

Honeywell FM&T Leading Indicators

Six-Sigma Cost Savings

3/9/09

Metrics and Leading Indicators

- 1. Examples of leading indicators you use at your site.
 - Six-Sigma Green Belt Program Metrics:
 - Green Belt time to training
 - Green Belt Certification cycle time
 - Green Belt Certification cost savings
 - Green Belt Certification quality of tool usage

- 2. Identify what the leading indicators indicate.
 - Our ability to maintain a 6-sigma culture
 - Focus on delivering continuous improvement and cost savings
 - Meeting yearly cost savings goals for the enterprise

Metrics and Leading Indicators

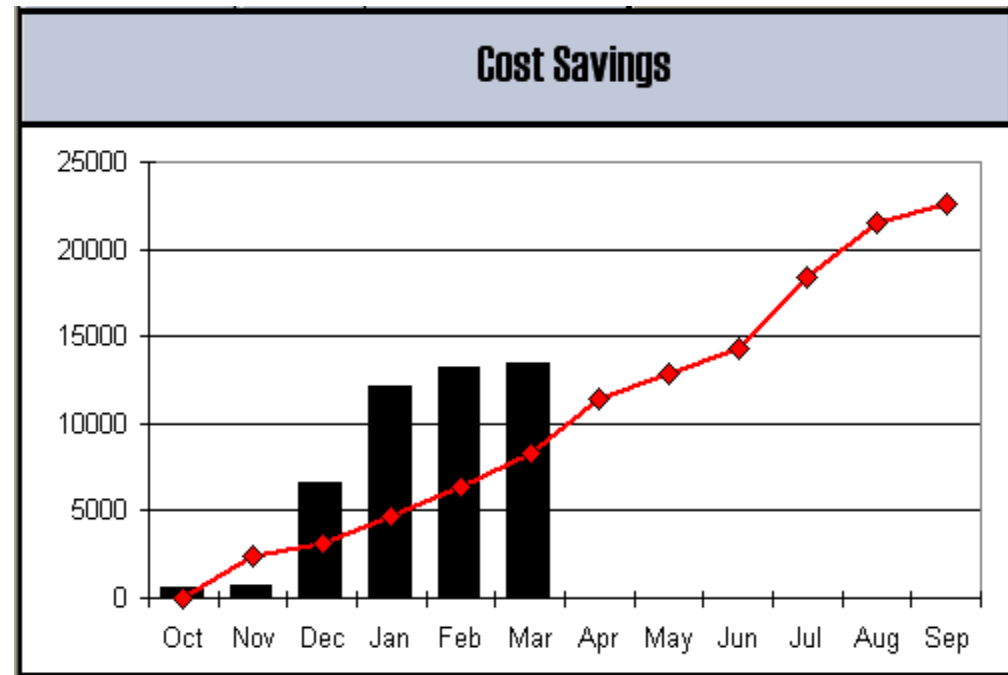
- 3. How do you measure the leading indicator?
 - Green Belt time to training – (Box plot of time from hire date to day trained)
 - Certification cycle time – (Box plot of time from hire date to day certified)
 - Certification cost savings - (I-MR control chart for approved savings average)
 - Certification quality of tool usage - (Bar chart of 15 element technical assessment)

- 4. In using leading indicators, have you encountered and surprises or unintended consequences? Please explain.
 - Leading indicators only provide a correlation not direct line of sight
 - There are always multiple indicators for a larger measure, with out looking at them in relation to one another only partial knowledge is known
 - It is tough to correlate how advanced in timing the leading indicators are when evaluating

Appendix

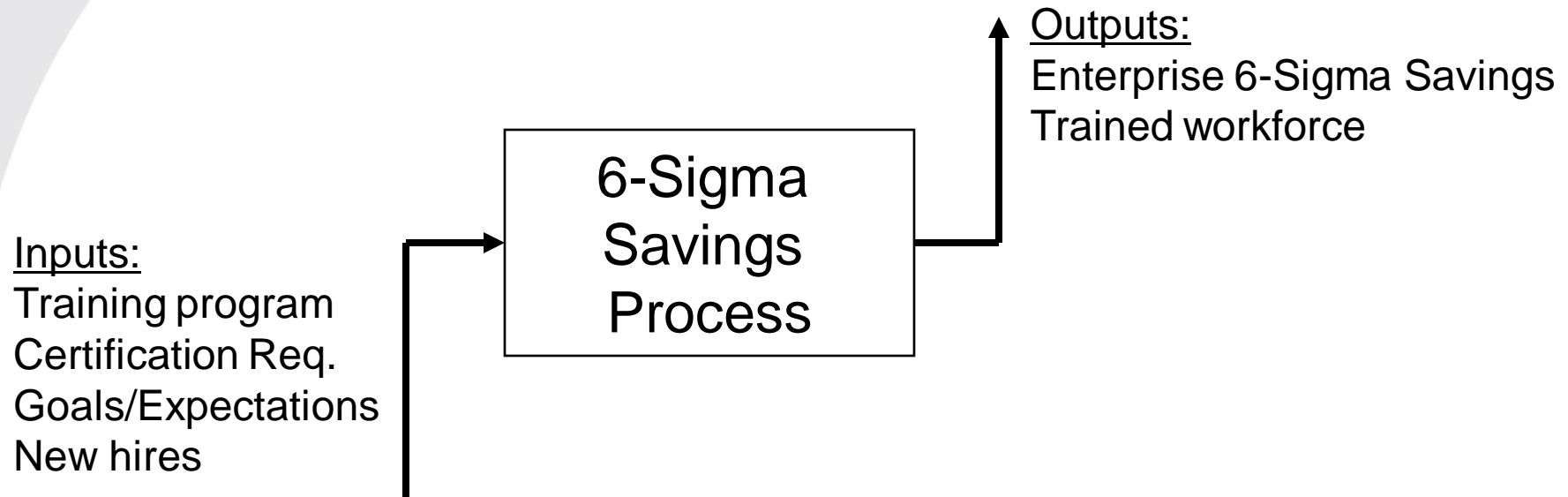
Six Sigma Plus Cost Savings and Productivity is an Enterprise Balanced Score Card Measure

- Measure Indicates:
 - Employee engagement
 - Continuous improvement
 - Business savings
 - Productivity savings
- Critical to future of FM&T
- Constantly impacted by numerous activities and initiatives



Leading Indicators

- Leading indicators represent process inputs that greatly affect our output (6-Sigma Savings)

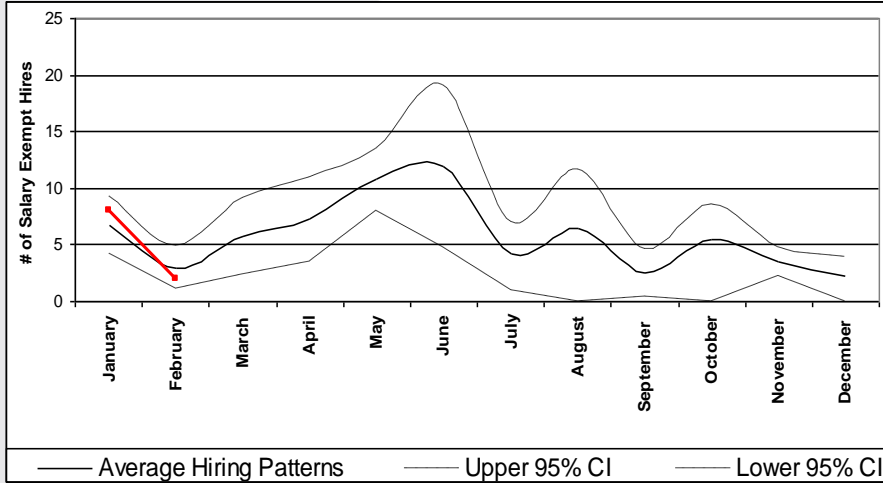


- Our leading indicators for this measure are focused on maintaining a culture of 6-sigma and continuous improvement that yields results

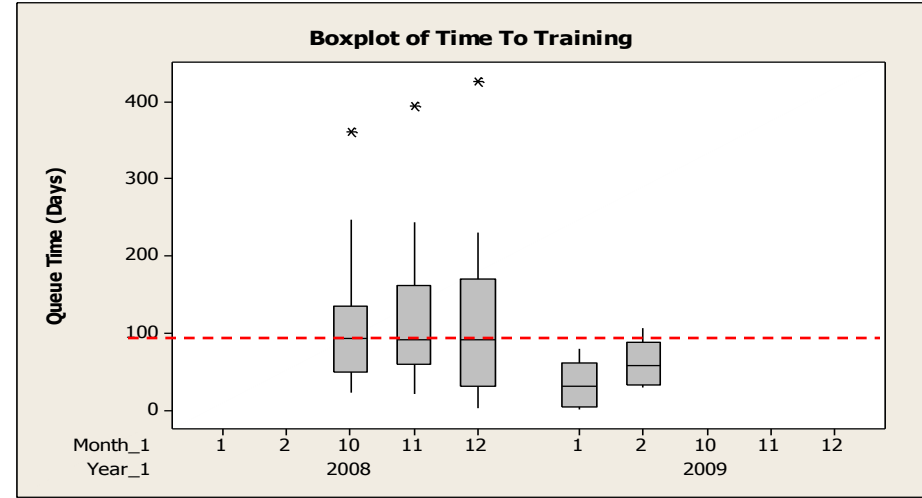
Green Belt Process

(Inputs)

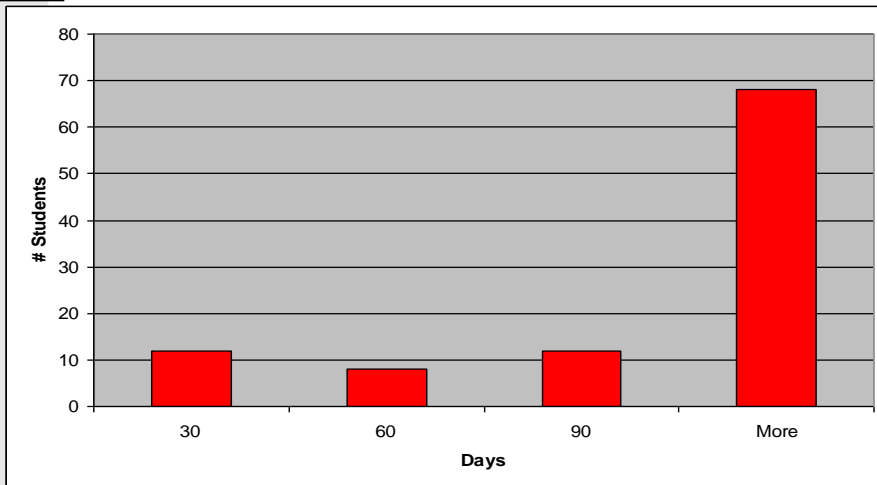
New Hires



Time To Training



Still To Certify



Other Notes:

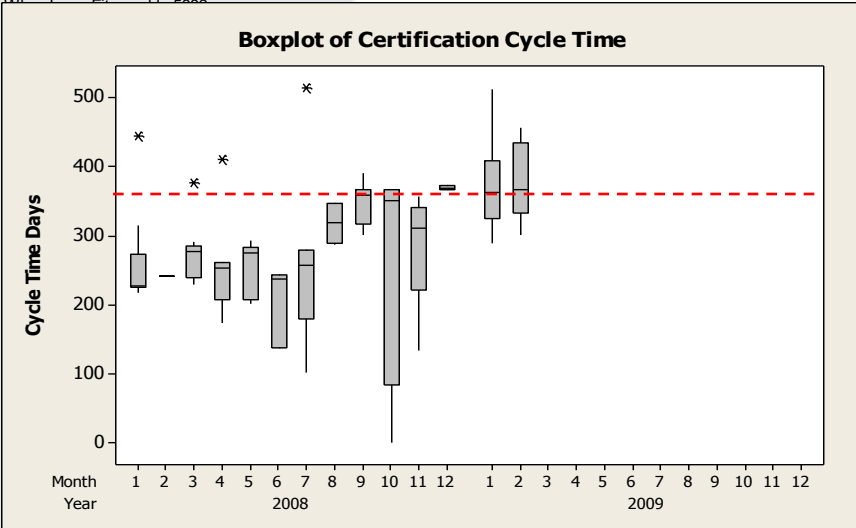
- Green Belt Training is now back on track
- Next training will be 4/09

Process (Outputs)

G

Certification Cycle Time

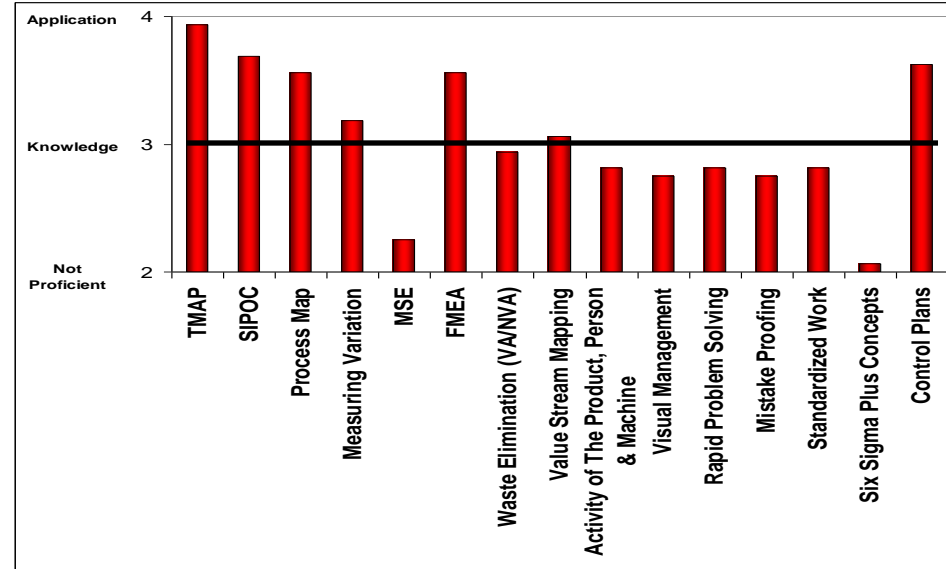
(Hire Date – Cert Date)



Green Belt OTC (FY - YTD): 95.4%

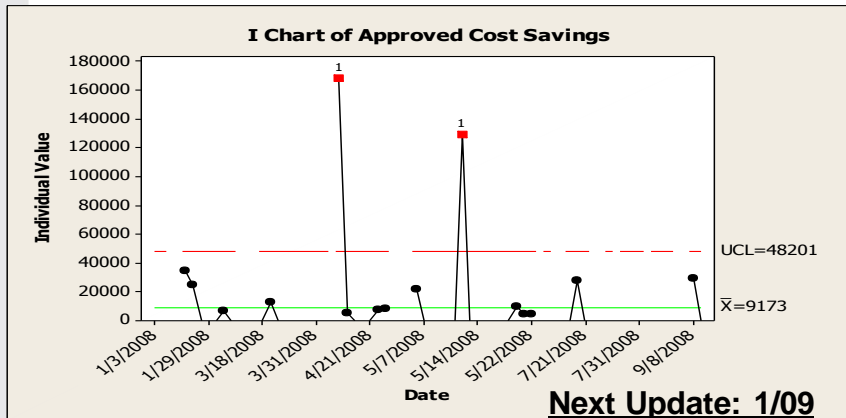
B

Certification Assessment



Y

Cost Savings/Impact



Notes:

- Data has been taken on the “FM&T” mentors
- Gap exists on Lean Tool usage
- Participation is increasing in training

Leading Indicator Analysis

- Leading indicators only provide a correlation not direct line of sight
- There are always multiple indicators for a larger measure, with out looking at them in relation to one another only partial knowledge is known
- It is tough to correlate how advanced in timing the leading indicators are when evaluating