



W. Edwards Deming®

Fall 2004, Vol. 8, No. 2

The W. Edwards Deming Institute®

Institute develops a cadre of seminar instructors

To increase the number of people able to facilitate seminars and teach Dr. Deming's theory of management, the Institute conducted an intense education and training program in Louisville, KY, May 9-15, 2004. Dr. Joyce Orsini and 12 program participants met for six days to develop a deeper understanding of Dr. Deming's theory of management and its practice and to create interactive education modules for a new seminar.

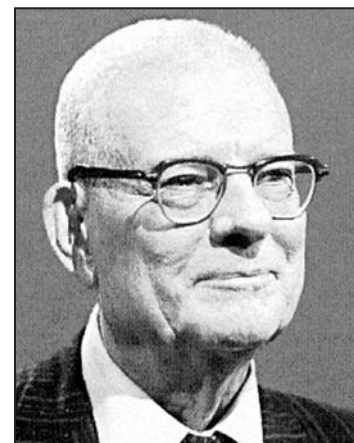
Study centered on Dr. Deming's two books *Out of the Crisis* and *The New Economics for Industry, Government, Education*. Participants also studied facilitation and communication skills and practiced delivery of new seminar modules. Education, development, and practice sessions typically started at 8:30 a.m. and ended by midnight.

Members of the group reported being exhausted and exhilarated, but reluctant to tear themselves away from their studies. However, Jack Hillerich, Chairman of the Board of Hillerich and Bradsby Company (H&B) and member of the Institute's Board of Trustees, convinced them to use his suite at the Louisville Slugger Stadium to enjoy a baseball game.

Hillerich also hosted the group's meetings several days at his company. H&B is a manufacturer of sporting goods, including the Louisville Slugger baseball bats. Tom Hillerich, one of the participants in the program, led the group on a tour of the H&B bat production process. ■



Clockwise from Joyce Orsini (in suit): Jack Hillerich, Vincent Cahill, Eric Christiansen, Kevin Murphy, Tom Hillerich, Liz Miller, Jussi Kyllonen, Ken Carlstedt, Lynda Finn, Dave Nave, Nesrin Bravman, Kelly Allan and John Hunter.



courtesy MIT Press

"... missing in school is the teaching of civic responsibilities in the form of a system for win, win."

— W. Edwards Deming
Out of the Crisis, p. 20.

Lloyd Provost awarded ASQ Deming Medal



Lloyd P. Provost is the 2003 recipient of the ASQ Deming Medal: "For his commitment to helping organizations improve through use of Dr. Deming's theory of management."

The medal is presented to those who, like Dr. Deming, have successfully combined the application of statistical thinking and management so that each supports and enhances the other, thus leading to quality in products and services.

Provost is the co-founder of Associates in Process Improvement (API), a consulting firm that has helped many client organizations implement Dr. Deming's theory of management. He is the co-author of two books and numerous articles. As he accepted the medal, May 24, 2004, at the ASQ Annual Quality Congress, Provost spoke about Dr. Deming's legacy:

"... It has been more than ten years since all of us have had the opportunity to learn directly from Dr. Deming, but he left us with a framework he called 'profound knowledge' that gives us the opportunity to continue and expand his work.

"I have seen and heard questions and comments from others wondering if Dr. Deming's ideas are still relevant today. Some are concerned that he is not often referenced in today's business press. Only a handful of business schools directly teach his philosophy and his approach to improvement. But whenever I read *Harvard Business Review*, *Business Week*, or *Fortune Magazine*, I can hear and see Dr. Deming in the background. Many of his ideas, that were considered revolutionary when he first presented them, are now in mainstream business approaches. An example is today's integration of systems concepts into management.

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www.deming.org

P.O. Box 59511
Potomac MD 20859-9511
Phone: 301-294-8405
Facsimile: 301-294-8406

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

West Coast Forum

The In2:INThinking Network (In2:IN) held its Third Annual Forum on April 1-4, 2004 in Los Angeles, CA. Attendees traveled from across the United States and from as far away as Japan and the United Kingdom to take part in a weekend conference that was preceded by two days of workshops. The theme of this year's event was "Making a Difference From Where We Are - Better Thinking for a Better Future." The slate of provoking presentations included Barbara Lawton's "Nature's Secrets to Successful Evolution," Dan Robertson's "Deming's Profound Changes: Transforming from Taylor to Deming," and Myron Tribus' "Consciously Thinking about Thinking Consciously."

The aim of the In2:IN and its annual forum is to increase the consciousness of better thinking in individuals and organizations. This year's forum was made possible through the efforts of an international network of volunteers and sponsors, including The W. Edwards Deming Institute and The Boeing Company.

Mark your calendar for the 4th Annual Forum in Los Angeles, April 7-10, 2005. For more information on the In2:IN, including this year's forum and networking opportunities, please visit www.in2in.org or call 818-489-3005. ■

— *Courtesy of William Bellows.*

Deming in the news

Excerpted from "Toyota Knows How to Drive a Feeling" by Dan Neil. Copyright, 2004, Los Angeles Times. Reprinted with permission.

Most American owners of a Toyota couldn't tell you anything about the company's manufacturing philosophy. They wouldn't have a clue about "just in time" supplier chains and wouldn't know lean production from Lean Cuisine. But they know quality. And quality is a feeling.

Toyotas have what so many presidential candidates lack: *gravitas*.

What a strange trip it has been for Toyota, from a maker of weaving machines to the second largest car company on Earth. Much of the credit for the company's rise should go to W. Edwards Deming, the American management consultant who, in addresses and lectures across Japan after World War II, framed Japan Inc.'s industrial constitution.

Deming – whom the Japanese call the father of the third industrial revolution – preached that the rigorous pursuit of quality was the key to increased productivity and profits, the exact opposite of Western management orthodoxies. Deming's "profound knowledge" approach asked management to think about manufacturing as a dynamic system of enlightened humanism that could function only if it evolved toward greater efficiencies.

Deming was the world's first industrial-strength philosopher.

While American manufacturers scoffed at such notions, the Japanese – who had been deeply humbled by their wartime experience – embraced them eagerly. In Toyota's case, the result was a company that built superior products and sold them at astonishingly low prices.

Competitors grumbled that Toyota was price-dumping cars in the U.S. market . . . But with the distance of time it appears that wasn't the case. It must have been cold comfort to Toyota's competitors to realize it was actually making a profit.

So while American car makers dither about the future glories of fuel cells and lobby and litigate against higher fuel-efficiency standards, Toyota is getting on with the business of making money on hybrid-powered vehicles.

As Toyota assumes the mantle of the world's second-largest car company, it's worth asking what it is that unites all these efforts? In a word: trust. Consumers continue to flock to Toyota because the company delivers what it promises and it promises so much.

It's more than a promise. It's a feeling. ■

Annual Research Seminar

The W. Edwards Deming Institute and Fordham University invite you to submit papers and attend the Eleventh Annual Research Seminar, February 21-22, 2005, in New York City. There are three classes of papers, those that (1) link Dr. Deming's work to the academic literature or to the works of other great thinkers, (2) extend or expand Dr. Deming's work, and (3) apply Dr. Deming's management ideas in organizations.

The Annual Research Seminar brings together people from around the world and from a variety of specialties to develop an understanding of Dr. Deming's theories in a wide-ranging context. For a list of topics and speakers from the last Research Seminar, go to www.deming.org (events, archive of past events, February 23-24, 2004).

To be considered, papers must be original work. Proposals of 200 words or less should be sent by October 4, 2004, to WEDresearch@fordham.edu. For more information about submitting a paper, please call 212-636-6219. The seminar fee is \$395. Please register online at www.deming.org (events). ■

Lloyd Provost awarded ASQ Deming Medal

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"I believe Dr. Deming was the first person to apply systems thinking to business management. His famous diagram called 'Production Viewed as a System' sketched on a blackboard in Japan in 1950 formally introduced the system concept to management. Deming made the point that this diagram applied to all organizations: manufacturing, service, and administrative.

"Understanding and developing a plan to improve this system is a key responsibility of management. Ultimately, the success of an organization depends on the integration, not the individual performance of the components of the system.

"Dr. Deming envisioned an organization that works as a system with the aim for all stakeholders to win. He described new philosophies, approaches, and methods that would lead to an organization's transformation to a new style of management. As I have worked with my associates over the past 20 years to help organizations with this transformation in thinking and practice, we have learned the complexity of connecting activities in improvement to the strategic and day-to-day management of these organizations. . . .

"So Dr. Deming's legacy is alive and well! Every day, I experience Dr. Deming's teaching's as fundamental to the work I am doing to help organizations accelerate their rate of improvement. I think if he could be here today Dr. Deming would encourage all of us to study more and work a little harder and smarter to expand and implement his teachings to improve the quality of products and services." ■

Symposium on Deming's statistical papers

Although many people know Dr. Deming mainly for his work in management, he is better known in the statistical and legal communities for his analytic work, especially sampling theory and practice. He handled 50 or more legal cases in a year and wrote hundreds of statistical papers and articles. Dr. Deming's statistical work is the focus of a one-day symposium in New York City, October 25, 2004.

Some of the analytic papers Dr. Deming wrote were on theory and methods, such as "Probability as a Basis for Action" and "Some Contributions to Statistical Inference and Practice." Others were about cases he worked on, such as "Trends in the Diagnosis of Schizophrenia," "Mental Health and the Deaf," and "On a Rational Relationship for Certain Costs of Handling Motor Freight." For a list of papers, go to www.deming.org (resources-publications).

Would you like to present one of Dr. Deming's statistical papers at the Symposium on Deming's Analytic Papers? To present a paper, email orsini@fordham.edu or telephone 212-636-6219. To sign up for the symposium, go to www.deming.org ■

UK Deming Forum *Truth Is Not Enough*

Is knowing "the truth" sufficient to bring about transformation in organizations? This was the question posed at of the 2004 UK Deming Forum. In response, presenters provided a wealth of ideas which showed that, although truth is a prerequisite, other elements play important roles in transformation; for example, the knowledge, personality and persuasive power that leaders need to facilitate change.

John Carlisle highlighted the importance of cooperation and the fact that real business success starts with people relating to one another as human beings. Oscar Mink offered the powerful lesson of Florence Nightingale who perceived the need for leadership in attending to the sick and wounded in the Crimea, possessed the knowledge and did something about it.

Presentations were recorded on audiotape or CD. Tony Heald, the conference artist, created impressions that will be made available on the Forum web site.

The spacious layout of the new forum venue at the Robinson Centre, 40 miles north of London, encouraged networking and, as the feedback testified, was well-liked by delegates. According to one attendee, "In all reality [the Forum] was the most invigorating two days in my career ... and there have been a few years to that!"

Next year's UK Deming Forum dates:
May 25-26, 2005. ■

— Courtesy of Hazel Cannon

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, 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.

Send address changes to:

The W. Edwards Deming Institute®
PO Box 59511
Potomac, MD 20859-9511
Email: staff@deming.org
Telephone: 301-294-8405
Facsimile: 301-294-8406

Please direct comments and suggestions regarding this newsletter to March Jacques (262-786-9336 or jacques045-di@yahoo.com).

New 2-1/2 Day Seminar!

How to Create Unethical, Ineffective Organizations that go out of Business (Organizations do it, but do you know how you do it?)

October 11-13, 2004
Los Angeles, California

Twenty-seven faulty management and corporate governance practices create most of the problems in any organization. Learn to identify faulty practices and what to do instead.

When better practices are introduced, quality of products and services increases. Costs decline. And you create a globally competitive advantage for your organization.

Learn how governance practice leads to the heaviest losses. How inconsistencies between policy and strategy create sub-optimal outcomes. How mismanagement of people leads to unethical and ineffective behavior. Learn how to overcome these problems.

Study the theory and practice of management. Not quality management, not good management, not excellent management, not knowledge management, not risk management, not process management, not performance management, not supply or asset

management, not technology management, not time management, not emergency management. Just plain management.

If you were arrested for managing your organization, could they find enough evidence to convict you? Isn't it about time you really managed your company for the future? Simple, powerful principles for anyone who manages people or holds an executive responsibility.

Keynote presentation by Robert Rodin, author of *Free, Perfect and Now*. Other presenters include Elizabeth Miller, David Nave, and Joyce Orsini.

Monday, October 11 (8:00 a.m. registration) through noon on Wednesday, October 13, 2004 at the Radisson Hotel in Newport Beach, CA, near Los Angeles.

Fee: \$495 per registrant. Register online at www.deming.org (events), fax to 301-294-8406, or telephone 301-294-8405.

Support the Annual Fall Conference

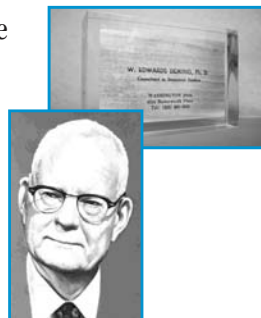
Contribute \$50 or more to The W. Edwards Deming Institute to support its Annual Fall Conference.

As a token of appreciation you'll receive either the –

- Keepsake business card imbedded in a striking lucite paperweight,

or the

- Handsome 8" x 10" matted *Out of the Crisis* title-page portrait.



Be one of the first 16 people to contribute \$250 or more and you will receive the title-page portrait from *Out of the Crisis* personally autographed by Dr. Deming in 1987, and a business card paperweight. (Maximum of one autographed portrait to each contributor.)

Contribute by credit card through www.deming.org (How to Help), or by faxing credit card information to 301-294-8406. You may also send your check to The W. Edwards Deming Institute, P.O. Box 59511, Potomac, MD 20859-9511. ■

Improve Education – By What Method? The W. Edwards Deming Institute

**Annual Fall Conference
October 16-17, 2004
Washington, DC**

The Annual Fall Conference, "Improve Education – By What Method?" aims to focus attention and stimulate informed discussion on methods to improve education in the United States.

With initiatives such as "no child left behind" and "a quality teacher in every classroom," strict requirements and deadlines on elementary and secondary education have been

established to meet specific goals. States are required to improve the quality of their schools from year to year. The percentage of students proficient in reading and math must demonstrably improve.

As Dr. Deming said on more than one occasion, numerical goals accomplish nothing. What counts is the method. The Fall Conference will focus on the method to improve education.

Conference speakers will provide fuel for dialogue on specific methods to bring about improvement. Facilitated small-group conversations on how to translate the concepts into methods for improvement will be captured by rapporteurs who will create a report of recommendations coming out of this forum.

Presentations will include:

- "The Public School System,"
U.S. Secretary of Education Rod Paige (invited)
- "Integration of Bloom's Taxonomy for Education and Deming's System Perspective," James A. Hills
- "Addressing Problems of Learning," Lew Rhodes
- "Combining the wisdom of Deming, Feuerstein and Bloom to bring Quality Management, Cognitive Modifiability and Taxonomies of Learning to Education," Myron Tribus
- "Challenges of Responsible Inquiry in British Columbia,"
Gerald Morten, BC Ministry of Education
- "Root Causes of System Problems in Schools," Lee Jenkins
- "Theory of Constraints for Education," Michael Round

State and district superintendents, principals, teachers, administrators, government officials, community leaders, and others interested in methods to improve education will find the Annual Fall Conference at the Georgetown University Conference Center in Washington DC, October 16-17, 2004, to be a weekend of stimulating deliberations.

Times

October 16, Saturday
8:00 a.m. – 9:00 a.m. Registration and continental breakfast
9:00 a.m. – 5:00 p.m. Conference (lunch provided)

October 17, Sunday
8:00 a.m. – noon Conference and continental breakfast
Registration Fee: \$175

Register online at www.deming.org (events), fax to 301-294-8406, or telephone 301-294-8405.

Lodging

The Deming Institute's 2004 Fall Conference will be held at the Marriott's Georgetown University Conference Center, 3800 Reservoir Road, NW, Washington, DC 20057. A room rate of \$199 (single or double), per night plus applicable taxes, is available for guests attending the Fall Conference. To ensure a room at the conference rate, reservations must be made by September 24. Call 888-236-2427 and request the "W. Edwards Deming" room block. Or register online at www.marriott.com and use the group code "WEDWEDA."

Mark your calendar

New 21/2 Day Seminar!

How to Create Unethical, Ineffective Organizations that go out of Business

October 11-13, 2004
Los Angeles, California

Fall Conference

October 16-17, 2004

Improve Education:
By what method?
Washington, DC

Symposium on Deming Analytical Papers

October 25, 2004
New York City

Eleventh Annual Research Seminar

February 21-22, 2005
New York City

For reflection

In Chapter 10 of Out of the Crisis, Dr. Deming wrote about the benefits of voluntary standards:

“Regulations and standards. There are regulations made by government, and there are voluntary standards made by committees, also unguided choices made by enterprises, and individuals....

“A regulation is justifiable if it offers more advantage than the economic waste that it entails....

“Voluntary standards, if they exist, may avoid government regulation. One of the first advantages of standardization is that it enables public authorities to limit regulations to cases where compulsion is essential. Standardization thus economizes on the making of regulations....

“For their part, enterprises and individuals benefit from being subjected to fewer restrictive rules and from enjoying greater freedom than if standardization did not exist....

“Standardization is something that all of us take for granted. We ship an electric washer across the country

with our household goods with never a conscious thought but that it is sure to meet the same voltage and current wherever it is plugged in. Our incandescent lamp finds the same socket in Springfield, Vermont, and Springfield, Illinois. The 15/34 shirt we send as a present from Iowa will fit the neck and arms that grew up to size in Virginia. We drive an automobile from coast to coast under uniform traffic signals. In Chicago we buy a tire that was made in Akron, and it will fit the wheel (made in Pittsburgh) of the car (built in Detroit) that we bought in New York....

“Competition for price and quality is not stifled by standardization....

– *Out of the Crisis*, pp. 297 - 300

One wonders how much cost is incurred as a result of lack of adherence to voluntary standards in provision of services in transportation, administration, information technology, accounting, financial and other professional services and what regulations will be written as a result.

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