

DEMING INTERACTION



W. Edwards Deming

February 1998, Vol.2, No. 1

The W. Edwards Deming Institute®

Experience a 'Four-Day'

W. Edwards Deming was a great teacher – full of insight and devotion to helping students who wanted to learn. In the last decade of his life, his four-day seminars became his best-known teaching forum. It is now possible to experience one of those seminars on a set of video tapes available from The W. Edwards Deming Institute.®

Dr. Deming conducted his Four-Day Seminar for tens of thousands of people from corporations, governments, educational institutions and the professions throughout the world. People who attended the seminar were introduced to the new theory for management that Dr. Deming laid out in his books, *The New Economics* and *Out of the Crisis*. They were drawn to Dr. Deming's magnetic personality and saw his wit and wisdom in action as he conducted his famous Experiment with the Red Beads and shared lessons in management and in living. Many saw the world differently after they experienced the seminar.

Tapes and a Guide

A corporate contribution has enabled The Deming Institute to offer for purchase a collection of video tapes of one of Dr. Deming's Four-Day Seminars. The collection contains Dr. Deming's lectures and demonstrations for an audience of more than 500 people at a seminar he conducted in July, 1992, the year before his death.

The collection enables learners throughout the world to see Dr. Deming in action as he conducted his seminar. The 12 hours of tapes are accompanied by a guide for self-paced viewing and study. The study guide

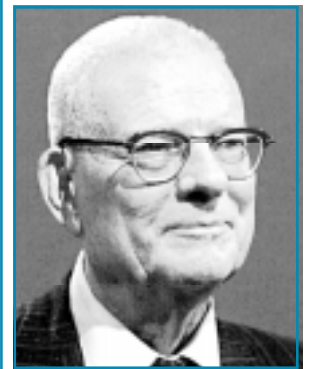
includes descriptions of each tape volume with items to watch for and think about during the viewing, recommended readings in *Out of the Crisis* and *The New Economics*, the questions Dr. Deming posed for discussion at the close of the day by participants in the seminar, and some of the materials Dr. Deming provided as handouts at the seminar. Being able to watch Dr. Deming and, at the same time, study along with materials he either provided or inspired is an especially rich and rewarding experience.



Dr. Deming, as a wily "foreman," explains the technique for producing "white, not red, beads" to his "willing workers" at the videotaped seminar.

To make the tapes accessible to a wide audience, they are offered at a very reasonable price that includes shipping and handling. Inside the U.S., the collection is available in NTSC VHS format for \$275. Outside the U.S., the price is \$325 for NTSC format and \$445 for PAL VHS or SECAM format. Tapes for use outside the U.S. will be produced on order to be compatible with the equipment in the country in which they will be used.

If you are interested in ordering a copy of the collection, contact The W. Edwards Deming Institute, P.O. Box 59511, Potomac, MD, 20859-9511. ▽



courtesy MIT/CAES

Best efforts will not substitute for knowledge."

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Web Site
www.deming.org

The W. Edwards Deming
Institute®

with aim to foster understanding of
The Deming System of Profound
Knowledge™

P.O. Box 59511
Potomac MD 20859-9511
Telephone: 301-299-2419
Facsimile: 301-983-5132

Building With Nature

The W. Edwards Deming Institute exists to foster understanding of The Deming System of Profound Knowledge™, promote Dr. Deming's vision of a better world and "make a difference in the quality of life for everyone."

An engrossing sense of the reach of Dr. Deming's thinking in global terms was provided at the Institute's October, 1997, conference by Dr. H. Thomas Johnson, author of the books, *Relevance Lost: The Rise and Fall of Management Accounting*, and *Relevance Regained: From Top-Down Control to Bottom-Up Empowerment*. Dr. Johnson is the Retzlaff Professor of Quality Management at Portland State University's School of Business Administration in Oregon.

His presentation was an exposition of why Dr. Deming, who is so heavily identified with concepts of quality, cannot be confined within the quality movement. His ideas, Dr. Johnson said, should be considered at the level of natural systems, which underlie everything else.

Speaking as a "recovered economist," Dr. Johnson defines quality "very differently" from most of the professional quality organizations and has never joined any of them.

Dr. Johnson cited the writings of Gregory Bateson, an anthropologist, naturalist and philosopher, and Dr. Deming as fundamental to his revised thinking on economics and quality.

For him, *quality* "refers to the ability of Earth's ecosystem to combine the sun's energy with zero marginal material input in a process that perpetually generates increasing variety, diversity and richness of output."

"I believe life is quality," he explained, "and anything that threatens Earth's natural life processes is non-quality. By that definition, I conclude that some of the organizations winning national quality awards around the world in recent years are among the most voracious destroyers of quality ever seen on Earth."

Variation is inherent in natural processes, Dr. Johnson observed, but always within limits. Nature somehow



Dr. H. Thomas Johnson
addresses the October Deming conference.

depends on variation to evolve and survive. In that light, Dr. Johnson quoted Gregory Bateson as saying that "most of our problems arise from the difference between the way man thinks and the way nature works."

Dr. Deming, Dr. Johnson continued, "was telling us to tolerate variation, not strive to eliminate it, because variation gives us a marvelous window through which to understand how processes work – both natural and human processes.

"Put another way, he was saying, I believe, that a human process becomes more robust to the extent that it emulates nature by being allowed to manifest through its variation a unique voice that blends, resonates, and harmonizes with the voices of other interrelated processes.

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.

Editor – Douglas Bedell, APR, P.O. Box 299, Mt. Gretna, PA, 17064. E-mail: dbedell@leba.net
Address changes should be directed to The W. Edwards Deming Institute, P.O. Box 59511, Potomac, MD, 20859-9511. E-mail: ratcliff@deming.org. Tel: 301-299-2419. Fax 301-983-5132.

“Once I understood variation in this context, I became disturbed at how often I heard quality management consultants and corporate quality administrators say that a goal of process management is, ultimately, to drive variation in any process as close to zero as is economically feasible. I have sometimes heard such authorities describe the concept of continuous improvement as relentlessly driving process variation toward zero.”

But *why*? Because there is *so much* variation in nature, Dr. Johnson argued, the answer can't be simply that variation is bad. But that's usually the response.

In *The New Economics*, in laying out his System of Profound Knowledge and critiquing the concept of management by objectives, Dr. Deming referenced Dr. Johnson and *Relevance Regain-ed* on his own view that “accounting-based measures of performance drive employees to achieve targets of sales, revenue and costs by manipulation of processes, and by flattery or delusive promises to cajole a customer into purchase of what he does not need.”

“Some understanding of variation,” Dr. Deming added, “including appreciation of a stable system, and some understanding of special causes and common causes of variation, are essential for management of a system, including management of people.”

To Dr. Johnson, “Dr. Deming ranks among those few great thinkers whose ideas build fractally upon profoundly simple patterns that replicate again and again at varying orders of magnitude. Therefore, if you are alert to those

pattern of the creeks and brooks that flow from a small mountain stream can give you a very clear idea of the pattern in the whole system of tributaries and river arteries that comprise an entire watershed.”

Dr. Johnson observed that Bateson and Deming, along with Dr. Deming's early mentor on variation, Walter Shewhart, “entreat us to reject mechanistic modes of thought – especially the idea that we humans impose order on the world – and to transcend to a mode of thought that sees pattern and order immanent in the world, a gift that is ours for the taking if only we will surrender our illusions of control.”

During the discussion following Dr. Johnson's talk, Myron

Tribus sought to distinguish between variation in processes that are designed to reach a specific goal and variation in broader systems. Dr. Johnson agreed that that distinction is very important. But he cautioned that efforts to reduce variation in goal-oriented processes must always be evaluated in terms of their possible harmful impact on the larger systems.*

The bottom line? We learn by seeking to understand and work with variation, not by a misguided drive to eliminate it entirely. That way can blind us to larger ends.

**Dr. Johnson agrees with a further clarification: That, within economic limits, reduction in variation in machine processes – highly repeatable processes producing highly similar parts – is desirable in itself. In natural processes, including relationships between people, variation (differences) between individuals is desirable as a source of innovation and creativity. - Ed.*



“Management by results is confusing special causes with common causes.”

W. Edwards Deming



Table-sized discussion groups have become a regular part of Deming Institute conferences.



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Deming Associations

Margaret Morgan and Jim Clauson have updated the list of Deming associations worldwide. To find an association near you, check out the list on the Deming Electronic Network's Web site (http://deming.eng.clemson.edu/pub/den/deming_assoc.htm).

If you are active in a Deming association and would like to meet representatives from other associations, plan to attend the annual **Deming Association Representatives Meeting**, August 16, 1998, 2:00 to 5:00 P.M., at the Crowne Plaza, Cincinnati. For information, contact Margaret Morgan (mcemorgan@msn.com).

Organizations as ‘flow structures’

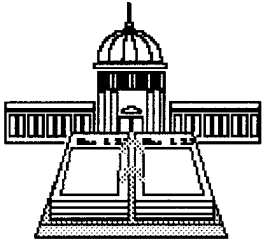
Pressures of accelerating change can cause organizations to hunker down, unwittingly undermining their survival.

At one of the breakout sessions at the October conference, Dr. Barbara B. Lawton, who studied with Dr. Deming and is Vice President of Business and Quality Processes for Storage Technology Corp., provided a “Systems Perspective on Change.”

In system terms, change (variation) is

natural and driven by energy imbalances. It occurs as an “S” curve featuring “development, acceleration and topping out”. There will always be another curve. There is no final or “best” state.

Within this reality, Dr. Lawton continued, organizations are “flow structures.” Rather than trying to control change, they need to be concerned about being part of an energy flow that serves the larger web of relationships. That, or succumb.



MARK YOUR CALENDAR

Next Deming Institute Conference

"Explorations"
April 25-26, 1998

Quality Hotel and
Suites,
Courthouse Plaza,
Arlington, VA USA

Registration Fee -
\$125

Contacts: 1-301-299-
2419

E-mail - staff@
deming.org

Tacoma/Pierce Web Archive Created

An electronic archive has been created for documents being generated in the Tacoma/Pierce County partnership with the Deming Institute.

Tacoma and Pierce County, Washington State, are partners with the Institute in applying Dr. Deming's system concept to community betterment.

The archive is accessible through the Web site of the Deming Electronic Network (<http://deming.ces.clemson.edu/pub/den/>) and will also be linked to the City of Tacoma's Web page (<http://www.ci.tacoma.wa.us/>).

The archive is part of the Institute's effort to share the knowledge being acquired with other communities and with researchers worldwide. The Tacoma/Pierce County partnership originated in 1994 when participants in the Deming Institute conceived the idea of partnering with a geographic community to allow for active interaction between theory (The Deming System of Profound

Knowledge™) and application (experience available in a partner community).

The archive includes a summary of the project's first-year activities. Other examples of archive materials include "Communities as Systems," by Peter R. Scholtes, partnership leader; "Public Sector Quality Comes of Age: Tacoma's Story," by Ray E. Corpuz, Jr., Tacoma City Manager, and Genelle Birk, Assistant City Manager; and the documents Tacoma submitted in applying to become the partnership community.

A Correction

The August, 1997, issue of Deming Interaction contained an incorrect means of accessing the Deming Electronic Network, moderated by Jim Clauson. The correct address to subscribe to the DEN messaging list is: den.list-request@deming.ces.clemson.edu. Subject: Subscribe DEN. Message: subscribe DEN (insert your e-mail address).

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The W. Edwards Deming Institute™
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