

Teachings from Dr. Deming Apropos For Today

Written By: Ivan Chambers

Sandy Munro was in the middle of the Ford transformation of the early 80's where he was one of the privileged to have worked directly with **Dr. Deming**. Inspired by this icon's great message, Sandy Munro created Munro & Associates and the Lean Design® process with the spirit of his message and philosophies in mind.

Now, in the midst of an onslaught of articles promoting the need for quality and the dire debates over jobs versus short term profits and bonuses, it's time for us to revisit the success factors that seem to have been forgotten, or never learned, by current American management.

Below is an excerpt about Dr. Deming, and his theories on management and its modern roadblocks (Diseases) that need to be overcome.

Excerpted Wikipedia:

Source: http://en.wikipedia.org/wiki/Edwards_Deming



... Dr. Deming continued running his own consultancy business in the United States, largely unknown and unrecognized in his country of origin and work. In 1980, he was featured prominently in an NBC documentary titled *If Japan can... Why can't we?* about the increasing industrial competition the United States was facing from Japan.

Ford Motor Company was one of the first American corporations to seek help from Deming. In 1981, Ford's sales were falling. Between 1979 and 1982, Ford had incurred \$3 billion in losses. Ford's newly appointed Division Quality Manager John A. Manoogian was charged with recruiting Dr. Deming to help jump-start a quality movement at Ford.^[15] Deming questioned the company's culture and the way its managers operated. To Ford's surprise, Deming talked not about quality but about management. He told Ford that management actions were responsible for 85% of all problems in developing better cars. In 1986 Ford came out with a profitable line of cars, the Taurus-Sable line. In a letter to *Autoweek Magazine*, Donald Petersen, then Ford Chairman, said, "We are moving toward building a quality culture at Ford and the many changes that have been taking place here have their roots directly in Dr. Deming's teachings."^[16] By 1986, Ford had become the most profitable American auto company. For the first time since the 1920s, its earnings had exceeded those of arch rival General Motors (GM). Ford had come to lead the American automobile industry in improvements. Ford's following years' earnings confirmed that its success was not a fluke, for its earnings continued to exceed GM and Chrysler's.

Notes from excerpt above:

15. *The Deming Management Method*, Mary Walton, W. Edwards Deming, Penguin Group, 1986, pp 138-139.

16. [Ford Embraces Six-Sigma Quality Goals.](#)

Transformation through Application of Fourteen Points

Source: *A Theory for Management* (1986)

Written By: *W. Edwards Deming*

1. Create constancy of purpose toward improvement of product and service, with the aim to become competitive and *to stay in business, and to provide jobs*.
2. Adopt the new philosophy. We are in a new economic age. Western management must awaken to the challenge, must learn their responsibilities, and take on leadership for change.
3. Cease dependence on inspection to achieve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.
4. End the practice of awarding business on the basis of price tag. Instead, minimize total cost. Move toward a single supplier for any one item, on a long-term relationship of loyalty and trust.
5. Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.
6. Institute training on the job.
7. Institute leadership (see Point 12). The aim of leadership should be to help people and machines and gadgets to do a better job. Leadership of management is in need of overhaul, as well as leadership of production workers.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments. *People in research, design, sales, and production must work as a team, to foresee problems of production and in use that may be encountered with the product or service*.
10. Eliminate slogans, exhortations, and targets for the workforce asking for zero defects and new levels of productivity.
- 11a. Eliminate work standards (quotas) on the factory floor. Substitute leadership.
- 11b. Eliminate management by objective. Eliminate management by numbers, numerical goals. Substitute leadership.
- 12a. Remove barriers that rob the hourly worker of his right to pride of workmanship. The responsibility of supervisors must be changed from sheer numbers to quality.
- 12b. Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means, inter alia, abolishment of the annual or merit rating and of management by objective, management by the numbers.
13. Institute a vigorous program of education and self-improvement.
14. Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.

DISEASES THAT STAND IN THE WAY OF TRANSFORMATION (1986)

Written By: W. Edwards Deming

1. Lack of constancy of purpose to plan product and service that will have a market and keep the company in business, and provide jobs.
2. Emphasis on short-term profits, short term thinking (just the opposite from constancy of purpose to stay in business), fed by fear of unfriendly takeover and by push from bankers and owners, for dividends.
3. Personal review system, or evaluation of performance, merit rating, annual review, or annual appraisal, by whatever name, for people in management, the effects of which are devastating. Management by objective, on a go, no-go basis, without a method for accomplishment of the objective, is the same thing by another name. Management by fear would still be better.
4. Mobility of management job hopping.
5. Use on visible figures only for management, with little or no consideration of figures that are unknown or unknowable.
6. Excessive medical costs.
7. Excessive costs of liability, fueled by lawyers that work on contingency fees.