(s) given to your customer(s).

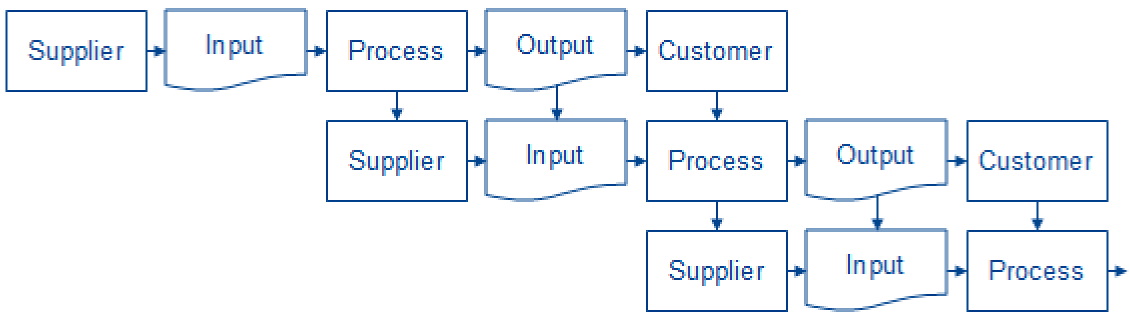
We already talked about defining the expectations of your customers associated with the outputs. The other side focuses on getting the inputs you need from your suppliers. If your suppliers do not provide what you need, how can you expect to produce the output your customer expects?

If we take this a step further, your money machine is really a system, a set of interconnected subsystems, or processes. Each of those processes has a set of suppliers, inputs, outputs and customers. Typically, the output of one process becomes the input to the next. The customer of one process is subsequently the process owner of the next process and the supplier to the one after that.

What if a mistake is made in one of the earliest steps of the process? In other words, a supplier early on fails to deliver a quality input to his (internal) customer? That issue could be passed all the way through the system and be delivered to the end customer, failing to meet the customer's expectations. In other words, your money machine failed to produce quality.

Alternatively, if the internal customer had required their supplier to provide them with a quality product, the problem could have been stopped right there. Usually the cost of resolving the problem early in the process is far cheaper than the cost of resolving it at the end of the process.

If you could define the design of your money machine with a clear definition of the customer-supplier relationships at each step in the process and enforce supplier (internal or external) performance to those standards, do you think it would be more likely to consistently produce outputs that meet the expectations of your customers?



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