

**Editor's note:** This department features Six Sigma related content excerpted from the annual reports and other communications produced by a variety of the world's most successful companies.



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## FEATURED COMPANY:

# Honeywell

## REVITALIZING SIX SIGMA PLUS

Every company talks about productivity improvement, but few have made it a part of its culture as Honeywell has. Fewer still can match our results—more than \$2 billion in real savings over the past decade.

Even so, we learned a lot from the General Electric integration planning experience. With this expanded perspective and our relentless drive to improve, we're taking Six Sigma Plus to a new level.

Our immediate focus is on putting our 3,000-plus Black Belts (BBs), Master Black Belts and lean experts on priority projects where they can improve processes and reduce costs right away. We will train and certify hundreds more BBs and thousands of Green Belts in the coming year—part of our continuing drive to make every employee in the company a Six Sigma Plus disciple. This work is essential as we face a difficult economic environment.

### Accelerating Digitization

The marriage of Six Sigma Plus and digitization creates a powerful force to streamline processes, cut costs and help our customers succeed. We anticipate that digitization will trim our selling, general and administrative expenses by 5% per year—and that's just for starters.

### Third-Quarter Report

Honeywell's third-quarter performance reflects a work in progress. Prior to the tragic events of Sept. 11, we were engaged in aggressive across-the-board reposition actions to address a softening economy.

The subsequent abrupt and unprecedented decline in the aviation industry led us to redouble our cost reduction actions and further accelerate efforts to improve our performance.

Even with the difficult operating environment this quarter, we saw double-digit sales growth in some key businesses.

Our single goal is to ensure Honeywell executes its plans during this challenging period. We have built flexibility into our planning, based it on conservative economic assumptions and taken steps to strengthen our diverse portfolio.

### New BB Role

Six Sigma is being reinvigorated with the goal of restoring the company's ability to achieve 6% year over year productivity improvement. Six Sigma and digitization are being closely linked through a newly created BB role designed specifically for driving the co-application of both disciplines across the company. **O**