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**Statistical methods — Six Sigma  
— Basic criteria underlying  
benchmarking for Six Sigma in  
organisations**

*Méthodes statistiques — Six Sigma — Critères fondamentaux d'une  
évaluation comparative Six Sigma pour les organisations*

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## Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see [www.iso.org/directives](http://www.iso.org/directives)).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see [www.iso.org/patents](http://www.iso.org/patents)).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation on the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the WTO principles in the Technical Barriers to Trade (TBT), see the following URL: [Foreword — Supplementary information](#).

The committee responsible for this document is ISO/TC 69, *Statistical methods*, Subcommittee SC 7, *Six Sigma*.

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## Introduction

Benchmarking is frequently used in various domains in connection with business activities. The Six Sigma methodology requires an evaluation step using a benchmarking process. In other words, a method for the comparison of levels of quality, performance, and productivity with the state-of-the-art is required. This International Standard establishes what to compare and develops a methodology to conduct a correct comparison between an organization's levels of quality, performance, and productivity. The numbers given by the benchmarking can be integrated into any improvement programme to quantify any progress. They can also be used by other assessment processes in the organization such as regulation compliancy or financial performance evaluation.

Benchmarking is the whole process of collecting and processing data and information and comparing the results. The benchmark is the reference point for comparison.

The main point of this benchmarking methodology, based on transparency and the universal principle of evaluation, is to give confidence to its calculating procedures and the results, so that comparisons between organizations are accepted by all parties.

### *Benchmark and Six Sigma's principles*

The Sigma measure is a number ranging from, typically, near zero to 10 or more. The value six has traditionally been considered "world class" (that can be approximated by 3,4 defects per million opportunities — see ISO 13053-1 5.3) for mechanical and electronic industries. The criticality of defects within each industry typically defines the Sigma level required in order to be a "world class" benchmark quality level for that application. So, according to the different sectors and markets, the level of "world class" can be different.

The Sigma level is an estimate of the proportion of defects (typically expressed in defects per million). A "world class" Sigma level is the Sigma level that is considered essential to consistently deliver excellence of product and service.

This benchmarking method is applicable to all types of sectors, to all type of processes, to organizations of all sizes, and to all methodologies for improvement, in association with DMAIC, or issues relating to Design for Six Sigma (DFSS).

### *Criteria and defects*

The Sigma level is based on the ratio of estimated (or observed or predicted) number of defects to the number of opportunities according to the specifications and the variability of the process (for example, one "defect" in a million deliveries).

A defect is something that a customer or a user cannot accept or it might have a negative impact on performance.

Two types of customer are identified:

- the end user or consumer (Business to Consumer) and
- the professional (Business to Business).

The consumer has some needs but these needs are often implicit. Product requirements that address these needs are not numerous and they can be summarized by the following:

- a) to be safe in its intended usage (security, safety);
- b) to do what it is supposed to do (functional, conformity);
- c) to be available in the expected shape and not to break in its intended usage (availability, ease of use, reliability);
- d) to not do any harm to persons (ethical) or environment (pollution control).

These four criteria cover most of the consumer’s needs for all sectors and on all continents.

A customer will have other criteria but all of these are likely to be summarized by the four generic criteria described above.

*Supply chain*

A supply chain is the whole supplier/transformer link from the raw material to the final product or the service for the consumer. Each sector has its supply chain organization.

Examples:

- Petrol sector — from the offshore extracting (extractor) unit to the gasoline retailer for consumers.
- Food sector — from the fields and orchards (raw material) to the consumer.
- Automotive sector — from the steel and glass supplier to the car manufacturer.
- Cosmetic sector — from the molecule to the perfume or beauty cream.

The level of quality and performance delivered to the consumer is the “total” of all quality and performance levels of the different transformers along the supply chain.

This benchmarking methodology aims to give a comparison of levels between upstream and downstream transformers (chain efficiency benchmarking) or between transformers at the same step (competitive benchmarking).

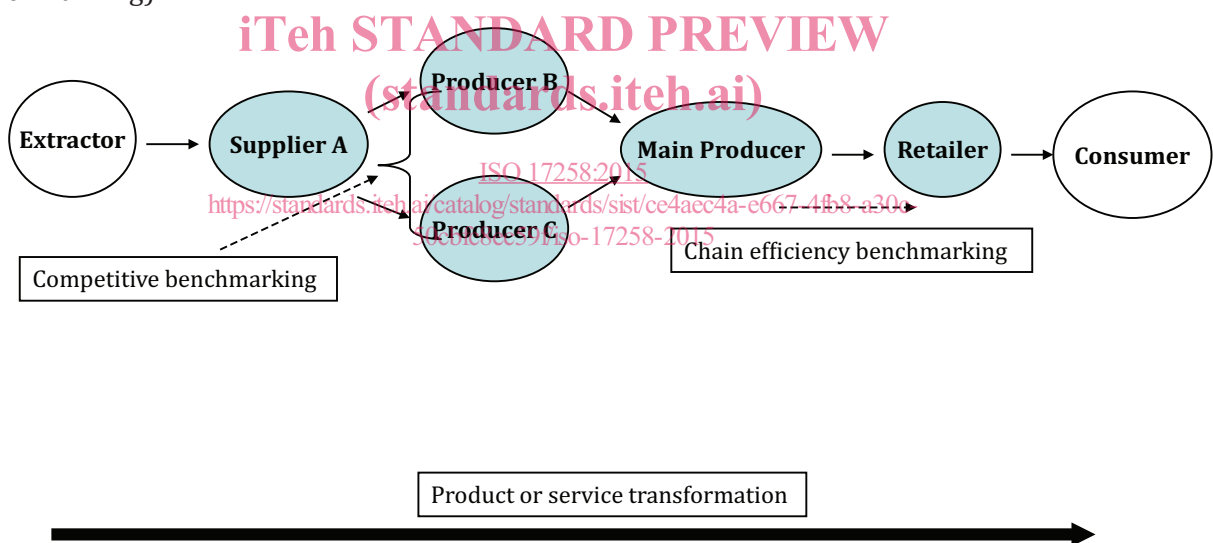


Figure 1 — Supply Chain Cycle

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# Statistical methods — Six Sigma — Basic criteria underlying benchmarking for Six Sigma in organisations

## 1 Scope

This International Standard describes a methodology for establishing the level of quality, performance, and productivity of processes, products, and services according to Six Sigma principles. It is applicable to all sectors (industries, services, administration, etc.) and to all types of organizations, whether it is already involved in an improvement programme such as Six Sigma, Lean, or not. In particular, it can be used to initiate a Six Sigma programme by providing a selection of improvement projects.

**NOTE** The focus of this methodology is on criteria, measures, measurement process, and comparison process. The results can then be used to identify good practices of benchmarking.

## 2 Normative references

The following documents, in whole or in part, are normatively referenced in this document and are indispensable for its application. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 13053-1, *Quantitative methods in process improvement — Six Sigma — Part 1: DMAIC methodology*

## 3 Terms and definitions

### 3.1

#### benchmark

reference point against which comparisons can be made

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### 3.2

#### benchmarking

activity of comparing objects or practices of interest to each other or against a benchmark to evaluate criteria (or characteristic)

### 3.3

#### benchmarking method

logical sequence of general steps to describe the process of quantitatively comparing one or more attributes against a reference attribute with respect to a specified scale

## 4 Symbols and abbreviations

$A$	measure of total “space”
$A_{\text{lost}}$	measure of total lost “space”
$C$	number (count)
$C_{\text{air}}$	number of breaches of threshold of air pollution in a specified time
$C_{\text{input}}$	input defects level
$C_{\text{output}}$	output defects level
$C_{\text{process}}$	process or activity defects level

$C_{\text{water}}$	number of breaches of threshold of water pollution in a specified time
E	category of user — experienced
F	category of user — first time
$k$	organization index
$N$	total number
$N_E$	number of experienced users
$N_F$	number of first time users
$t$	duration of time of study
$t_1$	duration of time during which a product is returned
$t_{\text{lost}}$	measure of lost time
$t_{\text{start}}$	measure of time required for starting or understanding a product
$X$	measure (continuous scale)

## 5 General considerations on benchmarking

Benchmarking is the method for collecting and analysing the data, and from these results, for comparing the quality, performance, and productivity level between two or more organizations.

### 5.1 Objectives and framework

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The following paragraphs describe what an organization is recommended to do in order to deploy benchmarking and to obtain benchmark results.

#### 5.1.1 Objective

The organization should decide upon the objective of the benchmarking before starting any measurement or comparison activities.

NOTE Examples of objectives are to improve processes, to compare to competition, to evaluate the gap for performance improvement.

#### 5.1.2 Framework

The framework encompasses parts that are interrelated. This methodology is built with two main parts:

- benchmark;
- benchmarking.

In the objective's description of benchmarking, an organization should detail these two parts.

## 6 Benchmark

This clause describes the overview and requirements to determine some reference points for comparison (see 3.1.1 and 3.1.2). The points to be detailed are

- the criteria and
- measures of the criteria.

## 6.1 Overview and requirements for the criteria

Benchmarking is required to be applied to the criteria. This methodology defines 10 main criteria. If one of the criteria is irrelevant, the organization will explicitly give an explanation for excluding it from benchmarking. Two optional criteria are proposed, making a total of 12. This International Standard focuses on 10 main and two optional criteria clustered into three types. The main criteria are also named generic criteria.

### 6.1.1 Types and description of criteria

To have a universal benchmark, 10 main criteria are defined and they are clustered into two types. A third type is for optional criteria (see [Table 1](#)).

**Table 1 — Benchmarking criteria**

Number	Type	Title
1	Type 1: generic quality	Compliance
2		Ethical behaviour
3		Security/Safety
4		Returns (customer listening)
5		Availability
6		One-time delivery
7		On-time to market
8	Type 2: generic efficiency	Productivity
9		Raw material efficiency
10		Energy efficiency
11	Type 3: Option	Ease of use
12		Pollution control

These main criteria are divided into sub-criteria. [Annex B](#) gives the list of the sub-criteria. The main criteria describe the basic requirement of the consumer such as security or on-time delivery. The sub-criteria give a practical way to obtain the measure. A main criterion can have from one to eight sub-criteria. In case of several sub-criteria, each one gives a measure and the main criteria can have up to eight resulting measures (8-uple).

**EXAMPLE** Compliance has four sub-criteria: regulation, functional, contractual, and company policies. A result of measures would be (100 %, 95 %, 82 %, and 95 %) and if the company has no policy, then it would be (100 %, 95 %, 82 %, and not applicable).

### 6.1.2 Requirements for criteria

The organization should describe its policy and implementation of the 10 generic criteria with all its sub-criteria (total of 30). [Annex B](#) gives the description of all main criteria and sub-criteria. If one of the sub-criteria has no practice (e.g. no ethical charter or no charity programme in the organization), it shall be explicitly mentioned and excluded from the benchmarking.

## 6.2 Overview and requirements for the measures

This sub-clause gives an overview and the requirements for the measures.

### 6.2.1 Scope of measures

The measures are performed on the main processes of the organization (see Introduction).

The inputs of the organization level process are the inputs of the organization. The outputs of the organization level process are the outputs (or deliveries) of the organization. The main process is a bundle of processes and each process is a set of activities. Each process can belong to a type of process such as functional process (e.g. purchasing, sales, finance), support process (IT process, HR), or management process (project management, accounting management).

For each benchmarking, the organization should describe which processes are in the scope.

**6.2.2 Generic measures**

This is a requirement to obtain measures for the generic criteria.

**6.2.2.1 Measure for compliance**

Compliance is related to the application of legal regulations, business commitments, and organizational policies. The organization will describe the regulations, the business agreements, and the policies it applies. The measure is described in [Table 2](#).

**Table 2 — Compliance**

Information need	Compliance on regulation commitments and policies of an organization
Unit of measure	Count number (compliance requirements, compliance requirements not fulfilled)
Measurement method	Count total number of compliance requirements ( <i>N</i> ) Count number of compliance requirements not fulfilled ( <i>C</i> )
Data type	Integer <a href="#">ISO 17258:2015</a>
Measure	$(N, C, (N - C)/N) (\%)$ <a href="https://standards.iteh.ai/catalog/standards/sist/ce4acc4a-e667-4fb8-a30c-50cbfc8ec59f/iso-17258-2015">https://standards.iteh.ai/catalog/standards/sist/ce4acc4a-e667-4fb8-a30c-50cbfc8ec59f/iso-17258-2015</a>
Function	Divide total number of requirements ( <i>N</i> ) minus number of requirements not fulfilled ( <i>C</i> ) by total number of requirements ( <i>N</i> )

Note For example, counting the number of non-conformities and the total number of requirements of ISO 9001:2008 standard will give this measure.

Counting the number of security practices not fulfilled and the total number of security practices that are mandatory will also give another measure.

**6.2.2.2 Measure for ethical behaviour**

Ethical behaviour is related to all of the social responsibility activities of an organization. The organization should establish the list of its ethical “good practices” (GP). The measure is described in [Table 3](#).

**Table 3 — Ethical behaviour**

Information need	Ethical good practices (GP)
Unit of measure	Count number (ethical good practices, ethical good practices not fulfilled)
Measurement method	Count total number of ethical GP to be applied ( <i>N</i> ) Count the number of ethical GP not fulfilled ( <i>C</i> )
Data type	Integer
Measure	$(N, C, (N - C)/N) (\%)$

Table 3 (continued)

Function	Divide the total number of ethical GP ( $N$ ) to be applied minus the number of ethical GP not fulfilled ( $C$ ) by the total number of ethical GP to be applied ( $N$ )
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Note For example, do not throw your old computer but send it to a school or association.

### 6.2.2.3 Measure for security/safety

This measures what the consumer is expecting for its security (or safety). A breach of security (or safety) is an event that jeopardizes the vital functions of an organism or an organization. The measure is described in [Table 4](#).

Table 4 — Security/Safety

Information need	Security (or safety) for an organism or an organization
Unit of measure	Count number (breaches of security or safety)
Measurement method	Count total number of breaches of security (or safety) ( $C$ ) over a specified period of time $t$
Data type	Integer
Measure	$(C, t, C/t)$
Function	Number of breaches of security over a specified period of time (week, month, year, etc.)

### 6.2.2.4 Measure for returns

A return is an explicit action issued from a dissatisfied customer (problem report, complaint, product return, a request for return). The measure is described in [Table 5](#).

Table 5 — Returns

Information need	Returns from consumers
Unit of measure	Count number identified returns (complaints, product return, report, withdrawal of goods, etc.)
Measurement method	Count number of returns (complaints, product return) ( $C$ ) by specified period of time ( $t$ ) Count number of units sold ( $U$ )
Data type	Integer
Measure	$(C, t, U, C/U)$
Function	Divide the total number of returns by specified period of time (week, month, year) by the number of units sold

### 6.2.2.5 Measure for availability

This International Standard records availability with two measures:

- proportion of time (i.e. useful time/total time);
- proportion of space (i.e. space where usable/total space).

The measure is described in [Table 6](#).