

DEMING INTERACTION



W. Edwards Deming®

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The W. Edwards Deming Institute®

2007 Deming Medal Goes to Tom Johnson

H. Thomas Johnson, Portland State University, has been awarded the 2007 Deming Medal by the American Society for Quality at its World Congress on Quality and Improvement in Houston, May 5. The Deming 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.

Johnson was named one of the 200 leading management thinkers living today in a survey published by Harvard Business School Press in

2003. His current research focuses on the intersection of systems thinking, modern physics, and sustainable operations management. He is exploring the application of natural living system principles to the design of ecologically-focused local business operations that emulate and extend the scope of the Toyota Production System.

Johnson is scheduled to speak at the Deming Institute's 2008 conference in Madison, WI, November 8-9. See page 6 for conference details. ■



"It was Dr. Joseph M. Juran who pointed out long ago that most of the possibilities for improvement lie in action on the system, and that contributions of production workers are severely limited."

— W. Edwards Deming
Out of the Crisis, p. 134.

Purdue Students Energize 2007 Conference

What can make college students give up a weekend? This past October, the Deming Institute's 2007 conference did. More than 50 students from Purdue University attended the conference, from the Friday night reception, through all-day sessions Saturday, into informal late-night discussions Saturday night and onto early sessions Sunday morning. Not your typical college weekend!

With students accounting for nearly half of the conference, Dick Steele, conference chair, notes that the entire conference was "full of energy and the wide eyes of learning. Questions and discussions broke out all over the place." A generous contribution by Jack Hillerich provided student scholarships that enabled the students to attend at a dramatically reduced conference rate.

The Saturday keynote, Barbara Lawton kicked off the conference by challenging the audience to view The Deming System of Profound Knowledge® as a lens through which to see the world. The track sessions started

with Ian Bradbury and John Pourdehnad, who spoke on "Disruptive Innovation" and "Idealized Redesign." Enid Brown and Bill Bellows followed with "Deming in Education" and the "The New Economics of Variation" respectively.

After lunch, Ralph Mullin presented his work on transformation at Central Missouri State University while Don Wheeler discussed "6 Sigma in a Deming World." The final two track speakers were Heather Hagg on healthcare and Gipsie Ranney exploring intrinsic and extrinsic motivation.

After dinner, Joyce Orsini operated of a "Wheel of Deming" and invited diners to answer questions posed by randomly by the spinning wheel. After Joyce's session, Dick and other conference organizers met "very little resistance" when they led the students "to the closest watering hole for discussions that lasted late into the night."

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Purdue Students Energize 2007 Conference

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Sunday morning, Norm Bafunno, vice president with Toyota, gave a detailed background of his company's involvement with Dr. Deming and the influence Dr. Deming had creating the Toyota Production System.

Jim "Doc" Windle convened a panel of his former students who described how they are integrating their understanding of the Deming philosophy into their work lives. Panelists included: Sara Hamdan, Hilary Schnirring, John L. Nelson, Sr. and Nathan A. Bye.

The conference's formal sessions closed with a panel discussion by Kim Melton, Mike Tveite, Barbara Lawton and Ian Bradbury, all of whom have studied Dr. Deming's work for many years. Moderator Dan Robertson took questions from the audience and posed additional questions that had come up during the conference. After the conference, discussion continued over a pizza lunch.

Student reactions

"I learned that 'there is NO learning without theory.'"

– *L. Nesmith*

"Numerical goals accomplish nothing. What counts is the method."

– *B. Stieglmeyer*

"We cannot see things as they are, only as we are."

– *S. Naddy*

"I learned more this weekend than an entire semester in most of my classes."

– *B. Flexsenhar*

"I learned that I am not too young to make an impact on the world and that if shown the reasoning behind the change and through getting to participate in the process, people can respond positively to a new system of thought."

– *Shanna Seljanr*

"I learned more about Deming's thoughts on education. I found the story about how Deming kept an index card in his pocket to jot down the things he had learned for the day was an interesting way to approach continuous learning."

– *M. Scott*

"...and lastly, I did find it hard to get up and be functional at 7 a.m."

– *Anonymous*

DVD's of the 2007 Conference are available for \$25.00/DVD by contacting staff@deming.org. ■

"Whether you had the opportunity to learn from the master (work with Dr. Deming himself), or whether you are a student just being introduced to the Deming philosophy, this conference was a wonderful opportunity to share stories and increase our understanding of these valuable principles.

My holistic research on Human Factors in complex environments and situations benefits greatly from the Deming philosophy, and I hope that the next generation of scientists and engineers learn to utilize Deming's principles to further improve our society.

As a new professor of Industrial Engineering at Clemson University, I look forward to sharing what I learned at the annual fall conference with my students this up-coming semester, an experience that I likely would have missed had it not been for the blessing of receiving the Deming Institute grant."

— *Sandra K. Garrett, Ph.D.*



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.

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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®

Neatness Counts!

Learning About Quality at a Deming Seminar

by *Alec Merber*

While attending the W. Edwards Deming Institute “Theory and Practice Seminar” in Atlanta, GA, in October 2007, I learned by way of a group exercise, that the message of “quality” could easily be lost when those in charge give conflicting information.

Split into groups of three, we were given a sheet of paper covered in evenly spaced dots. We were instructed to take turns carefully drawing the three sides of a right-angled triangle, repeating this until we ran out of time.

Our group – Chris, Arthur and myself – sat toward the middle of the room. Once we began, Jussi, one of the seminar leaders, oversaw our work and urged us to “Draw carefully!” However, peals of “Faster! Faster!” came from the front of the room from Lynda, the other seminar leader.

As the conflicting messages “Careful!” “Faster!” continued, Arthur and Chris started drawing triangles as quickly as possible.

In the end, we produced the largest quantity of “triangles” – but certainly the poorest batch of the entire class!

The lesson was clear: make sure the message of quality is made without conflicting or competing messages that might diminish or undermine it.

The author is the recipient of the Ken Hohmann scholarship, and attends the Deming Scholars MBA Program at Fordham University in New York City. ■

Healthy communities where we live, work, learn and play

“Join us in Madison, November 8-9, 2008, for the first conference, sponsored by The W. Edwards Deming Institute, to be held in Wisconsin. Don’t miss it.”

– Peter R. Scholtes, Program Chair

From My Space to OurSpace

The In2:InThinking Network’s 2008 Forum was held April 17 - 22 in the Los Angeles Metropolitan area at Pratt & Whitney Rocketdyne’s offices in Canoga Park and at the nearby Hilton Woodland Hills hotel. This year’s conference explored “Transforming My Space In2 OurSpace – Developing Our Uncommon Knowledge.”

The In2:InThinking Network was formed in 2001 by a group of students of the work of W. Edwards Deming and related theorists. The aim of the network is to make “thinking about thinking” more conscious. This focus, which network participants call “inthinking,” enhances perception of relationships and interdependencies in human endeavors,

making these connections more valuable, satisfying and joyful.

The 2008 Forum presenters included Steve Cook, Ariane David, Bob Dickman, Gordon Hall, Elaine Johnson, Tom Johnson, Scott Lennox, Richard Maxwell, George Roth, Shel Rovin, Gipsie Ranney and Ralph Wood. In addition, 12 pre- and post-conference seminars and workshops were offered, on topics ranging from enterprise thinking (theory and application) to knowledge management to Ned Hermann’s “Brain Dominance Instrument.” Additional forum details are available online at [2008 In2In Forum](#). ■

Volunteer Leaders

The W. Edwards Deming Institute is a volunteer, nonprofit organization. It has no paid staff. Volunteers, including conference speakers, members of the design council and the board of trustees, all donate their time to carry out the work of the Institute.

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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.

*The W. Edwards Deming Institute
P.O. Box 59511
Potomac, MD 20859-9511*

14th Annual International Deming Research Seminar

Fordham University hosted the Fourteenth Annual International Deming Research Seminar, February 25-26, in New York City. Co-sponsored by the Deming Institute, the seminar annually features research that links Dr. Deming's work to the academic literature or to the works of other great thinkers. In particular, the seminar seeks to focus attention on research that expands Dr. Deming's work or on studies that describe applications of Dr. Deming's management ideas in organizations. The following topics and speakers were featured at this year's seminar:

Bridges and Tunnels and School Reform: It's the System, Stupid, Thomas Kelly Dowling College, Oakdale, New York.

Restructuring the University College of Education to Support Implementation of Deming K-12 Charter Schools, Nels Bullock, Isle of Palms, South Carolina.

Innovation at the Firm Level, Borami Lee. New York City.

Milton Friedman and W. Edwards Deming, Nicholas Mauro, Townsend School of Business, Dowling College, Oakdale, New York.

The Effects of Rewards Program Membership on Brand Loyalty in the U.S. Consumer Credit Card Industry, Laura Mestre, New York City.

The Consequences of Extrinsic Motivation: Predatory Lending and the Subprime Mortgage Crisis, Omar Dinar, New York City.

Bridgman & Shewhart, Beth Blankenship, Maryland

Deming and McGregor: An Example of Training Methodology for the Development of Leaders, Curt Wegner, Batavia, Illinois.

How Does Fear Affect Performance in the Workplace and How Can Management Reduce It? Mara Chomsky, New York City.

Downsizing: How are Financial Performance and Employee Perception Affected? George Masrouaa, New York City.

Incorporating Organizational Justice Theories into Dr. W. Edwards Deming's Management Teachings, Michael Connolly, New York City.

"We Do It All The Time": Costly Good Faith Blunders, Jussi Kyllonen, Eaton Corporation, Jackson, Mississippi.

Microfinance as a System, Rayma Baran, New York City.

Building East-West Bridges of Quality & Peace: How the Economic Principles of Muhammad Yunus, Banker to the Poor, Extend Dr. Deming's Theory, Wayne Oberle, St. Ambrose University, Davenport, Iowa.

Separating Individual Effects from Systematic Effects in Performance Appraisals, Eric G. Steinberg, New York City.

Compensation and Job Satisfaction: Significant Factors of Employee Retention in Senior Services, Jacquelyn Kung and Garrett Falcone, Harvard University, Massachusetts.

Replacing Performance Reviews to Improve Performance: The Continuous Development of People, Wally Hauck, Milford, CT.

Utilization of Handheld Computing to Enforce Procedural Compliance, Adam Haines, Industrial Audit Corporation, Toronto, Canada

Critical Success Factors in Large Scale Technology Implementation in the Financial Services Industry, Caitlin Armistead, New York City.

Computer System Validation: Building Quality into Automated Process, Frans Leijse, ITC Validation Consultants, The Netherlands.

Using the Deming Management Method to Develop Risk Management Plans on College Campuses, Frank Thompson, University of Northern Iowa, Iowa.

Out of the Crisis - Approaching Climate Change the Deming Way, Andrew McKeon, The Climate Project, New York City.

The Potential Challenges & Benefits of Integrating Wind Power Into a Power Supply System: Is Wind Power Viable? Bob Serpente, New York City.

Combining the Work of Deming, Glasser, and Aristotle, Thomas Kelly, Dowling College, Oakdale, New York.

Seeing the Bigger Picture: Competition Versus Cooperation, John Choi, New York City.

The Detrimental Effects of Incentive Pay on Motivation in the Workplace, Blake Browne, New York City.

The Deming Prize

The 2007 Deming Prize Award Ceremony took place in Tokyo, November 14, at KEIDANREN KAIKAN, where the headquarters of the Union of Japanese Scientists and Engineers (JUSE) is located. The chairman of the Deming Prize Committee is Fujio Mitearai, chairman of KEIDANREN.

The chairman of the Deming Prize for Individuals, Takanori Yoneyama, presented the prize to Masayoshi Ushikubo, chairman of Sanden Corporation. The Sanden Corporation makes commercial refrigerators and car air conditioning compressors in its many factories throughout the world.

Dr. Noriaki Kano, honorary professor of Tokyo University of Science presented the Deming Application Prize to two Indian companies: Asahi India Glass Limited and Rane (Madras) Limited. Sanjay Labroo, managing director and CEO of Asahi India Glass Limited, Auto Glass Division, accepted the prize for Asahi India Glass. Located near Delhi, the company, the largest of its kind in India, makes safety glass for automobiles. L. Ganesh, chairman of Rane (Madras) Limited, India, accepted the Deming Prize for his company. The company, which was founded in 1923, produces steering gears in its four production plants. ■

For Reflection

In his seminars, Dr. Deming sometimes repeated the statement:

Survival is not compulsory.

Dr. Deming was referring to survival of business organizations. There is no requirement that a business organization continue to exist in spite of poor business decisions and bad management practices. We have seen the demise of some well-known organizations in the last decade.

Dr. Deming advocated change of thought and practice so that organizations would have a chance to survive and prosper.

In the increasingly complex situations in which we find ourselves – in business and in our larger environments – what further thoughts about Dr. Deming's statement and our possible futures present themselves? ■

Delivering Sustainable Change

The 2008 Annual Transformation Forum will be held, May 20-22, at the Robinson Executive Centre, Wyboston Lakes, in Bedfordshire, UK. The theme of this year's forum is "Transformation is the Future – Delivering Sustainable Change."

Many organizations, both public and private, say they are trying to "transform." Unfortunately transformation is not as easy as constructing a business case. By its very nature, transformation requires sustained learning and the ability to adapt over time. In contrast, a business case usually relies on choosing a solution before you start – a solution shaped by the very assumptions and knowledge that created the current way of doing things. With transformation being much easier to aspire to than to deliver, the question is: how do you achieve success? In other words: by what method?

It is this question that speakers at the 2008 Transformation Forum will address. Speakers from Europe and American will explore the principles behind systems thinking and Deming's system of management, and share successful case studies. James Crawford, the conference host will open the forum with a look at why so many attempts to transform organizations fall short and what it takes to deliver positive change in the long term.

At press time, forum speakers included: Colin Parry, Tim Parry & Jonathan Ball Foundation for Peace; David Clift, author of *Lean World: The DNA of Success and the Path to Prosperity*; Dennis Sherwood, speaking on Smart Innovation and Creativity; Emma Langman, Atkins Rail, Alisdair MacDonald, Civil Engineering, Bristol University; Geoff Hunt, Soft Systems Methodology; Glenn Mazur, QFD Institute; John Seddon, speaking on "Systems Thinking in the Public Sector"; Kevan Leach, speaking on how to "read" your business data and improve performance; Mark Sheasby, Learning Continuum; Miranda Holmes, Cheshire County Council; Nick Hebborn, speaking on supply chain management; Nigel Clements, providing an introduction to systems thinking; Patrick Hoverstadt, exploring the thinking of Stafford Beer, acknowledged founder of management cybernetics; Simon Caulkin from *The Observer*; Peter Worthington, offering an in-depth look at data and charts; Tony Droar, West Sussex County Council; as well as speakers from Atkins Rail, Toyota, Velux, and Virgin Trains. For additional details, visit the [UK Deming Forum](#) website. ■

Mark your calendar

July 14-16, 2008

How to Create Unethical, Ineffective Organizations That Go Out of Business
San Francisco, CA

September 22, 2008

Symposium on Deming's Analytic Papers
New York, NY

October 13-15, 2008

How to Create Unethical, Ineffective Organizations That Go Out of Business
Nashville, TN

November 8-9, 2008

Fall Conference
Systems in Action: Improving Communities
Madison, WI

Save the Date

**The W. Edwards Deming Institute
2008 Fall Conference**

November 8-9, 2008 Madison, Wisconsin Concourse Hotel

Systems in Action: Improving Communities

Discover how people are putting the Deming System of Profound Knowledge® to work to resolve the healthcare crisis, improve education and enhance daily work.

Tracks

- Out of the healthcare crisis
- Innovation and improvement in education
- Management breakthrough vs. management fad

Featured speakers

Paul B. Batalden, *Director of Health Care Improvement Leadership Development, Dartmouth Medical School*

George Box, *Professor Emeritus, University of Wisconsin*

Maury Cotter, *Director of the Office of Quality Improvement, University of Wisconsin*

Clare Crawford-Mason, *producer of How Hospitals Heal Themselves*

Mark P. Finster, *Associate Professor, University of Wisconsin*

Jack Hillerich, *CEO of Hillerich & Bradsby Co., maker of the Louisville Slugger*

H. Thomas Johnson, *Portland State University, co-author of Profit Beyond Measure: Extraordinary Results through Attention to Work and People*

Kevin Little, *Director of Public Policy, Greater Madison Chamber of Commerce*

Kim I. Melton, *Associate Professor, North Georgia College & State University*

Ronald D. Moen, *Improvement Advisor, Institute for Healthcare Improvement*

Joyce N. Orsini, *Director, Deming Scholars Program, Fordham University*

Lloyd Provost, *Improvement Advisor, Institute for Healthcare Improvement*

Debbie Ray, *Director Service Excellence, Good Samaritan Hospital*

Additional speakers still being confirmed

To reach Madison by air, fly non-stop into Dane County Regional Airport from many key cities and from anywhere in the world through connecting hubs.

To register, visit the [Deming Institute](http://www.deming.org) website.

For lodging, contact the [Madison Concourse](http://www.deming.org), 800-356-8293.

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