

Strategic planning has become increasingly important as Six Sigma has matured at Cigna. When Six Sigma was launched at Cigna, leadership made it clear the approach would be holistic and would not just focus on productivity improvement, but would require behavioral changes and a focus on customers. Figure 11.13 shows the conceptualization of how Six Sigma supports a strategic focus at Cigna. One project involved one of Cigna's largest clients, which was dissatisfied with errors and how long it was taking to pay claims accurately. This customer got its own Six Sigma professionals to work with Cigna. The Six Sigma project exceeded the customers' expectations from both timeliness and quality standpoints. In fact, the customer was so satisfied, it gave Cigna additional business.

Cigna looks at the cost of doing nothing differently, figures how much improvement it can make, and then comes up with a dollar differential. A 0.1 percent improvement can save millions. While initial concentration was on efforts that would bring quick and significant results, Six Sigma at Cigna has matured, and it has increasingly focused on impacting goals of the most strategic importance to the organization. The challenges of the huge cost of care and quality of care facing the U.S. health care industry have led Cigna managers to wonder whether they could extend its improvement methodology to the industry as a whole to address some of

the key challenges in the U.S. health care marketplace, including:

- A shift away from cost based models of health care toward a value based system
- Medical care cost inflation
- Demographic changes that necessitate the need for more care availability
- Inconsistent quality of care
- The growing number of Americans who use emergency rooms for primary care because they lack health insurance
- Rising consumer expectations fueled by greater transparency of quality

As one of them noted, "Six Sigma is about quality, continuous improvement, and sustained excellence—all of which should be basic to the mission of every organization that's in the business of providing access to health care."

### Key Issues for Discussion

1. Suggest how Six Sigma might be used to help Cigna address its five strategic imperatives? Is their approach consistent with the discussion of Six Sigma and competitive strategy at the end of this chapter?
2. Can you think of specific types of Six Sigma projects that might support Cigna's strategic imperatives?

## QUALITY *in* PRACTICE

### Strategic Planning at Branch-Smith Printing Division<sup>20</sup>

Branch-Smith, Inc., is a fourth-generation family business founded by Aaron Smith in 1910. This discussion characterizes the company and its strategic planning processes at the time it received the Baldrige Award in 2002. While the company has evolved and changed significantly, this example serves as a comprehensive case study of how performance excellence is integrated into the strategic planning process. It is historically accurate but may not reflect current practices.

The Branch-Smith Printing Division in Ft. Worth, Texas, has only 70 full-time employees and specializes

in creating multipage, bound materials with services ranging from design to mailing for specialty customers. The company produces publications, magazines, catalogs, directories, and books, as well as some general commercial printing, typically in quantities generally less than 20,000. It offers a complete array of turnkey services to customers, including design, image scanning, electronic and conventional prepress work, printing, binding, and mailing/delivery.

Within the Printing Division, the context of the business is set through their Vision Statement: "Market