

DEMING INTERACTION



Spring 2003, Vol. 7, No.1

The W. Edwards Deming Institute®

“Deming in action” conference will focus on application

Two days devoted to applications of Dr. Deming's theory of management – the annual Fall Conference of The W. Edwards Deming Institute® at Georgetown University Conference Center, October 18-19, 2003.

Come, learn how organizations apply Deming's ideas to totally revamp operations, performance appraisal systems, processes, products and services, and reward systems. Learn how they align procedures with policies and mission, take salesmen off commission, work with suppliers, learn from customers and employees, integrate learning throughout the organization, and much, much more. Find out how these companies did what they did, and how they overcame stumbling blocks along the way.

Sessions already scheduled feature an aircraft manufacturer, university, agency of the federal government, financial institution, technology company, and a manufacturer of sports equipment. Additional

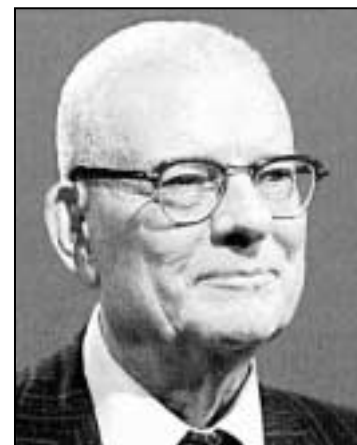
Are you implementing Deming's ideas?

Send 200 words or less describing how your company has implemented some aspect of Dr. Deming's advice in managing your enterprise. Include when, how, and where in the organization changes were made. Then briefly describe the results. What were the “bumps”? How did you overcome them? What worked? What didn't? Please send your examples, stories, and ideas to the conference coordinator by email to Orsini@fordbam.edu, by fax to 212-636-7303, or by post to Deming in Action – Room 417, The W. Edwards Deming Institute, 33 West 60th Street, NY, NY 10023.

speakers are still being confirmed. The full slate of parallel sessions will give conference goers their pick of working examples from service, manufacturing and government.

Also on tap for the fall conference is a special evening session of stories and ice cream. If you are new to Institute events, this session is an opportunity to get to know fellow participants in a relaxed setting. If you are a long-time Deming fan, it is a chance to reconnect, to share stories that recall the man behind the legend – the humor, eccentricities, intellect, moral fiber, and determination that propelled Deming onto the international stage. (If you have a story to share from the platform, please send a brief description to the conference coordinator. See box.)

To register and for conference details as they become available, visit the events section of the Institute's web site: www.deming.org. ■



courtesy MIT/CAES

“Experience teaches nothing unless we ask a question for experience to answer.”

– W. Edwards Deming, 1985
Speech at Cedar Crest Academy

Endowment fund

Endow: to provide with a permanent fund or source of income or to furnish, as with some gift.

The Deming Institute Endowment Fund was established in 1999 to assure future funding for activities that further Dr. Deming's teachings and keep them viable. The fund directly supports the Institute's commitment to offer educational opportunities to all who share the joy of learning.

In its commitment to educational service, the Institute offers seminars and conferences, open to all, at fees that reflect the costs of the event. It offers grants to scholars to research, to write and to publish. It makes reprints of Dr. Deming's published articles available for the cost of the mailing fees. It actively collaborates with other nonprofit organizations and universities, businesses and individuals. The Institute does all this

without paid employees. Institute trustees, Design Council members, and other workers all are volunteers.

Donations to the Endowment Fund are invested in a special account that allows only the interest to be used for educational services. The principal remains intact to support educational work for years to come. Donors' requests regarding the use of their gifts are recorded meticulously; gifts are used only for the specified purposes.

Dr. W. Edwards Deming donated generously throughout his lifetime to organizations he believed in. Similarly, many of his friends and admirers make gifts to his Institute so that his work will serve today and continue for new generations. The Institute is recognized by the IRS as a not-for-profit public organization for educational services. Donors may contribute by check, MasterCard or Visa. Please contact staff@deming.org or telephone 301-294-8405. ■

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The W. Edwards Deming Institute®
fostering understanding of
the Deming System of Profound Knowledge™

Papers and videos sought

The Deming Collection at the U.S. Library of Congress contains Dr. Deming's published and unpublished articles, books, and personal papers. Scholars from around the world, looking for help with their research, come to the Library in Washington, DC, to search through 70 linear feet of Dr. Deming's files, writings, studies, and personal records. Many publish their findings in academic or popular journals.

In addition to the collection of Deming's papers, which is maintained by the Manuscript Division of the Library of Congress, the Library's Sound Division is amassing films, videos, and audiotapes of Dr. Deming. These include his formal presentations, television interviews, visits to schools, companies, government offices, and Deming associations, as well as personal footage people have recorded.

If you have a letter or document that Dr. Deming sent to you, or if you have an audio or video recording of Dr. Deming, the Institute would very much appreciate the opportunity to make a copy to contribute to the Library of Congress collection. Your contribution would be a valued addition to the records available for future generations.

Every tape or film of Dr. Deming in action is important, regardless of the topic or quality of the recording. If you filmed Dr. Deming, or know of someone who did, please let us know. Copyright is not a concern; the Institute will work with the copyright holder to obtain permission for a copy for the Library of Congress.

To contact the Institute regarding materials for the Library of Congress, please telephone 1-866-541-9215 (toll free), or 1-212-636-6219 in New York City, or email orsini@fordham.edu. ■

Past users of the Deming Collection

Assistant Professor Catherine Michalopopoulou
Panteion University, Athens
History of sampling practice in Greece, specifically, the Allied mission to observe the 1946 Greek elections.

Dr. William J. Bellows
Boeing Company, California
Research to develop a deeper understanding of Dr. Deming.

Dr. Mark Wilcox
Durham University Business School, Durham City, UK
Influences on Deming's thinking: Shewhart and C. I. Lewis's Mind and the World Order.

Professor Kozo Koura
Asahi University, Japan
Deming's friendship and contribution to Japan.

Dr. Peter B. Petersen
Johns Hopkins University, Maryland
Research for a series of articles in the Journal of Management History.

Professor James Hoopes
Babson College, Massachusetts
Research for a book on the history of management ideas.

William C. Towns
University of Kansas
Deming's life and the philosophical foundations of his theories.

Ryo Shibamura
Economics faculty of Kyushu University, Japan
History of statistical quality control in the U.S. and study of Dr. Deming in 1940-1950.

UK hosts fourth Transformation Forum

"Hitting the target but missing the point?" That provocative question is the theme of the fourth annual Transformation Forum sponsored the UK Deming Forum, May 14-15. The main event will be preceded, May 13, by a special day long introduction led by Bill Bellows. It's an opportunity for new delegates to explore Deming's philosophy and for "old hands" to take their thinking into new territory.

Through the generosity of its sponsors, the Forum is able to offer the Myron Tribus Scholarship for students and subsidized registration to overseas delegates. The Transformation Forum will be held again this year in Doncaster at the Earth Centre, an environmental project that shares the Deming Forum's concerns about creating a sustainable world (www.earthcentre.org.uk).

The Forum's Information Centre has a growing library available free to supporters. In addition, they have the following resources available for purchase: Deming A5 booklets; paper, compact disk, and audio versions of Deming Forum presentations; and archive material from the British Deming Association (BDA). The Deming Forum now holds copyright/ownership for most of the BDA's resources.

For information about the Forum's resources, or for details about the Transformation Forum and/or scholarships, see the Deming Forum website (www.deming.org.uk) or contact The Deming Forum, 11 Woburn Street, Amptill, UK MK45 2HP; telephone: +44 (0) 1525 402323; fax: +44 (0) 1525 406610. ■

— Courtesy of Hazel Cannon

An address by W. Edwards Deming at the dedication of Cedar Crest Academy by invitation from Bette Moen, Principal, 12 October 1985

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Dr. Deming presented this speech at the dedication of Cedar Crest Academy in Clarkston, Michigan. He loved children and he loved learning. On that premise, Cedar Crest Academy and Dr. Deming were brought together. Nearly twenty years later, that passion still exists – it is a tribute to his belief that joy in learning perpetuates itself and makes a difference in our world, student by student. Dr. Deming's learning is like the learning at Cedar Crest Academy – questioning, listening and generative. Twenty years later, playing polar bear in the milk jug igloo, building a scaled Eiffel Tower with balsa wood, African drumming with professional musicians, or authoring a play expressing teenage angst, all bring joy in learning, day by day.

I am here under false pretenses. I have nothing special to offer to the people here, nor to the children here. I shall try to talk to them as well as to you, parents and friends. I was a child once, and can remember some experiences of learning.

What is more important than education of children? We know about material coming into factories, raw, semi-finished, or finished. We know how devastating it is to have shoddy material and faulty equipment. It is a difficult life for a baker if the stuff that comes in is of poor quality or greatly different from the usual run of flour or fat. We know about mistakes in banks, retailing, wholesaling, foul-ups in transportation.

Children are raw material. They will manage our country, our industry, our agriculture, our services, our government. They will do the work of the future. I wonder if anything is more important than children and their education. I have some appreciation of the importance of education at all levels, especially in the beginning.

I talk with management and in seminars about the importance of a good start, the intent of the management. That intent has to be carried out by people that put intent into motion, into design, into production, into action. What is the intent of education?

I understand that there is a builder here in the audience, and I think that he would agree with me that once the plans for a piece of construction (e.g., a house, a building) are 15 percent on the way, it is too late to make alterations, except to detour around a catastrophe. Changes are costly and time-consuming. It is important to think of education in the same way.

You should think also of the intent and how to carry out the intent. The start – the first years of school – is very important.

There were many articles years ago in magazines and in letters to the editor to explain why Johnny can't read. I read about three years ago in the *Atlantic Monthly* another article on the same subject. There is not much of anything interesting for him to read today. The good stories that I read in school, which I knew, were interesting. We don't have stories like that today, so this article says. Now I have not gone back to school, to first, second, and third grades to find out, but the writer explained that the books that the children learn to read from today put the children to sleep.

Everybody at work in any pursuit, any endeavor, be it building, education, post office, transportation, manufacturing, service of any kind, has a customer. Somebody takes his work and does something with it. There is a chain of production.

The customers for people that select books for children to study are the children that are going to read them. The people that select the books are the school boards, not the teacher or the superintendent, and certainly not the children. The children merely use the books selected for them. The school board selects the books, the children read them, except that there is nothing to read any more. No such thing as race or color any more, nor religion, not even gender any more, no such thing. What is there left? Stories are bland. Children go to sleep reading them.

I think that children have as much intelligence today as they did when I was one of them. Yet according to what the figures say, thirty-three million adults in this country are functionally illiterate. They may be able to pronounce words but they can't read.

Maybe we ought to think about the end-product that we are trying to produce, and the means of making it. Who are the customers? Whom are the school boards working for? Whom are the superintendents and the teachers working for?

You find in a manufacturing concern, General Motors, Ford or any other, that half of the people handle materials and turn out what we call product. The other half are in the service part of the manufacturing concern – the management, the people that do the purchasing of raw materials and equipment, engineers, scientists, personnel department, finance department. If you take a look where your taxes go for public education, remember that half the people on the payroll don't teach at all. No wonder teachers are overworked. Half the people on the payroll don't teach, they are the so-called service part of the school system. I wonder if we need all that service. I don't know. It might be something to think about.

There was an article in *Harper's* for April 1985 under the title, "Why Johnny can't think." Johnny never had a chance to think. Children don't get a chance to think any more. Examinations are check-block systems. Children fill their heads with answers. Some children, by knowing the right answer, or by luck, mark off the right box. Some by luck mark the wrong box. In case of doubt, let it be heads or tails. That is not thinking. That is not education.

If you have enough information in your head, you can mark the right answers, very simple. It is a labor saver, because the teacher can tabulate in a flash the results of fifty pupils, bar diagram and comparisons. Neither the teacher or pupil need to think. All so simple. The Educational Testing Service grades applicants the same way; am I right?

Are we victims of great achievements in electronics? Do such tabulations test education? I raised that questions with the Educational Testing Service, and I don't think that they liked it. I would rather have a pupil present to me a paper in which he gave reasons why a certain answer to a certain question could be right, and under what condition it could be wrong, and why another answer could

Continued on page 5

What's New? What's Next? Better Thinking for a Better Future

The In2:InThinking Network will hold its second annual forum, April 3-6, in Canoga Park, CA. The theme – “What's New? What's Next? Better Thinking for a Better Future” – challenges conference goers to focus on applying contemporary thinking, by thinking consciously about thinking and about the doing that follows it.

In organizations of all sizes and in all sectors, managers are faced with making thoughtful decisions and with questions about how to solve problems. However, the problem-solving mentality, and its all-too-common short-term focus, often restrict management thinking. In a much more profound way, leaders with knowledge are asking the questions needed to not only solve problems, but also to continually improve, innovate, and create the future.

At the April In2:InThinking Conference, keynote speakers Dr. Mike Tveite of Polaris Industries and Dr. Nida Backaitis of Mitre Corporation will explore

this thought-provoking topic. Both speakers were mentored by Dr. Deming whom, they note, did not provide a set of directions and solutions, but offered something more profound: a set of questions to help people see the world differently. These questions, based on his philosophy of management, can help transform individuals and society, as well as organizations.

Drs. Backaitis and Tveite will describe the impact Dr. Deming had on the way they think and learn. As Dr. Deming challenged their thinking, they will encourage their audience to challenge current beliefs, patterns, and assumptions as they share questions and guide the In2:InThinking conference participants to look through the lens of the Deming System of Profound Knowledge.

For more information, see the In2:InThinking web-site at www.in2in.org or call 818-489-3005. ■

– *Courtesy of Marcia Daszko*

Waukesha partnership project focuses on heart healthy behaviors

The Waukesha County Community Partnership Project, supported in part by a grant from the Deming Institute, has formed a partnership with the Waukesha County Health Council to foster “heart healthy” behaviors in the southeastern Wisconsin county. The partners are working with a coalition of area stakeholders to lay the groundwork for a Tacoma-style, community-based collaborative, to launch this fall, to improve cardiovascular health in the region.

The project will draw together teams from a broad range of community organizations around a commitment to advance the cardiovascular health of people who live and work in Waukesha County

through improvements in behaviors related to nutrition, exercise, and smoking cessation.

Cardiovascular diseases are the leading killers of adults in Waukesha County, and performance indicators suggest the county's heart health is getting worse. Since 1997 the Waukesha County Health Council has monitored the county's health status in five major illness categories. In its 2002 report card, the council found:

- increasing death rate from coronary heart disease,
- increasing death rate from stroke,
- increasing percentage of population with high blood pressure,
- increased rates of smoking and obesity, and
- reductions in exercise and eating healthy foods.

About 36 percent of county residents were classified as overweight in 2000, compared with 27 percent in 1998; and approximately 24.1 percent of adults in Wisconsin smoke compared with the national average of 23.2 percent. In January, the American Lung Association rated Wisconsin among the worst in the nation at curbing tobacco because of the state's failure to use tobacco settlement money to support tobacco prevention and cessation programs. ■

Ninth Annual Research Seminar

February 24-25, 2003, The W. Edwards Deming Institute, Fordham University Graduate School of Business, the ASQ Metropolitan Section, and the Deming Cooperative hosted the Ninth Annual Research Seminar, featuring studies by more than 35 researchers whose investigations explicate the relation of Dr. Deming's work to the academic literature, works of other great thinkers, and practice.

This annual event is held each February in New York City. For information about next year's research seminar, contact Dr. Joyce N. Orsini at orsini@fordham.edu or telephone 212-636-6219. ■

DEMING
INTERACTION

Deming Interaction is the newsletter of The W. Edwards Deming Institute.® The Institute's aim is to foster understanding of The Deming System of Profound Knowledge™ to advance commerce, prosperity and peace. We welcome participation. Participation in the Institute means that we share Dr. Deming's vision of a better world. We participate because we strive, with joy, to carry on the work that he began. We seek to conduct ourselves in a manner consistent with his high moral and ethical standards, professional and personal integrity, and commitment to lifelong learning. We do this solely from our dedication to the philosophy and values of Dr. Deming and our belief that together, we can and will make a difference in the quality of life for everyone.

The W. Edwards Deming Institute® is a volunteer, nonprofit organization. There is no paid staff. Volunteers, including conference speakers, video seminar facilitators, members of the design council, and the board of trustees, all donate their time to the Institute.

Contributions welcome

The Institute welcomes your charitable donation to further its educational programs. To make a contribution, please contact the Institute at the address below.

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Please direct comments and suggestions regarding this newsletter to March Jacques (262-786-9336 or march@execpc.com).

An address by W. Edwards Deming*Continued from page 3*

be right or could be wrong. That would require him to think. It would give him a chance to think. I would not care whether he gave the right answers or not, if he leans to think. He would develop some understanding of the world, why something is right or wrong. That would require him to think, and it would require the teacher to read the papers. What are we trying to create? Children that can think, or children that can carry in their heads a pile of information?

You know from your courses in the theory of knowledge that there is no meaning in any statement, no meaning in any conclusion, nor in any sentence, unless it has temporal spread, to enhance your degree of belief in something for the future or something in the past. Johnny with his head full of answers, like a dictionary, is not thinking. A dictionary is pretty important, of course. I use one frequently. But the dictionary can't think for me. Johnny will have his head full of information, be able to pass the course by being able to mark off the right blocks, but that is not education. Marking the right blocks does not

explain anything. They don't help Johnny to predict or explain what happened in the past.

Science has advanced by explaining what happened in the past, as in geology, geometry, anthropology, geography, chemistry. Science is not a dictionary full of words, but is knowledge of the world, and this means temporal spread to explain what happened in the past, and what to predict in the future. We modify theory, and thus learn. We are thankful for the dictionary, but it doesn't lay out a course of action for us. It does not contain knowledge. It contains words.

What is thinking? Construction, use, and modification of theory to explain what will happen. Nobody knows that will happen, but we can subject theory to experiment or observation. Education should prepare somebody to make a better prediction and to understand better the past. One enhances his degree of belief as he learns, but degree of belief cannot be measured. It is not .8, .9, or anything else.

These are just a few thoughts that I had in my head. What is education, what is management, what is science? It is to subject the world to observation, but there is no observation without

theory, thought. Theory may be simple, may be stupid, it may be only a hunch, and the hunch could be wrong. Subject that hunch to a test about a school, about mowing a lawn, about doing anything in this world, and you will learn by conformance or non-conformance. You will learn that there is no such thing as a fact. Get the facts! Sounds great. The facts are only what somebody observed who was trying to learn about the past or about the future. A book full of figures or observations is not knowledge.

Experience teaches nothing unless we ask a question for experience to answer. A question comes from theory. A figure has not meaning except in terms of theory. What question does it answer? We have too many figures these days. People turn out truckload after truckload of figures, but with no information in them. There is no such thing as a fact, except for what you need to know to explain something, to plan rationally. History is what somebody recorded because he wished us to read it that way. Because he wished you to read it, and you believe it. I learned this from the book by Max Nordau, *The Interpretation of History*. ■

– Courtesy of Bette and Ron Moen

Commemorative business cards

Looking for a special gift for a special Deming admirer? Why not treat yourself?

The Institute has a limited supply of commemorative paperweights made from Dr. Deming's unique light wood business cards. These attractive Lucite paperweights reveal both sides of Dr. Deming's business card. One side of the card is written in English and the other in Japanese. The paperweights measure approximately 4 1/8 inches wide, 2 5/8 inches high, 1 inch deep. They are available for donations of \$50 or more.

The paperweights may be considered tax deductible donations, provided claims are reduced by the actual cash value (\$11) of the paperweight. You may want to consult your tax advisor.

To order paperweights, please contact:
The W. Edwards Deming Institute, P.O. Box 59511,
Potomac, MD 20859-9511; telephone 301-294-8405;
email staff@deming.org. ■

Deming at the podium

Dr. Deming delivers his management theory in a videotape collection available from The W. Edwards Deming Institute®.

The Deming Four-Day Video Set is a 12-hour videotape collection which can be purchased in the U.S. in NTSC VHS format for \$275.

Outside the U.S., the collection is available in NTSC format for \$325 or in PAL VHS or SECAM format for \$445.

To order, visit the Institute's web site:

www.deming.org, or contact:
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Invisible man

Courtesy of Del Kimbler at Clemson University, the Institute is able to maintain a communication system for people who have attended Institute events or have requested information through its web site (www.deming.org). Del's work enables the Institute to send nearly 10,000 email announcements all over the world with a few keystrokes. A behind-the-scenes supporter of the Institute ever since its first conference in 1994, Del set up the announcement system and has kept it running smoothly over the years. Our sincere thanks to Del for all he does to help the Institute carry out its work. ■

OQPF tapes

Tapes from the Ohio Quality and Productivity Forum (OQPF) and a procedure for borrowing the tapes are described at: www.NGC.Peachnet.Edu/Academic/Bus_Gov/BADM/kmelton/OQPF.htm. The OQPF video lending library is operated on a volunteer basis by Kim Melton. ■

Mark Your Calendar

Quality, Productivity, and Competitive Position Seminar*

October 13-16, 2003
Las Vegas, Nevada

Annual Fall Conference

October 18-19, 2003
Georgetown University
Conference Center
Washington, DC

Quality, Productivity, and Competitive Position Seminar*

January 2004
(just before Carnival and
Mardi Gras)
Rio de Janeiro, Brazil

**Formerly known as the Four-Day Video Seminar.*

For reflection

The following is the preface Dr. Deming wrote for the unpublished UK edition of The New Economics.

This book is a textbook for people in management, and for students of economics, engineering and business. The purpose of a school of business should not be to teach how to perpetuate the present style of management, but how to transform it. In other words, the purpose should be to prepare students for the future, not the past.

The route to transformation is profound knowledge. There is no substitute for knowledge. The aim of this book is to start the reader on the road to knowledge, and to create a yearning for more knowledge.

The reader, when he has had time to reflect on this book, may agree with me on two theorems:

Deming's 1st Theorem.
Nobody cares about sustained profit.

Deming's 2nd Theorem.
We are being ruined by best efforts.

The truth of these two theorems will become obvious after some reading and reflection.

The reader will note from Chapter 2 and elsewhere that many people in management are being paid to produce waste: i.e., to raise costs. He will perceive that we need best efforts, of course, but best efforts guided by knowledge. The transformation required will not take place in the absence of leaders. A leader must possess knowledge, not just information. ■

– *Courtesy of David Kerridge*