



W. Edwards Deming®

Institute 2005 conference to be held at Purdue

The Deming's Institute's fall conference will be held October 22-23 at Purdue University in West Lafayette, Indiana. The conference will be preceded by a reception Friday night, October 21. The theme of the conference will be "Future Vision: What Do We Need to Leave Behind?" Speakers will take participants from a macro view of the future vision by way of profound knowledge, winding up with a discussion on metrics. The conference will close with a panel of Institute board members leading a dialog that reviews topics from this and prior Institute conferences. For additional information as it becomes available, see www.deming.org or call Dick Steele: 248-685-1146. ■

Deming's efforts in WWII

Adapted with permission from Nancy R. Mann, Keys To Excellence, 3rd Edition, 1989.

Early in 1942, soon after WWII broke out, Dr. Deming received a letter from W. Allan Wallis who was on the statistics faculty of Stanford University. Stanford's statistics faculty was seeking guidance on how they might contribute to the war effort. Dr. Deming responded to Wallis.

"The only useful function of a statistician is to make predictions, and thus to provide a basis for action. Here is my idea. Time and materials are at a premium, and there is no time to be lost. There is no royal short cut to producing a highly trained statistician, but I do firmly believe that the most important principles of application can be expounded in a very short time to engineers and others. I have done it and have seen it done. You could accomplish a great deal by holding a school in the Shewhart methods ... a concentrated effort ... by noted industrial people who have seen statistical methods used and can point out some of their advantages. It would be attended by people who actually intend to use statistical methods on the job."

Twenty-nine men from key industries holding war contracts and from procurement agencies of various

branches of the armed services took an intensive ten-day course, eight hours a day. All twenty-nine completed the course. Two months later, in Los Angeles, it was given again under Stanford's auspices.

The project was such a success that in early 1943, intensive eight-day courses in statistical quality control were given at many universities in the U.S. under the auspices of the U.S. Office of Education. Within two years, 2000 men and women attended and later served as instructors to 31,000 people in industry. The program had a strongly beneficial effect on the quality and volume of war production.

In 1981, Dr. Deming gave the principal reason that statistical quality control methodology did not substantially increase competitive position in the U.S.

"The courses were well-received by engineers, but management paid no attention to them. Management did not understand that they had to get behind improvement of quality and carry out their obligations from the top down."

So it was that methodology for improvement of quality began to evolve in the U.S. but failed to realize its potential. ■

What's in a nail?

Nails with square shanks are common finds on all Roman occupation sites in Britain, so common that archaeologists rarely illustrate or discuss them. The exception is the massive hoard of nails found at Inchtuthil in Scotland. The total number of nails found was over 875,000. Included in the total were 760,000 type E nails with lengths between 38 and 70 mm. What is truly astonishing, however, is the fact that every specimen in this group had a shank section of precisely 3.2 mm! ■

Source: *Iron for the Eagles*, by David Sim and Isabel Ridge, published by Tempus Publishing Ltd., 2002.



courtesy MIT Press

"It is wrong to suppose that if you can't measure it, you can't manage it – a costly myth."

– W. Edwards Deming
The New Economics, p. 35.

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

Red beads on display at ASQ headquarters

At the new ASQ headquarters in Milwaukee, WI, visitors can view an exhibit of Dr. Deming's Red Bead Experiment. Proposed and promoted by Dr. Paul Selden, it holds a prominent place outside ASQ's boardroom.

The lighted display case holds a set of wooden beads, an original copy of the first version black metal paddle and copies of two letters from Dr. Deming in which he discussed the beads. Materials in the case were supplied by Mike Johnson. Six still photographs from the video, "The Experiment with the Red Beads – Implications for Management" capture the experiment in sequence. Credit line: Video courtesy of Dr. Nancy Mann. Two Deming Medals are also displayed. The document next to the display states:

The Red Bead Experiment

W. Edwards Deming's Red Bead Experiment illustrates it is impossible to rank future performance of employees based on past performance because differences must be attributed to the system. Four thousand red and white beads (20 percent red) in a plastic tub, a paddle with slots to hold the beads, and six people are used. The goal is to produce white beads because the customer won't accept red ones.

... each person stirs the beads and selects 50. The number of red beads for each is counted. Everyone falls within the calculated limits of variation that can be



attributed to the system. There is no evidence one person will perform better than the other, therefore, it is a waste of management's time to try to find out why. Management should improve the system, making it possible for everyone to produce more white beads.

Sincere appreciation to the following individuals who made this display possible:

Diana Deming Cahill, *daughter of W. Edwards Deming*
 Paul Selden, *Deming advocate*
 Mike Johnson, *Deming advocate* ■

UK Forum 2005: transformation vs. improvement

Meeting at the Robinson Centre in Cambridge, UK, May 24-26, 2005, the UK Forum will delve into issues related to understanding why best efforts so often fail to revolutionize organizations.

The forum theme "Transformation is not improvement!" recognizes that today's organizations are in a state of constant change with endless organization, strategic projects, tactical projects, hirings, firings, branding and rebranding.

So what is transformation? What do Deming's theories mean for leaders who want to understand customers in a new way? How can they use an understanding of variation to learn, innovate and drive lasting improvements? For three days the UK Forum will help attendees learn key principles of the Deming management method.

Speakers and topics include: Richard Noble, the man who led the team to break the world land speed record; Arie de Geus, author of *The Living Company*; Debbie Ray, leader at the award winning Samaritan Hospital and Healthcare Center; Brian Swain and the story of Corus in Holland; Oded Cohen, acclaimed author; Richard Wixey, Bradford Metropolitan Borough Council; Myron Tribus, leading thinker on systems and learning; Airbus, their journey so far; and much more.

Contact: The Deming Forum, 11 Woburn Street, Amptill, UK. MK45 2HP; telephone: +44 (0) 1525 402323; www.deming.org.uk ■

In2:InThinking forum to be held, April 7-10

The In2:InThinking Network's 2005 forum will be held, April 7-10, in the Los Angeles Metropolitan area at Boeing's Rocketdyne Propulsion & Power offices in Canoga Park and at the nearby Hilton Woodland Hills hotel. This year's conference theme is "Daring to Lead: Influencing Better Thinking for a Better Future."

The 4-day event includes two days of pre-conference workshops followed by a weekend conference. Again this year, the network's goal for the forum is to provide help to those who are working to improve their own lives (and that of their organizations) with better methods of thinking. The forum fee, \$300, includes all meals and conference handouts.

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 2005 forum will gather leading edge thinkers to share their efforts related to "Daring to Lead." Conference presenters include: Karen Ayas, Peter Collis, John Dowd, Mary Jenkins, Roy Lubit, Rick Stephens, Peter Stonefield,

Gerald Suarez, Myron Tribus, and Ginny Wiley. In addition, 13 pre-conference workshops will be offered. Information on these sessions as well as additional forum details are available online at www.in2in.org.

Ongoing discussions and study sessions

Bill Bellows and his colleagues at Boeing invite you to participate in a series of regularly scheduled telephone conferences that draw callers from the U.S. and abroad. In addition to a 14-hour moderated discussion of Deming's *The New Economics*, offered several times a year in seven 2-hour sessions, you are invited to participate in a monthly teleconference, known as the "Ongoing Discussion." The Ongoing Discussion typically is scheduled for the fourth Thursday and Friday of the month, with four 1-hour sessions held on those two days. Discussion topics cover a range of thinking topics, from working together to learning together to thinking together and all points in between. The worldwide invitation list extends to over 2600 "thinking partners," inside and outside of Boeing, with "800" numbers provided to those outside of Boeing.

For more information about the Ongoing Discussion and study sessions, contact Bill Bellows by email at William.J.Bellows@Boeing.com.



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.

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

Deming in the news

In August 2004, *Business Week* ran an article entitled "Deming and Juran: The Kings of Quality, The Japanese consider Juran's insights even more important than Deming's." The following month, *Business Week* published a somewhat condensed letter to the editor from Donald E. Petersen. The original letter is reprinted here in its entirety with the kind permission of Donald E. Petersen.

September 11, 2004

Letter to the Editor
Business Week Magazine
The McGraw-Hill Companies Building
1221 Avenue of the Americas
New York, NY 10020

Dear Sir:

In your August 23rd issue, you carried an article about Dr. Joseph Juran and W. Edwards Deming that seriously understated the contribution Dr. Deming made in teaching his theory of management. In fact, his theory went well beyond simply dealing with the application of statistical methods in manufacturing.

I admire both of these individuals who, along with Peter Drucker, added so much to our knowledge of professional management theory and practice. I was fortunate to have had extensive relationships with Drs. Deming and Drucker during my time as President and then Chairman and CEO of the Ford Motor Company. Dr. Deming served as a consultant to Ford through much of the 80s, and he was enormously helpful to us in many ways.

Two of his theories of management alone were worth his consulting fee. In one, he stressed that if you are having a problem, nine time out of ten your problem rests with management. How true! A second point I found most helpful was the power of continuous improvement. His was a rich mind, full of extremely helpful management insights.

Sincerely,

Donald E. Petersen
Retired Chairman and CEO
Ford Motor Company

Mark your calendar

September 26, 2005
**Symposium on Deming's
 Analytic Papers**
 New York City

October 22-23, 2005
Annual Fall Conference
 Purdue University
 West Lafayette, IN

February 27-28, 2006
**Twelfth Annual
 Research Seminar**
 New York City

For reflection

In Chapter 17 of Out of the Crisis, Dr. Deming wrote about accidents and their causes.

No system, whatever be the effort put into it, be it manufacturing, maintenance, operation, or service, will be free of accidents.

Accidents are all around us, like bacteria. Most bacteria are harmless, some cause a lot of suffering. Most accidents are of little consequence. . .

I received from the printer 500 copies of an article that I had published, only to discover, after I had distributed a few score of them, that pages 6 and 7 were blank in some of the copies. This was an accident: no harm done. In fact, some readers may have been grateful for the blanks. The supervisor at the printing company nevertheless, when I told him about it, went into a rage about his careless employees. Was it his fault, or theirs?

Figures on accidents do nothing to reduce the frequency of accidents. The first step in reduction of the frequency of accidents is to determine whether the cause of an accident belongs to the system or to some specific person or set of conditions. Statistical methods provide the only method of analysis to serve as a guide to the understanding of accidents and to their reduction.

People naturally suppose that if something happened here and now, there must be something special at the spot where it happened. The usual reaction of almost everyone, when an accident occurs, is to attribute it to somebody's carelessness or to something unusual about the equipment used. It is wise not to jump to this conclusion: it may lead to the wrong answer, wrong solution, continued trouble, more accidents. The system guarantees an average frequency of accidents to occur at unpredictable places and times. . .

Accidents that arise from common causes will continue to happen with their expected frequency and variations until the system is corrected.

– *Out of the Crisis*, pp. 478-479

One wonders how frequently, in business, education and government, the first step in reduction of the frequency of accidents, as described by Dr. Deming, is skipped. How often do we forget that the causes and the accidents may not occur at the same time or in the same place?