



GE Capital
Information Technology Solutions

Six Sigma in Action: Demonstrating Customer Value

*Putting
the power
of GE
behind IT*

**A Six Sigma in Action summary offers an example of the
value a Six Sigma project can bring to a customer.**

Master Black Belt: Steven Bonacorsi



Six Sigma in Action: System Lease Cost Reduction

Customer Profile – 27,000 seat network equipment company based in San Jose, CA

Business Problem & Impact

Currently the average monthly buyout rate of un-recovered leased systems is at 37%, which results in the client having to spend money for lost or outdated technology. This is well above the industry standard of 10 -15%. In addition, 50% of the clients systems required a lease extension for added cost.

Measure & Analyze

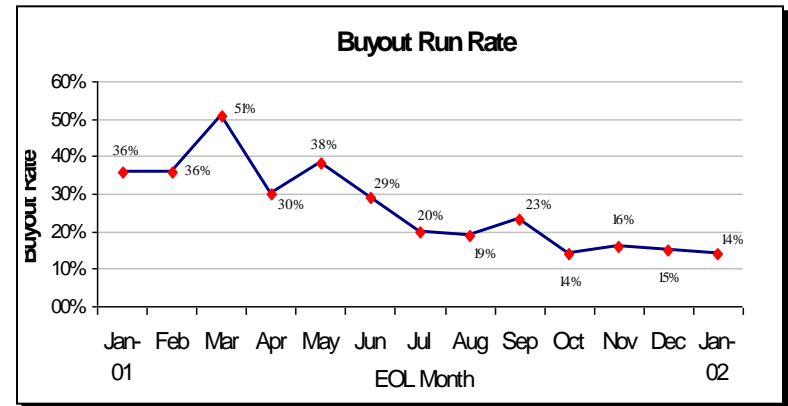
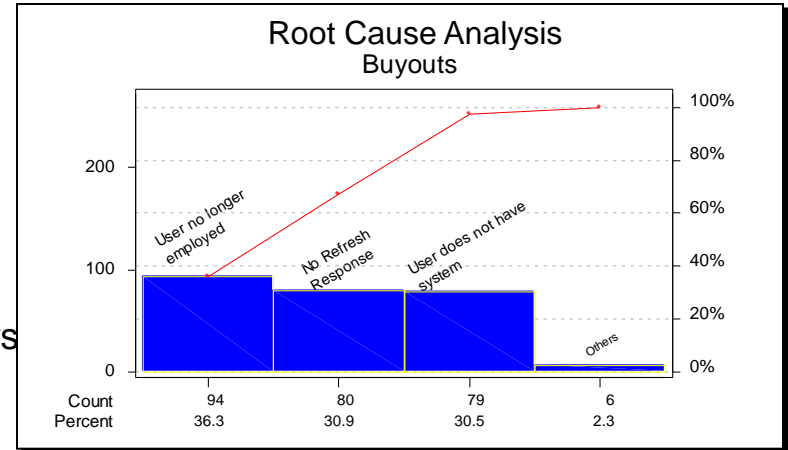
Initially, lease buyout and extension baseline process sigma was about 1.8. Primary root causes were identified to be users no longer with the company, users who did not respond, and users who said they no longer had the equipment.

Improve & Control

In close coordination with the client and the lease vendor, the GE team updated the termination process to include explicit instructions on equipment returns, automatic notifications and follow up reminders. The streamlined process was documented and training provided to key participants

Results/Benefits

Buyout/extension rate was reduced to 12%, and the outdated systems that the client needed to extend or purchase from the leasing company was cut by over 50%, saving over \$2.3M



An annual savings of US\$2.3 million to the customer!