Basics of SIPOC

When undertaking any process improvement activity it is important that you first understand the process, and how it fits in to the business, (i.e. your process is a small part of a larger system). SIPOC was developed by Peter Scholtes as an elaboration on Dr Deming's systems diagram and is an excellent tool to help you take that step back and truly begin to understand the process you want to improve. It quickly and easily captures the "current state" of the process in question by helping you to think about who your customers / suppliers are, and what they / you really need, (notice I said, "need" not "want", it goes back to the old saying the customer wants to buy a drill, but needs a hole).

The SIPOC acronym stands for:

Supplier   –   internal / external suppliers to the process

Inputs   –   inputs to the process. This can include information, forms, materials etc

Process   –   the means that convert the inputs into outputs in order fulfil your customer's needs

Outputs   -   internal / external customers to the process

Before you begin to complete your SIPOC diagram, you need to think about what the purpose of the process is, and describe it from the customer's point of view. To help you get a clearer idea think about and describe the benefit or capability your customers get from your process, rather than simply listing your products and services. This is called the "Process Purpose Statement" and it will help you to identify improvement objectives and performance measures further down the line.

Once your purpose is clear you can begin to complete your diagram by completing the following steps:

Step 1: Agree and define the name of the process. It should define how you convert your inputs to outputs and be in the present tense. It should not define performance requirements or improvement objectives.

Step 2:   Define the **Outputs** of the process. These are the tangible things that the process produces, e.g. the goods and services your customers buy or the tangible activities your internal customers need in order to satisfy the end-customer's needs.

Step 3:   Define the **Customers** of the process. They can be either internal or external and are the people who receive the outputs from the process.

Step 4:   Define the **Inputs** to the process. These are things that trigger the process e.g. customer orders.

Step 5:   Define the **Suppliers** to the process. Once again, these can be internal or external, and in some cases, the supplier can also be the customer.

Step 6:   Define the **Requirements** of your Suppliers and Customers. This will help you to understand:

   a.) what your customer requirements are
   b.) are you fulfilling those customer requirements
   c.) what your requirements are from your suppliers
   d.) are your suppliers meeting your requirements

Step 7:   Identify the process owner who is responsible for the end-to-end process

Step 8:   Define the start and end points and any boundaries of the process, e.g. the first and last activities in the process, and does it include all customers or just retail etc?

		Process Name: *Make a cup of tea*		
Suppliers	**Inputs**	**Process**	**Outputs**	**Customers**
Water company	Water	Add water to kettle	Cup of tea	Partner
Electricity company	Electricity	Put kettle on to boil	Used tea bag	
Supermarket	Tea bags	Add tea bag to cup		
		Pour boiling water into cup		
Supermarket	Bottles of milk	Add milk		
		Remove teabag		

Requirements		Requirements
Water & electricity as and when needed Fresh teabags and milk		Hot cup of tea

Fig 1: example of a SIPOC model

One of the most powerful outcomes of the SIPOC comes from bringing associates together in a non-threatening way to discuss and look at each of the SIPOC headings, and thinking about how the entire company can improve their processes to better meet customers' needs.

Growing a Lean Business

If you would like more information on the SIPOC model, and how you can use it in your business as part of a long-term programme to grow your business, we're currently running a number of open workshops in Leeds and Newcastle. For more information go to:

http://www.nicholsonconsultancy.com/Growing_Lean_Business.htm

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If you're interested in Lean for the Office, why not sign up for our e-zine, "Better Today" at www.nicholsonconsultancy.com/ezine