



# ***Organizations as Unusual: Shift from Big Problems to Great Opportunities***

**Presented by Bill Bellows**

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# Abstract

Before his death in 1993, W. Edwards Deming provided “a map of theory by which to understand the organizations that we work in.” He was well aware of the challenges that organizations face, in their “as Usual” mode of operation. Beginning with an explanation of the difference between “Organisations as Usual” and “Organisations as Unusual,” this presentation will provide a preview of how program managers can add Dr. Deming’s *Unusual* insights to their efforts.





# Agenda

- *W. Edwards Deming*
- *Resource Management Reflections*
- *Organisations as Unusual*
- *Opportunities to Act*



# W. Edwards Deming



# W. Edwards Deming

1900 - 1993







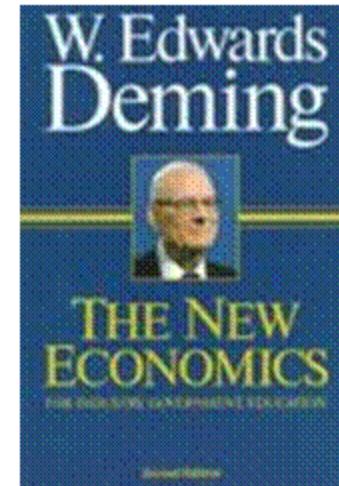
# Powell, WY, 1904-1918



NEBRASKA



# Yale and Beyond, 1928-1993







# Deming and Toyota



*“There is not a day I don't think about what Dr. Deming meant to us. Deming is the core of our management.”*

These glowing words were spoken at the 1991 Deming Prize ceremony by Shoichiro Toyoda, former president of Toyota Motor Corporation.



# Dr. Deming

Western CT State University, February 1990





# Hearing Test

*I know what I said.*

*I don't know what they heard.*

W. Edwards Deming

# Washing a Table

List 5 things that are needed to wash a table:

1)

2)

3)

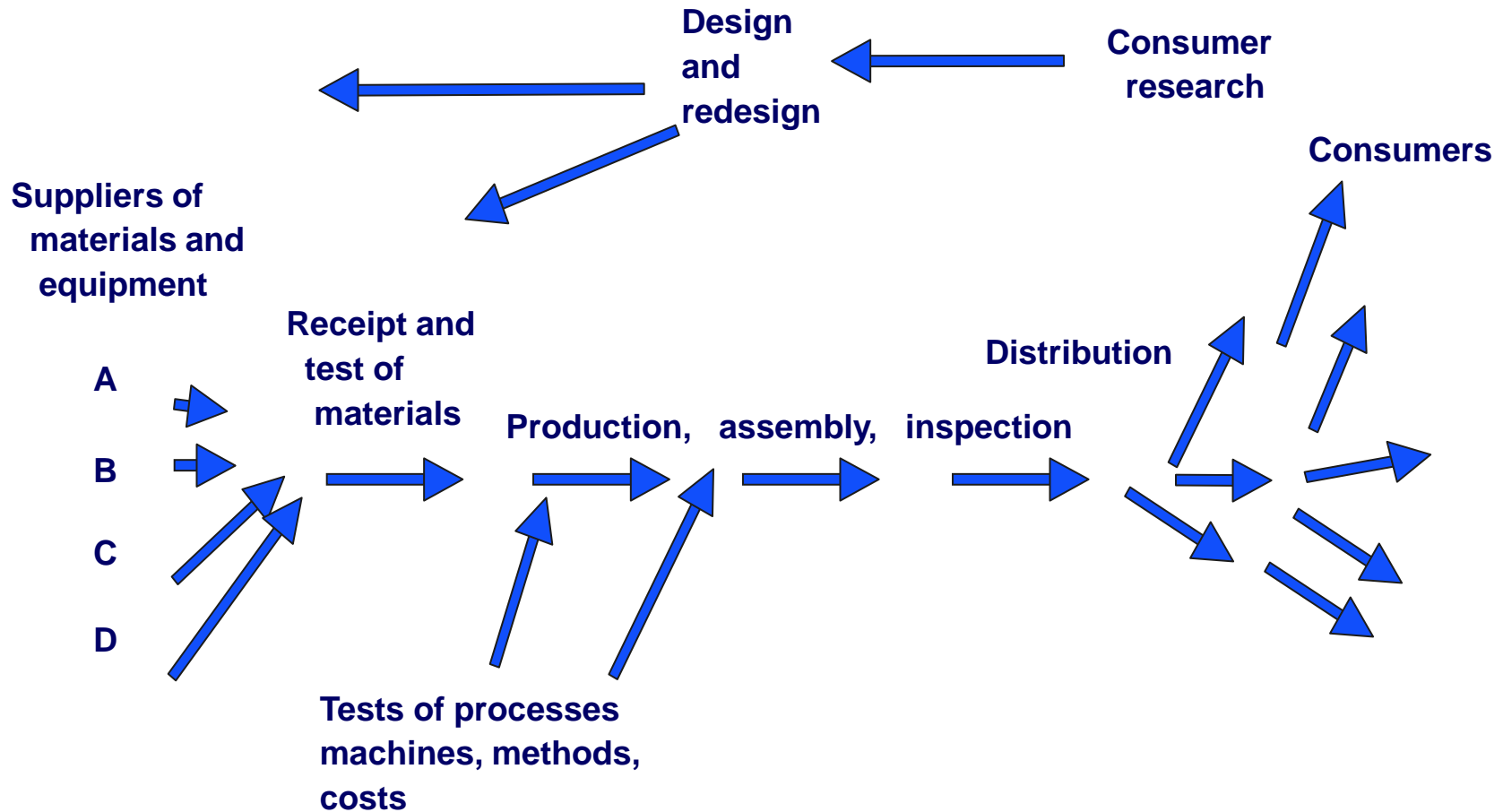
4)

5)



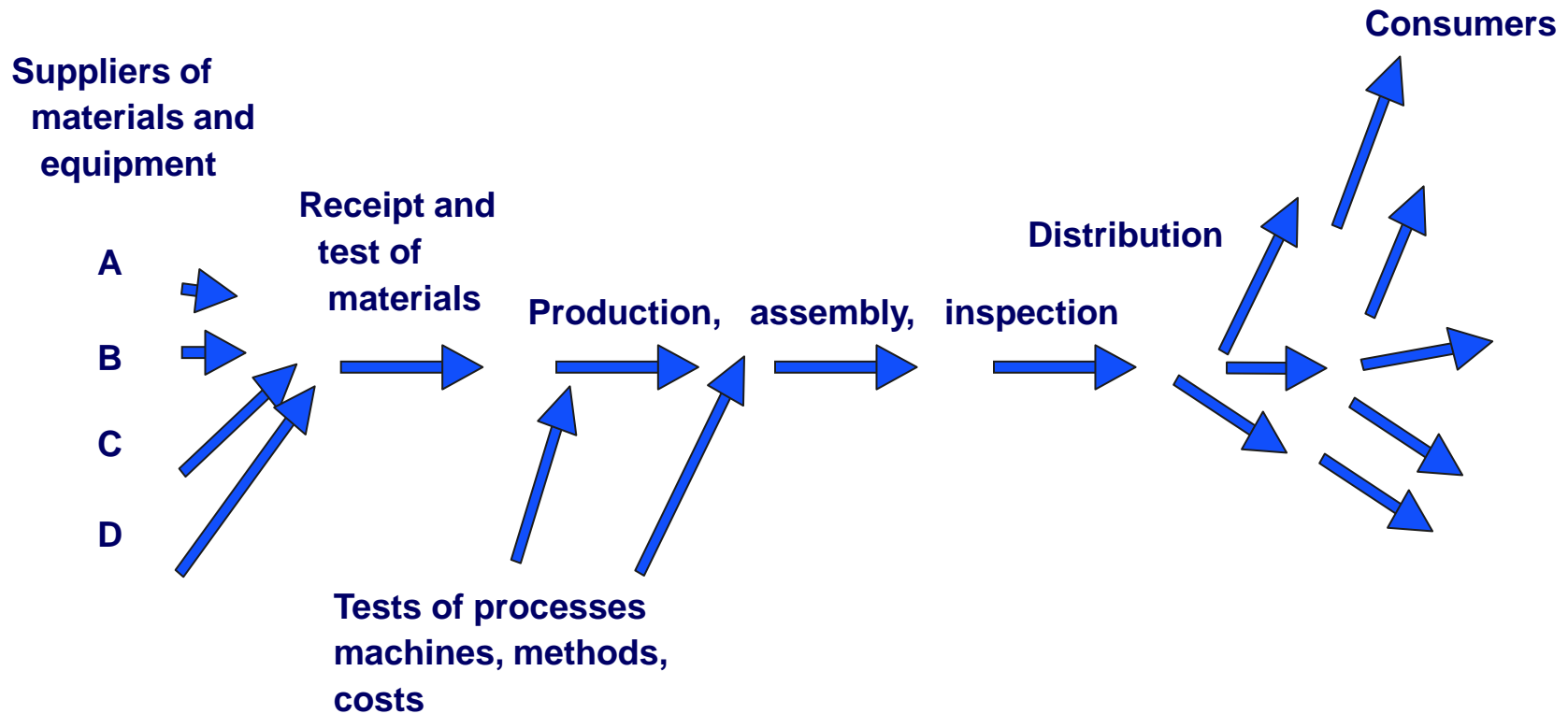


# Production Viewed as a System



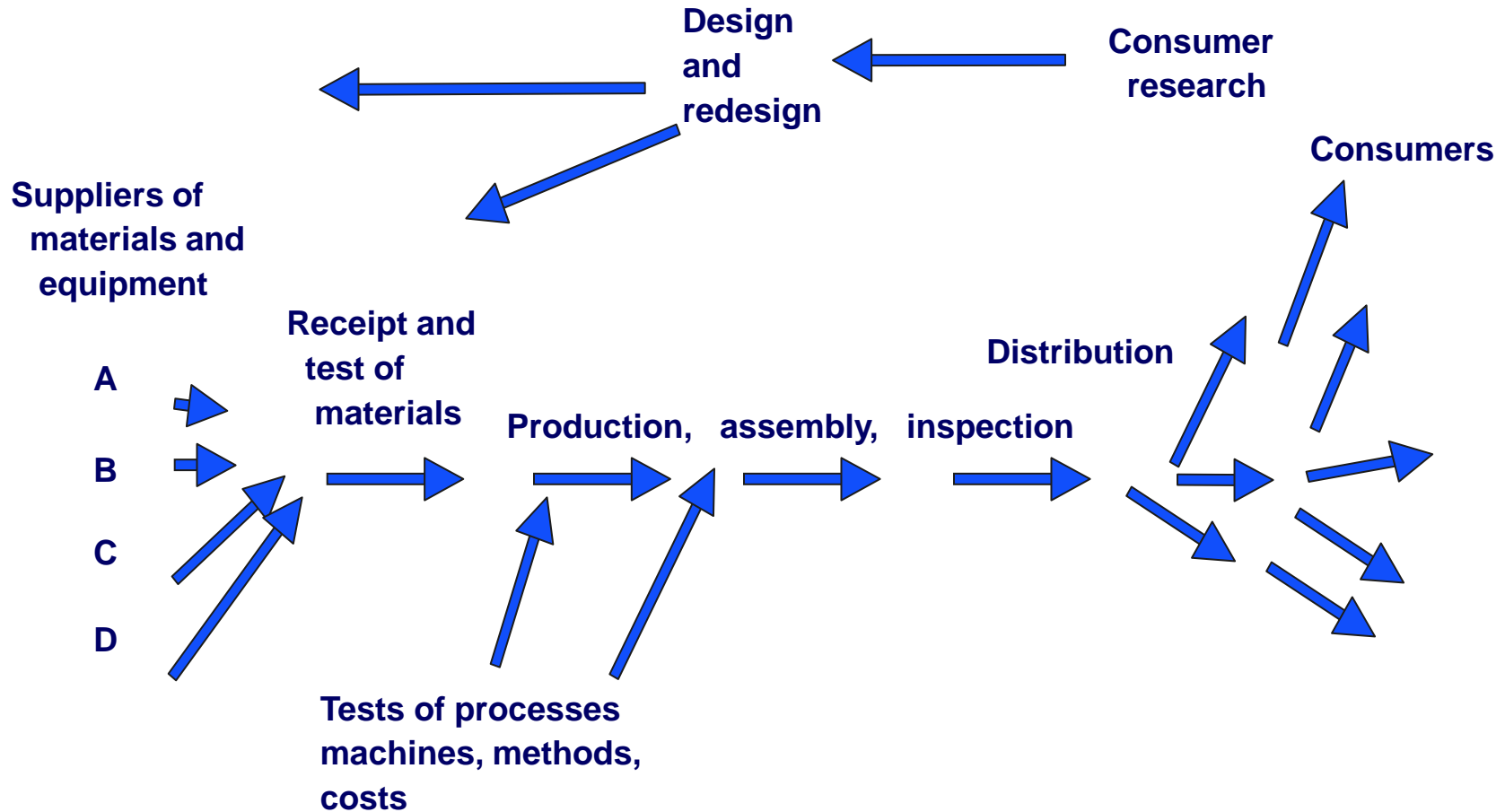


# Production Viewed “as Usual”





# Production Viewed “as Unusual”



# Quality

*A product or service possesses quality if it helps somebody and enjoys a good and sustainable market.*

*W. Edwards Deming*

*Quality is defined by conformance to requirements.*

*P. Crosby*





# Quality

*A product or service possesses quality if it helps somebody and enjoys a good and sustainable market.*

**Organisations as Unusual**

*W. Edwards Deming*

*Quality is defined by conformance to requirements.*

**Organisations as Usual**

*P. Crosby*



# Genichi Taguchi on Quality

*“Quality is the minimum of loss imparted to the Society by a product after its shipment to a customer”*

Source: Introduction to Quality Engineering, Genichi Taguchi, 1983



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*“Quality is the minimum of loss imparted to the Society by a product after its shipment to a customer”*

**Organisations as Unusual**

Source: Introduction to Quality Engineering, Genichi Taguchi, 1983



# Resource Management Reflections





# Time Management

How much time is spent discussing parts, tasks, activities, program milestones, etc. which are good and completed on time?

How much time is spent studying for the final exam, questions from weekly quizzes and the mid-term which were correct?



# Time Management

How much time is spent discussing parts, tasks, activities, program milestones, etc. which are good and complete

*Little/None –*

*Organisations as Usual*

How much time is spent studying for the final exam, questions from weekly quizzes and the mid-term which were correct?



# Resource Management

Proactive – applying effort while “good,” “OK,” “well,” or “correct” is happening

Reactive – applying effort after “bad,” “not OK,” “sick,” or “incorrect” happens



# Imagine....No Problems

*Beginning on Monday morning, all incoming material as well as all tasks completed internally, meet requirements and arrive on time, on budget...*

*What changes would begin to appear, within hours, days, weeks, and years?*





# Imagine....Replies

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8



# Resource Management Model

A  
c  
t  
i  
v  
i  
t  
y

*Proactive*

*Reactive*





# Day One of a Plant Manager

*“What should I focus on first?”*

What do you think you should focus on?

*“I think I should focus on all the things which are broken.”*



# Day One of a Plant Manager

*“What should I focus on first?”*

What do you think you should  
focus on ***Organisations as Usual***

*“I think I should focus on all the  
things which are broken.”*



# Resource Management

*“An ounce of prevention is worth a pound of cure”*

Ben Franklin

*“A stitch in time saves nine”*

Francis Bailly

*“Every dollar we invest in high-quality early education can save more than \$7 later on”*

Barack Obama



# Resource Management Model

A  
c  
t  
i  
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y

*Proactive*

*Reactive*

*“Mine”*

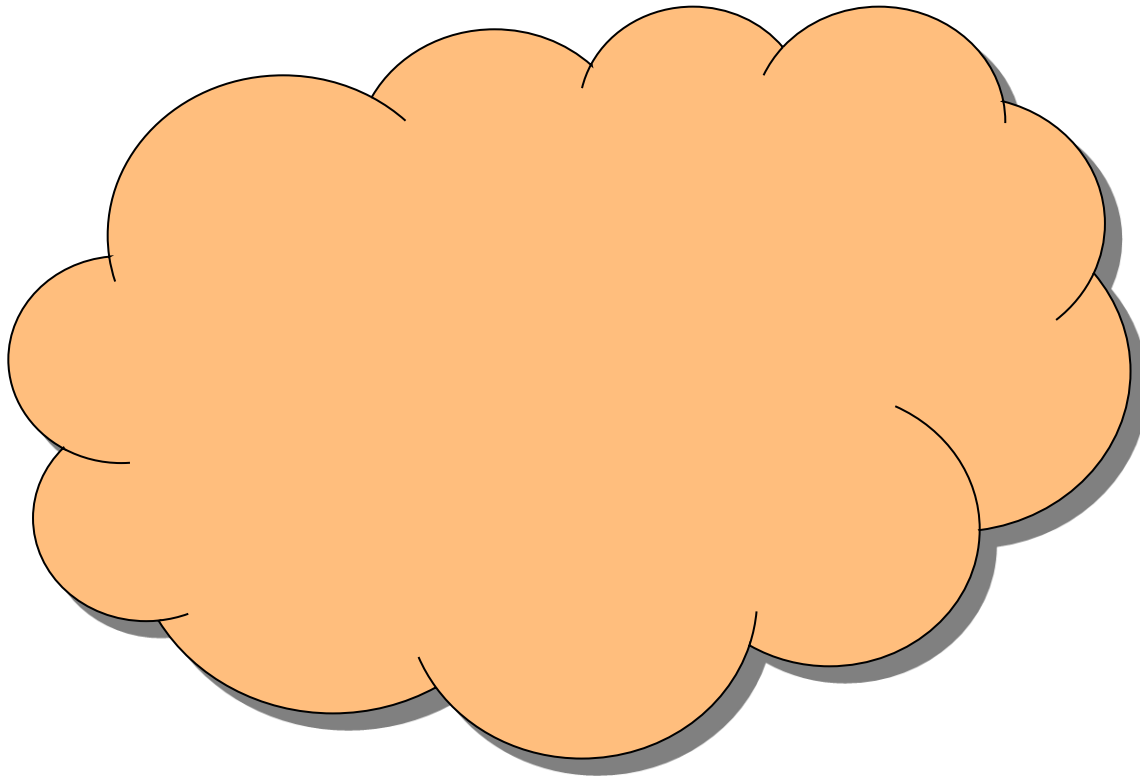
*“Ours”*

**Ownership**



# Product or Service Innovation

*As Conceived*







# Product or Service Innovation

## *As Conceived*



The top 5 uses:

1. Replacing the screwdriver
2. Pilot holes
3. Hole saw
4. Drywall installation
5. Concrete

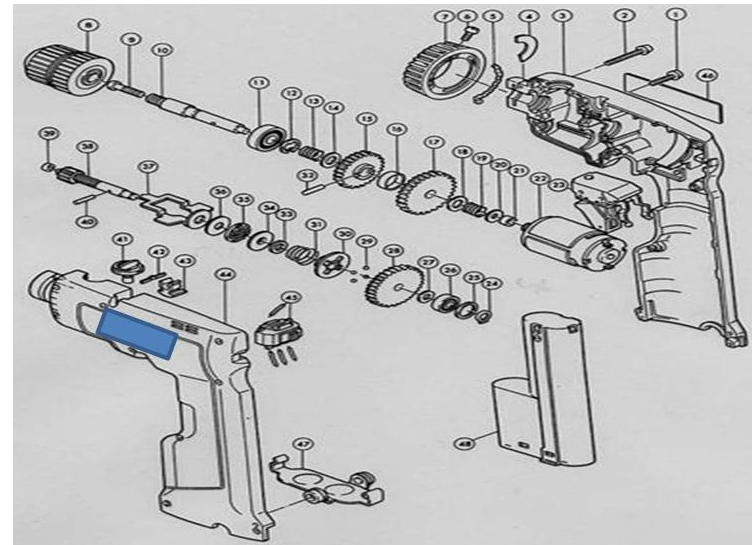


# Product or Service Innovation

*As Conceived*

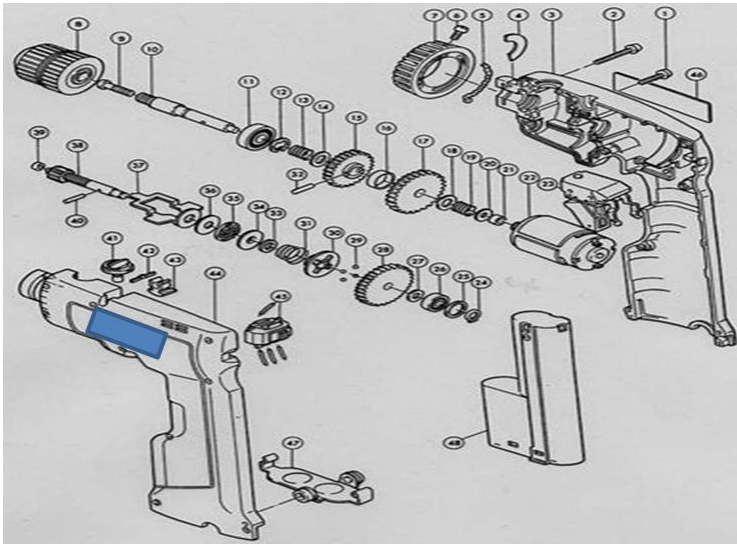


*As Managed*



# Actions & Interactions

## *Actions - Parts*



## *Interactions - Gaps*





# Actions & Interactions

*“A system is never the sum of its parts. It is the product of the interactions of its parts.....the art of managing interactions is very different indeed than the management of actions, and history requires this transition for effective management.”*

**Russ Ackoff**



# Actions & Interactions

*“A system is never the sum of its parts. It is the product of its parts..... Managing Actions – Organisations as Usual Managing interactions is very different indeed than the management of actions, and history requires this transition for effective management.”*

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# Actions & Interactions

*“A system is never the sum of its parts. It is the product of its parts..... Managing Actions – Organisations as Usual Managing interactions is very different indeed than the management of actions, and history requires Managing Interactions – Organisations as Unusual managing interactions.”*

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# Grades

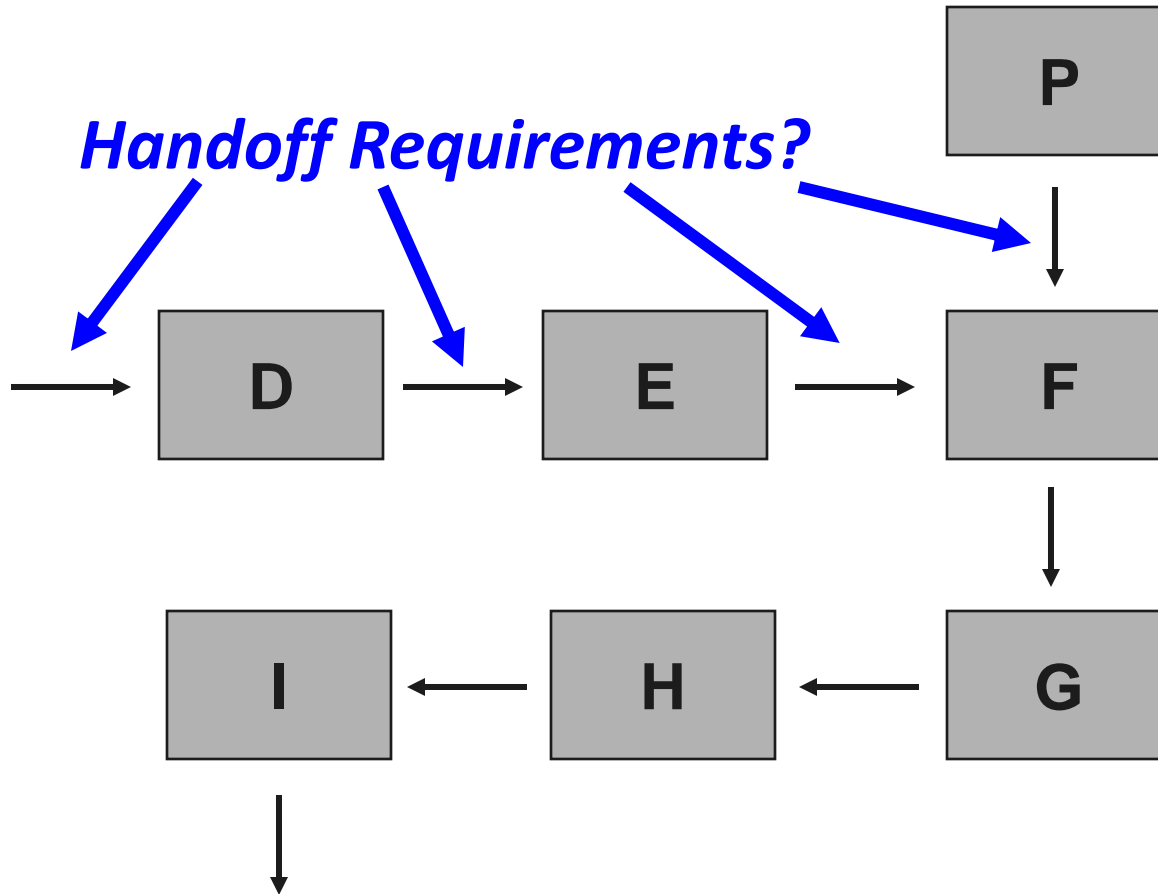
What letter grade is required for all purchased parts and services, as well as tasks completed internally?







# Task (Action) Flow



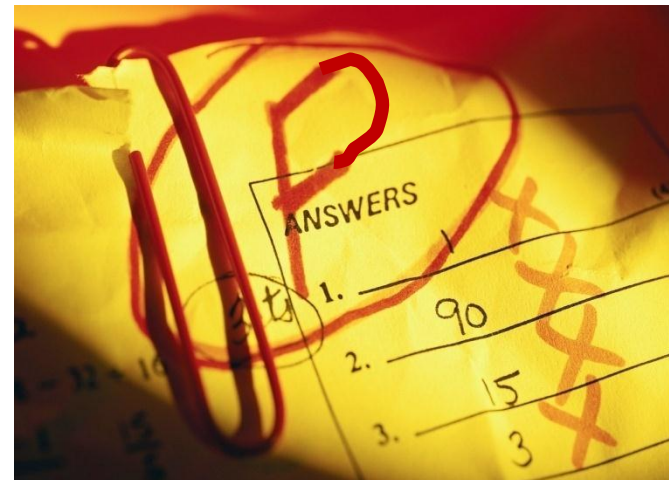
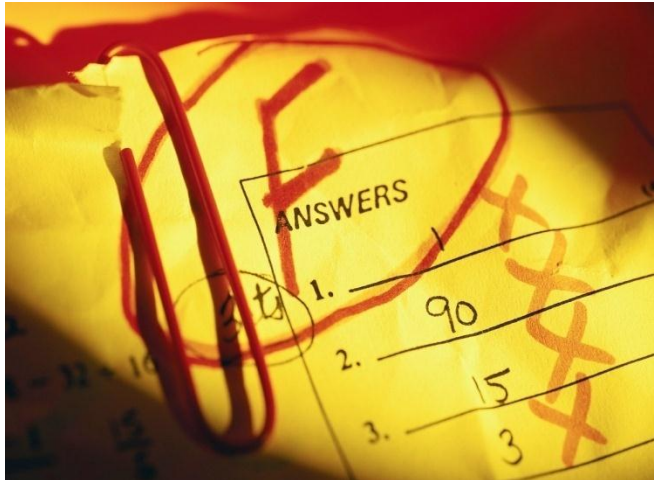


# Task Grades



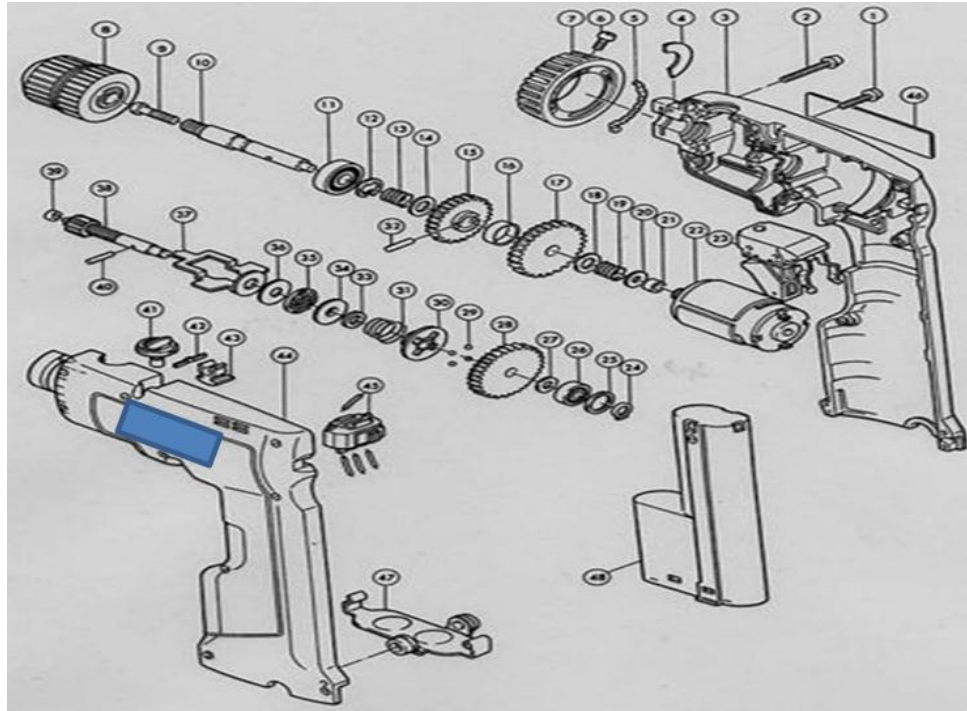


# Task Grades



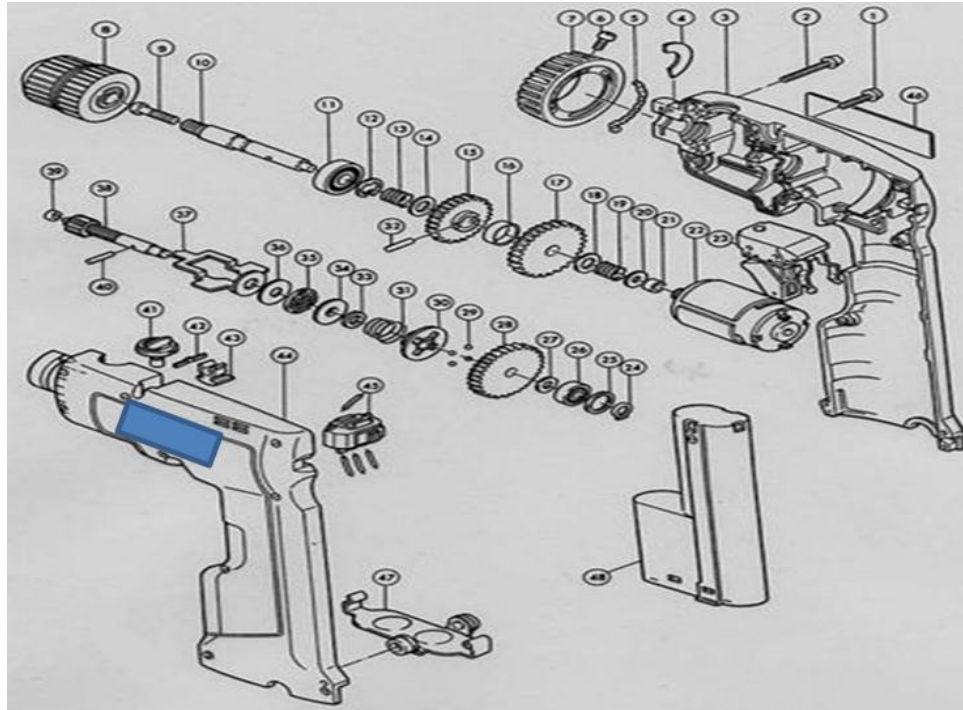


# Task Management





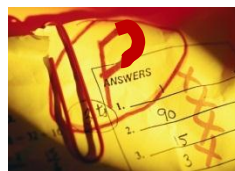
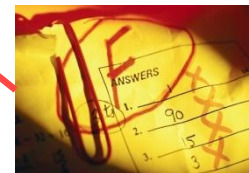
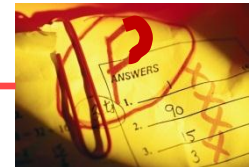
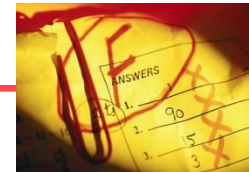
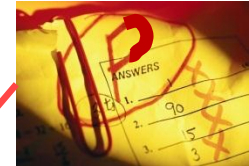
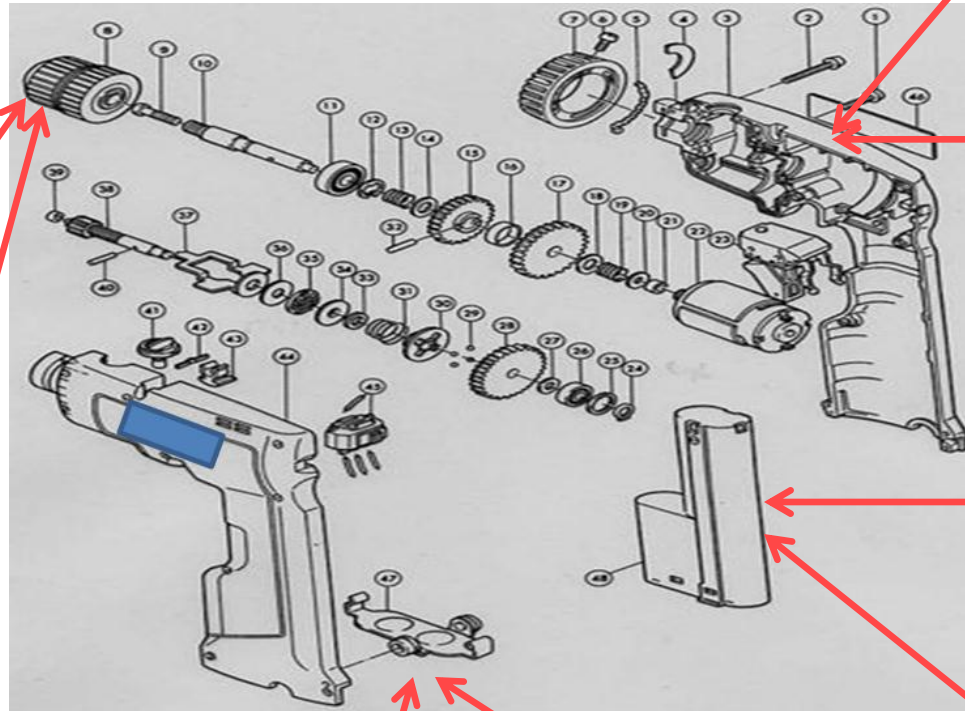
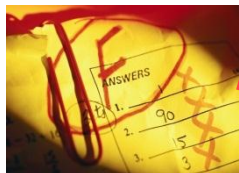
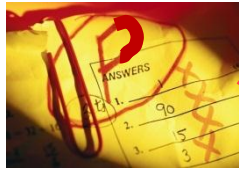
# Macro System Model







# Macro System Model

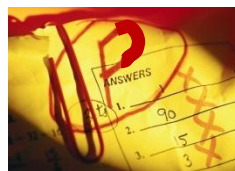
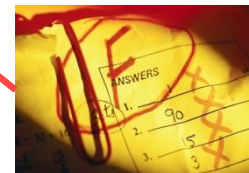
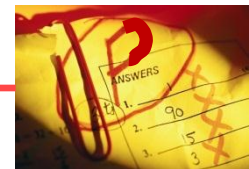
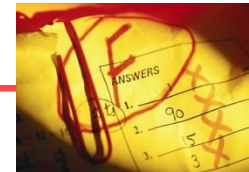
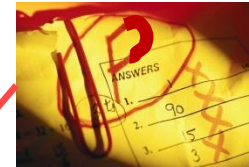




# Macro System Model



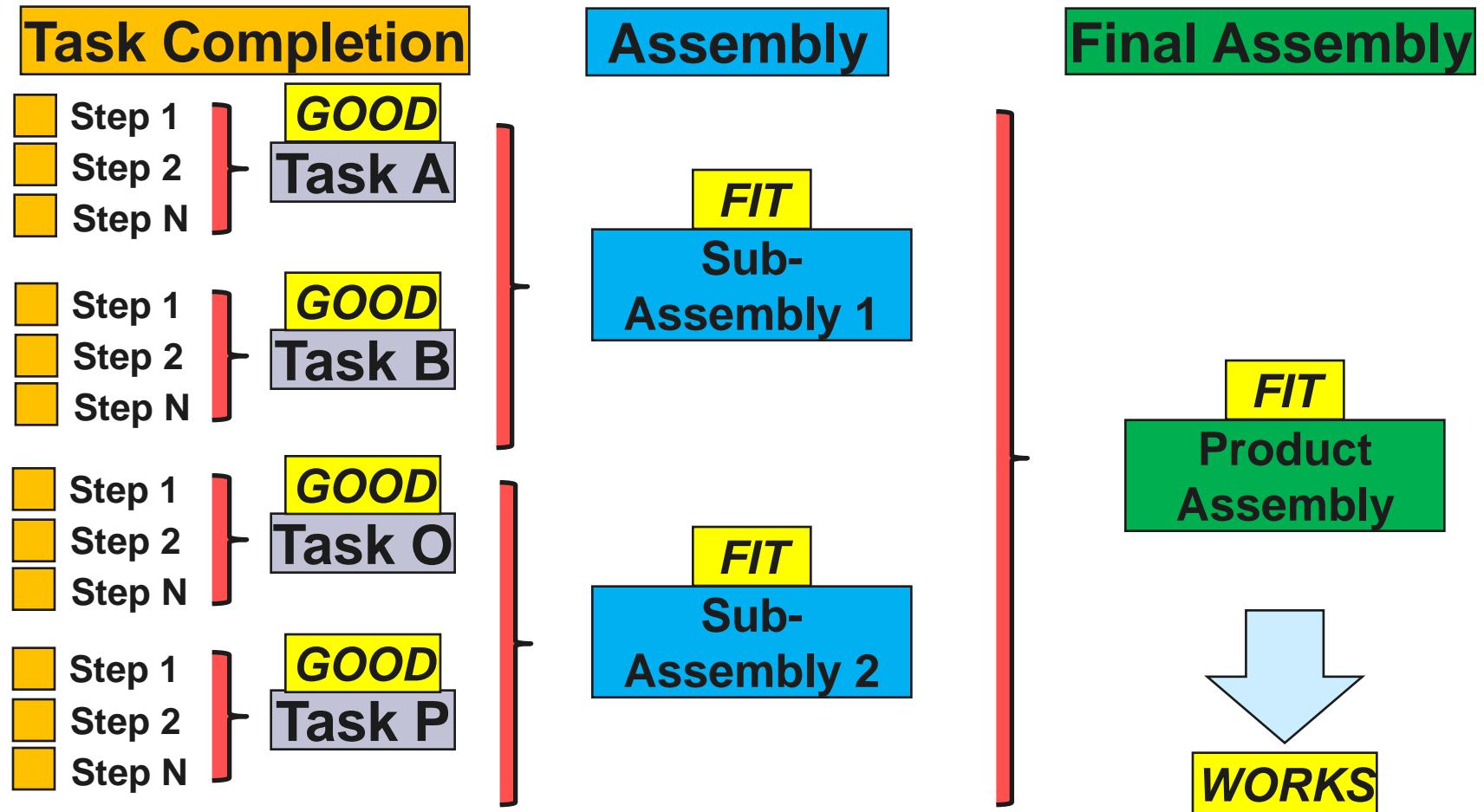
*Managing Actions –  
Organisations as Usual*





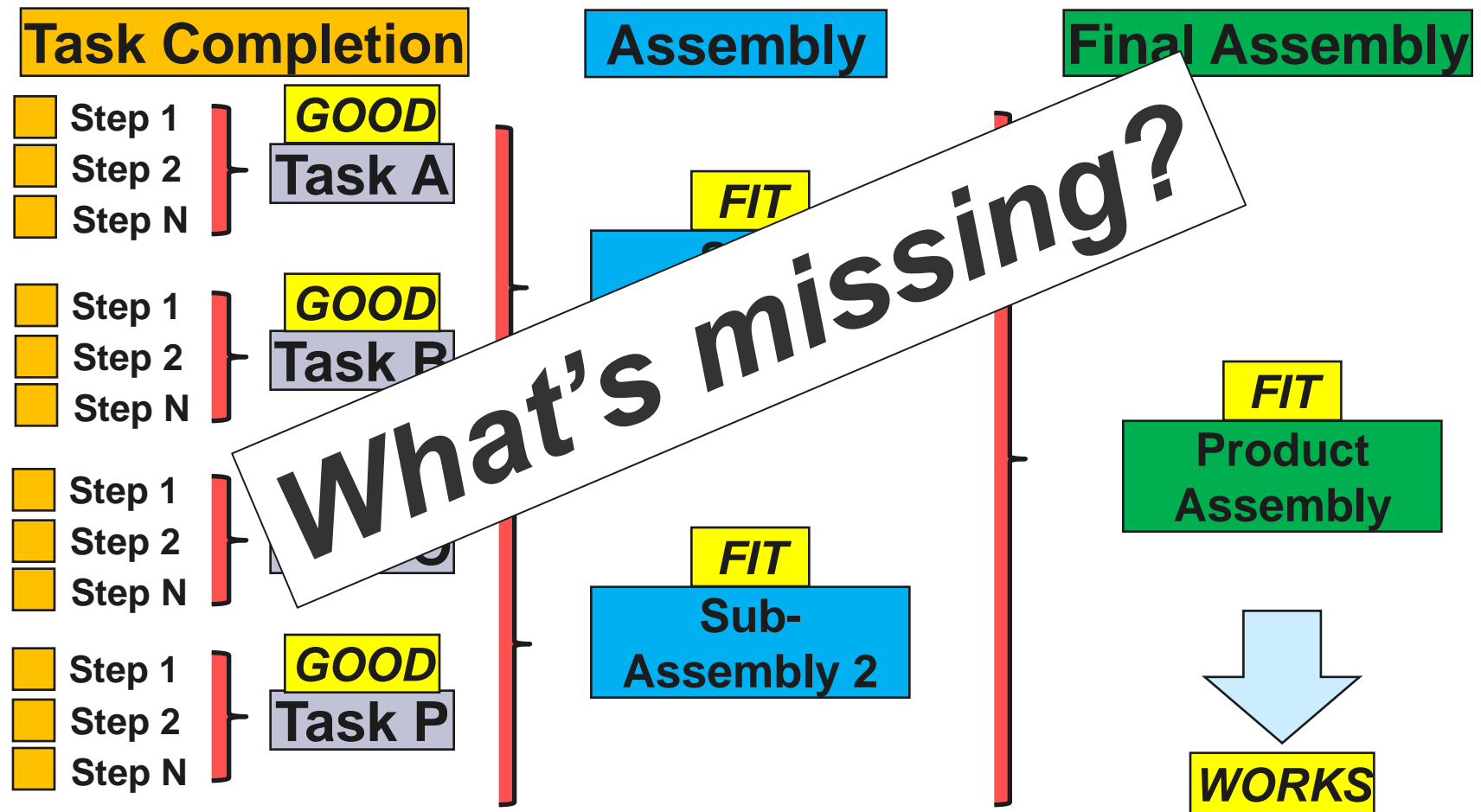


# Macro System Model





# Macro System Model



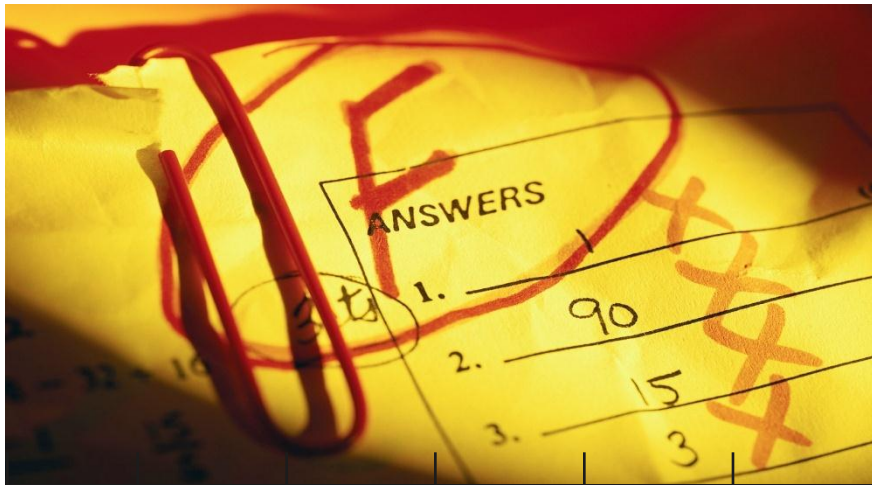


# Task Grades





# Task Grades





# Interactions, not Actions

One inspiration for challenging the mental model of “good parts are equally good” is the 1983 discovery by Ford Motor Company of a dramatic difference in warranty claims between automatic transmissions designed by Ford and produced in two locations, one in Batavia, Ohio, the other by Mazda in Japan.



# Interactions, not Actions

Much to the surprise of Ford's corporate warranty office, the number of complaints associated with the erratic shifting of the transmissions produced in Batavia were a factor of 3 greater than the complaints against the transmissions produced by Mazda.



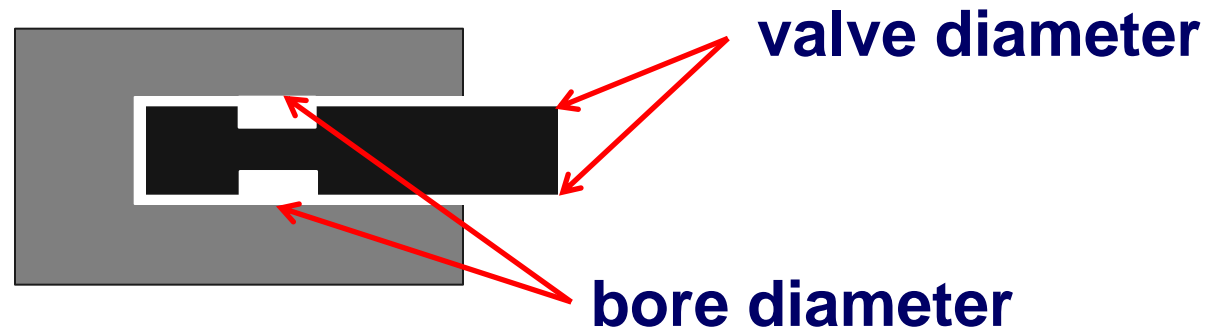
# Interactions, not Actions





# Interactions, not Actions

Upon close examination, Ford realized that their manufacturing focus was on the **valve diameter** and the **bore diameter**, *taken separately*

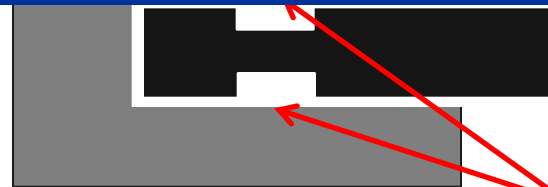


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*Managing Actions –  
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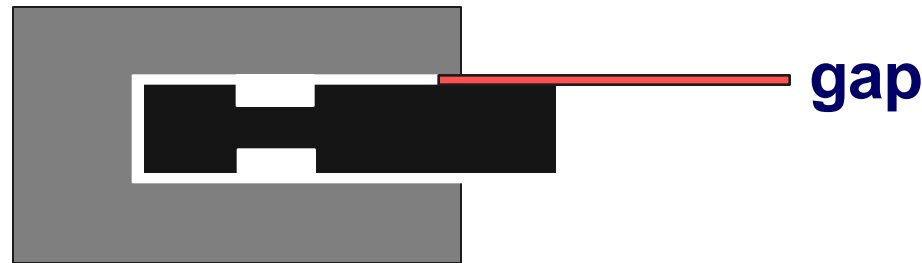
diameter



bore diameter

# Interactions, not Actions

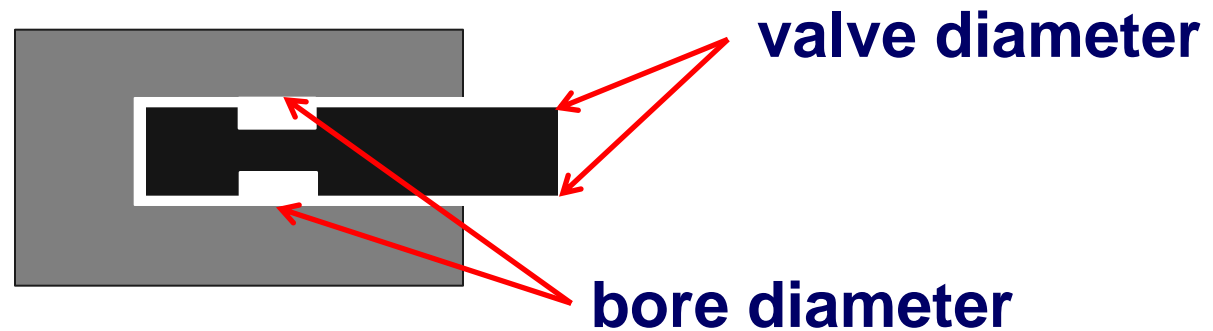
Meanwhile, Ford learned that Mazda's manufacturing focus was to actively manage the **gap** between the outer diameter of the valves within the transmission and



the corresponding diameter of the valve bore.

# Interactions, not Actions

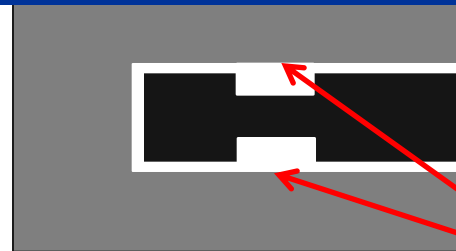
In doing so, Mazda's efforts realized the existence of an ideal gap, resulting from ideal ("target") values for both the bore and valve diameters, with an awareness that variation in gap size matters.



# Interactions, not Actions

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*Managing Interactions –  
Organisations as Unusual*

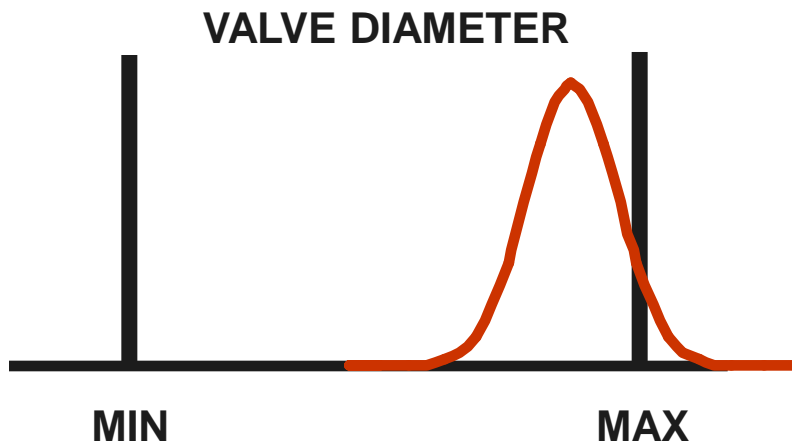
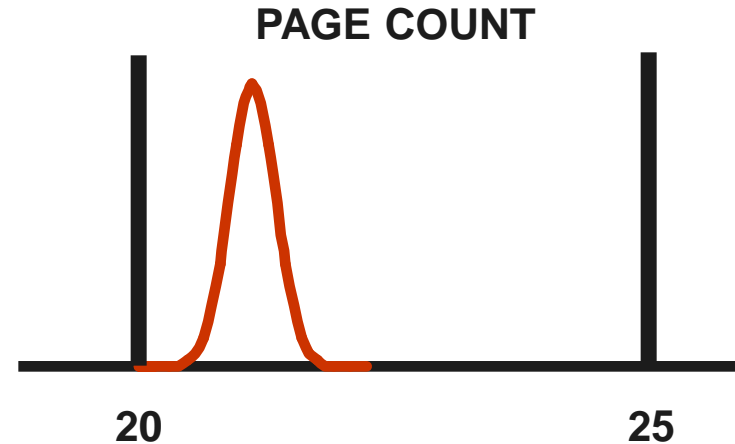
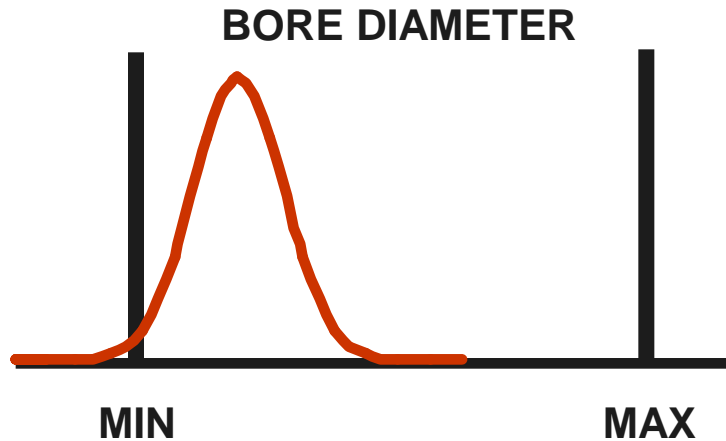


valve diameter

bore diameter

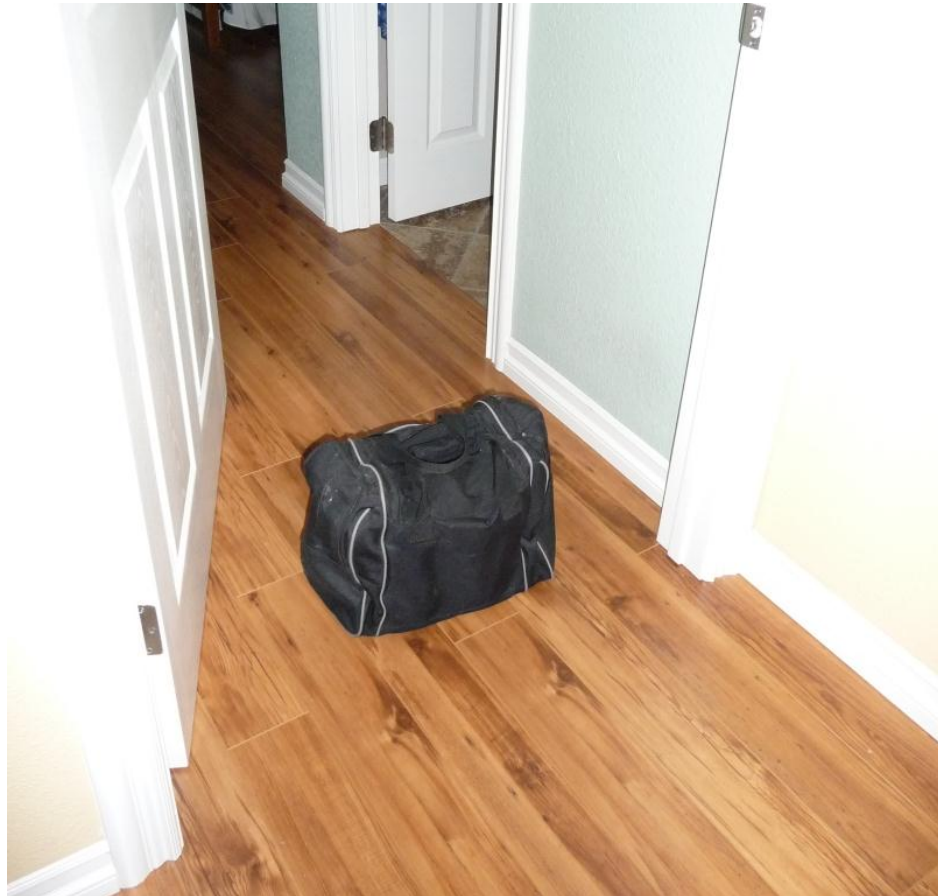


# Examples of Action Management





# On Bowling Balls





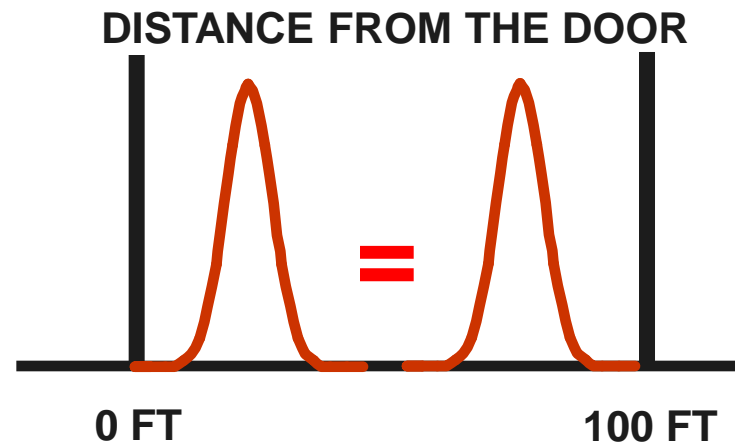
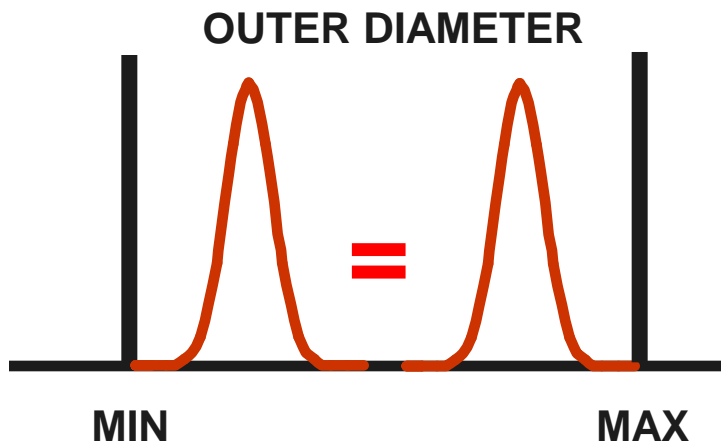
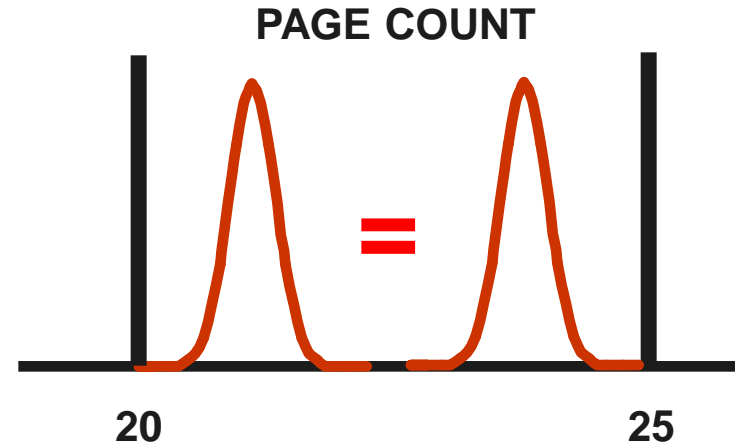
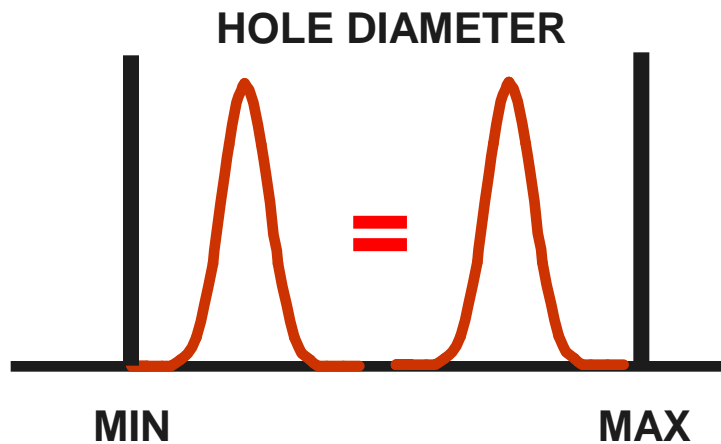


# On Bowling Balls



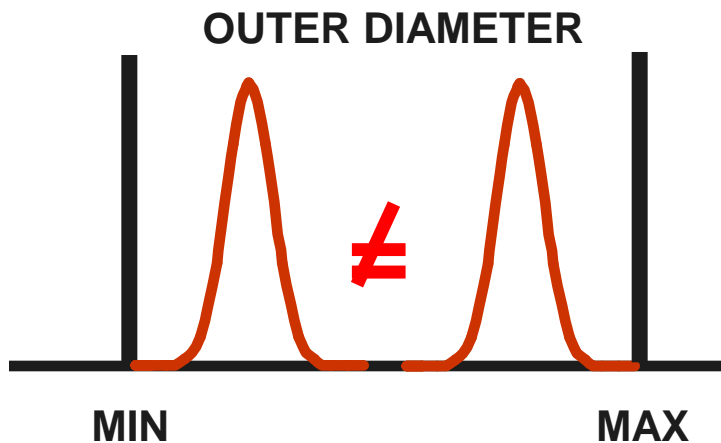
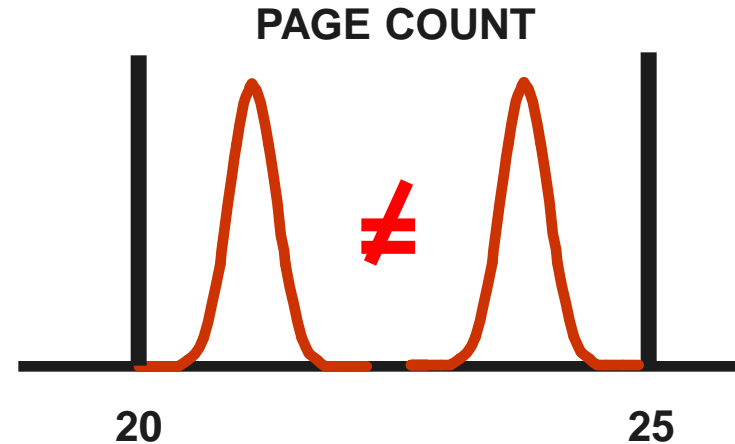
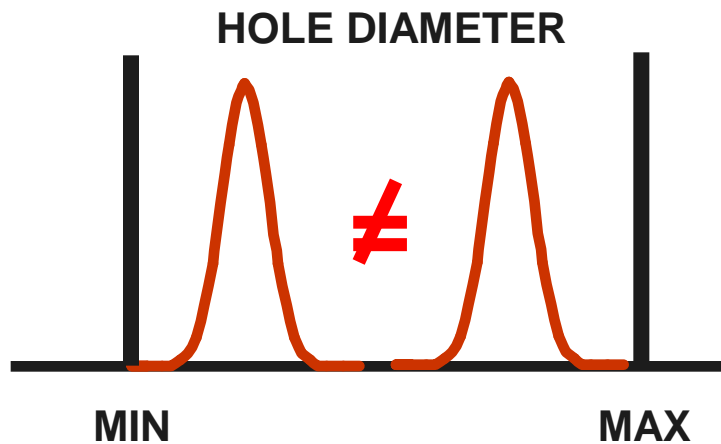


# Macro System Model (Actions)



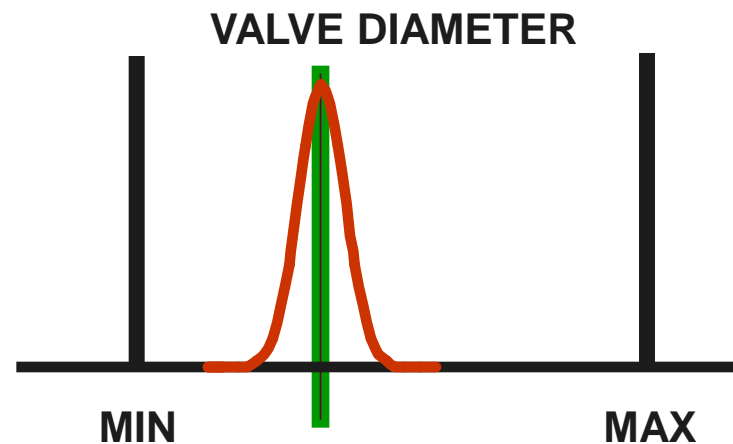
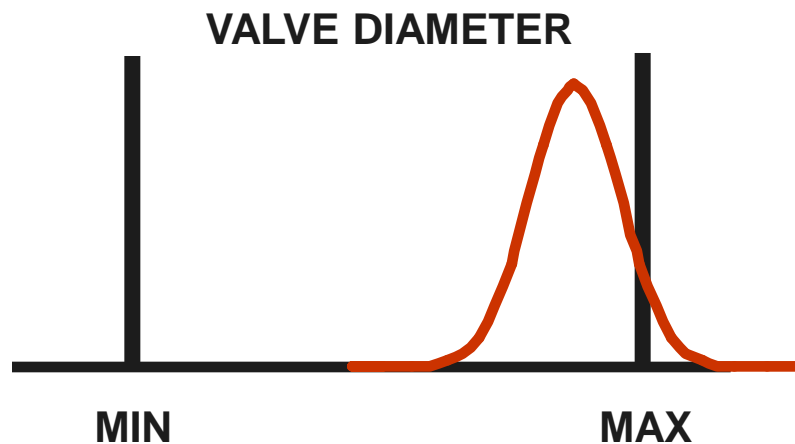
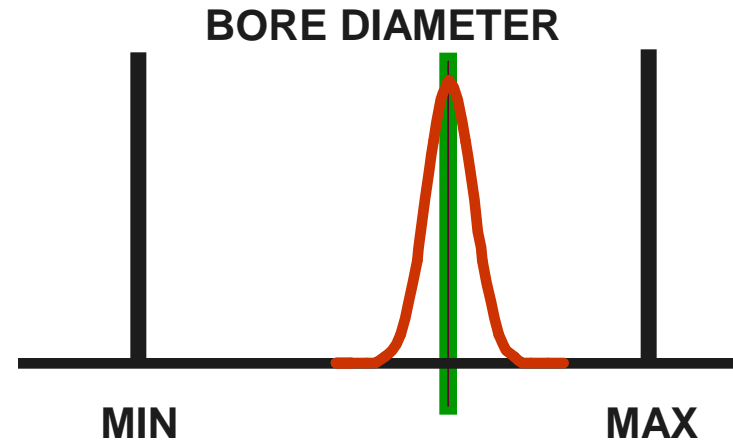
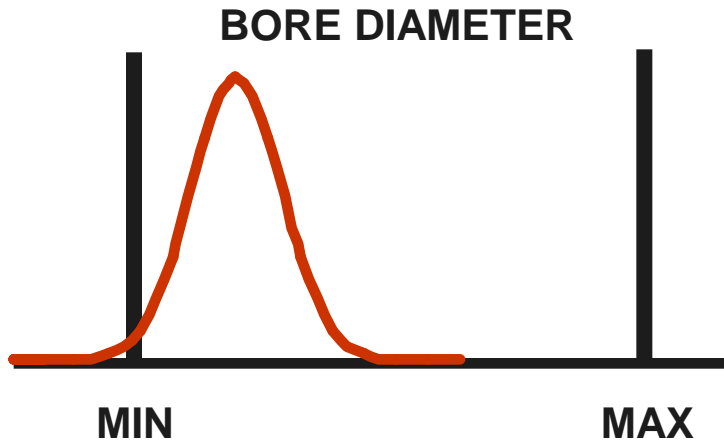


# Macro System Model (Actions)



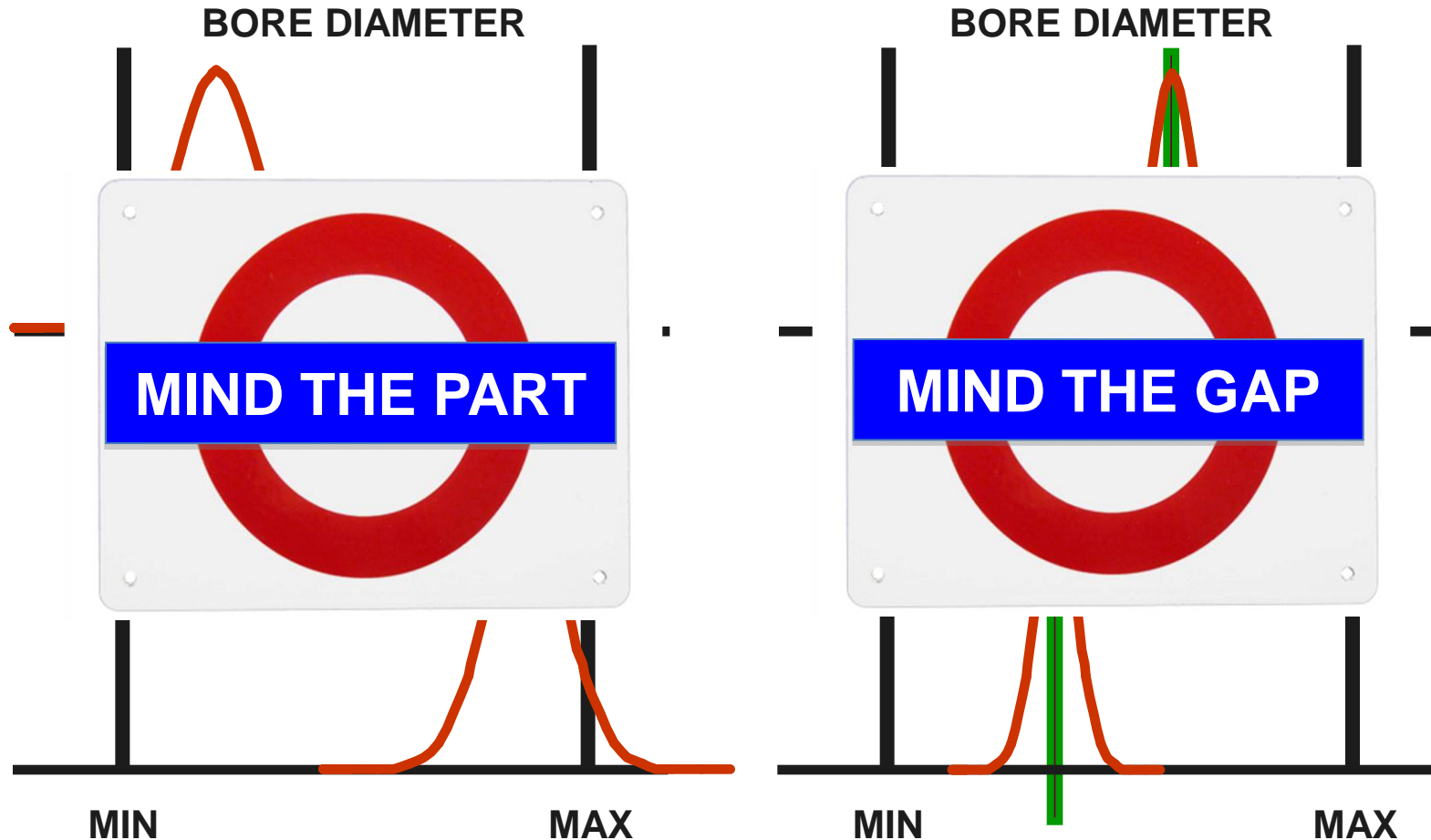


# Resource Management Contrast





# Resource Management Contrast





# Organisations as Unusual



# On Baseball (as “Unusual”)





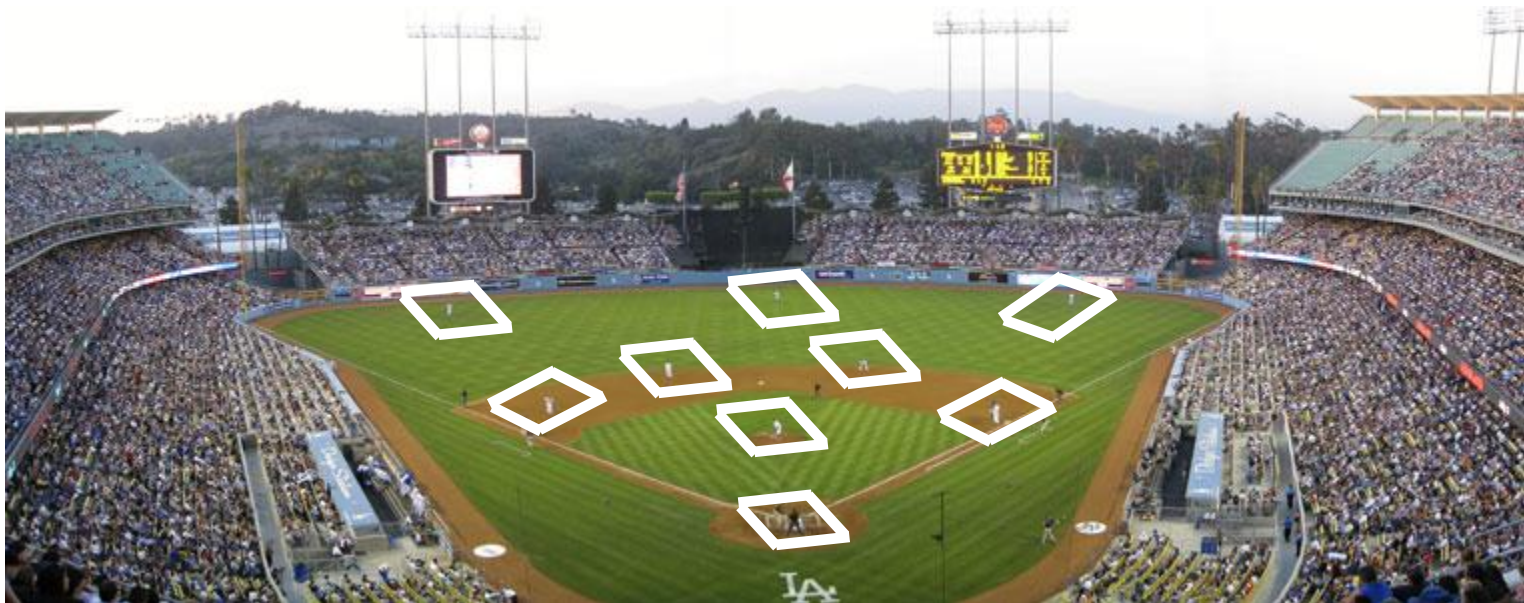


# On Football (as “Unusual”)





# On Baseball (as “Usual”)





# On Football (as “Usual”)





# Counting Heads





# Together

- What does it mean to “*work together*” ?
- What does it mean to “*learn together*” ?
- What does it mean to “*think together*” ?





# Together

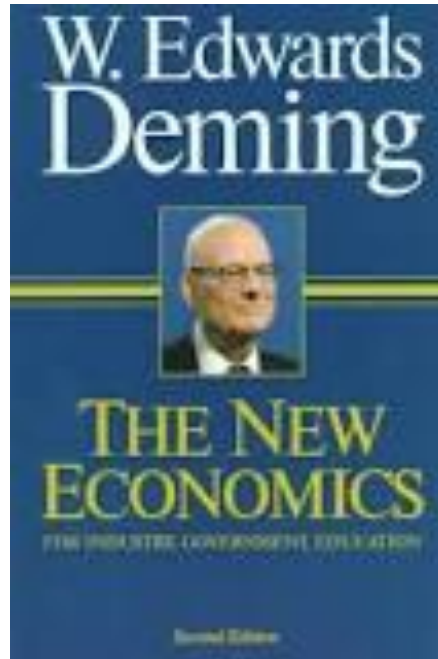
“In or into contact or association”

“In or into harmony or coherence”

Merriam-Webster Dictionary



# The New Economics



*“The prevailing style of management must undergo transformation. A system can not understand itself. The transformation requires a view from outside.”*





# Transformation

Once the individual understands the **system of profound knowledge**, he will apply its principles in every kind of relationship with other people. He will have a basis for judgment of his own decisions and for transformation of the organizations that he belongs to.

Source: The New Economics, W. Edwards Deming, 1993



# New Meaning

*“The first step. The first step is transformation of the individual. This transformation is discontinuous. It comes from understanding of the **system of profound knowledge**. The individual, transformed, will perceive new meaning to his life, to events, to numbers, to interactions between people.”*

Source: The New Economics, W. Edwards Deming, 1993



# Transformation

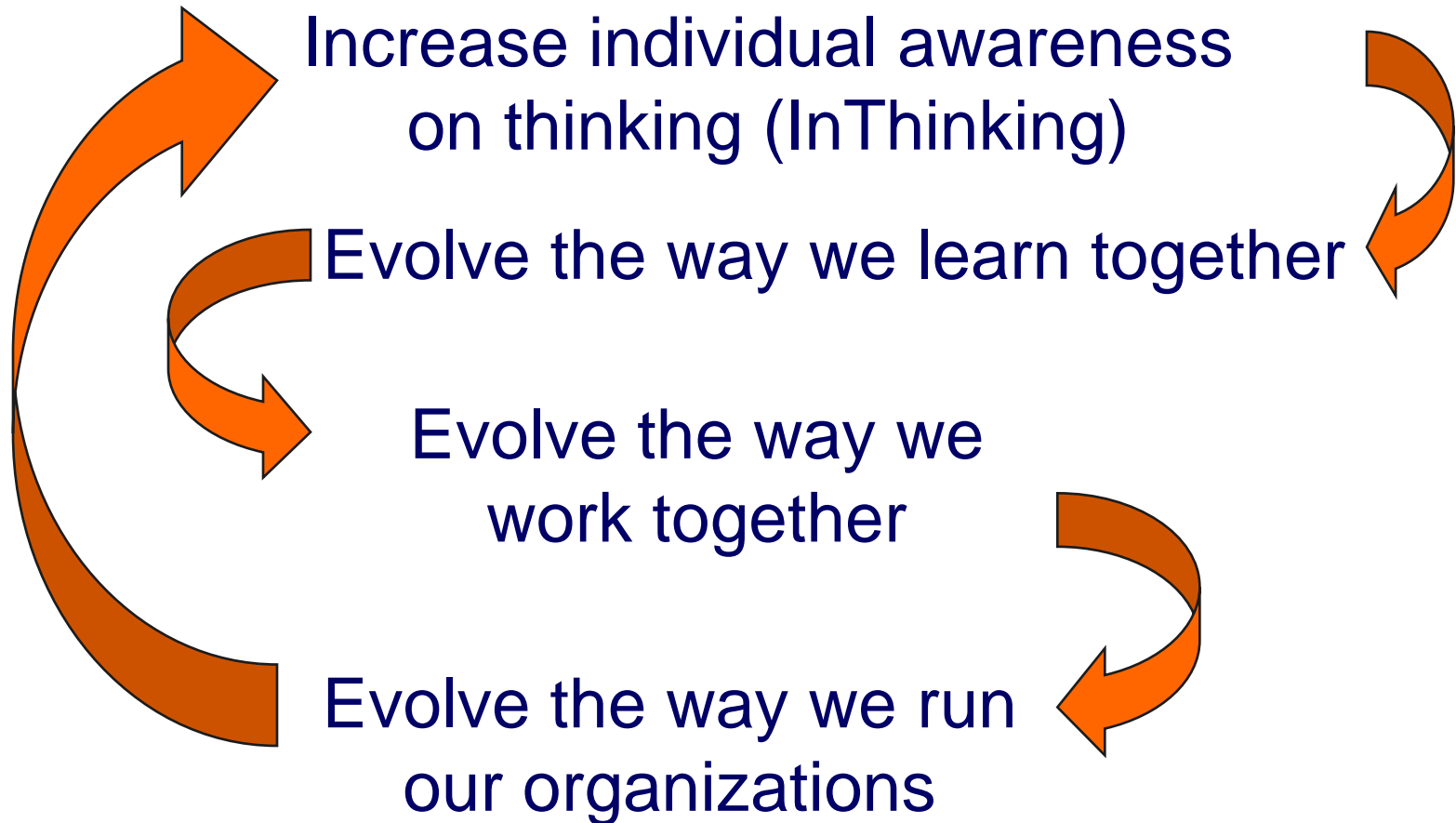
The outside view. The layout of profound knowledge appears here in four parts, all related to each other:

- Appreciation for a system
- Knowledge about variation
- Theory of knowledge
- Psychology

Source: The New Economics, W. Edwards Deming, 1993

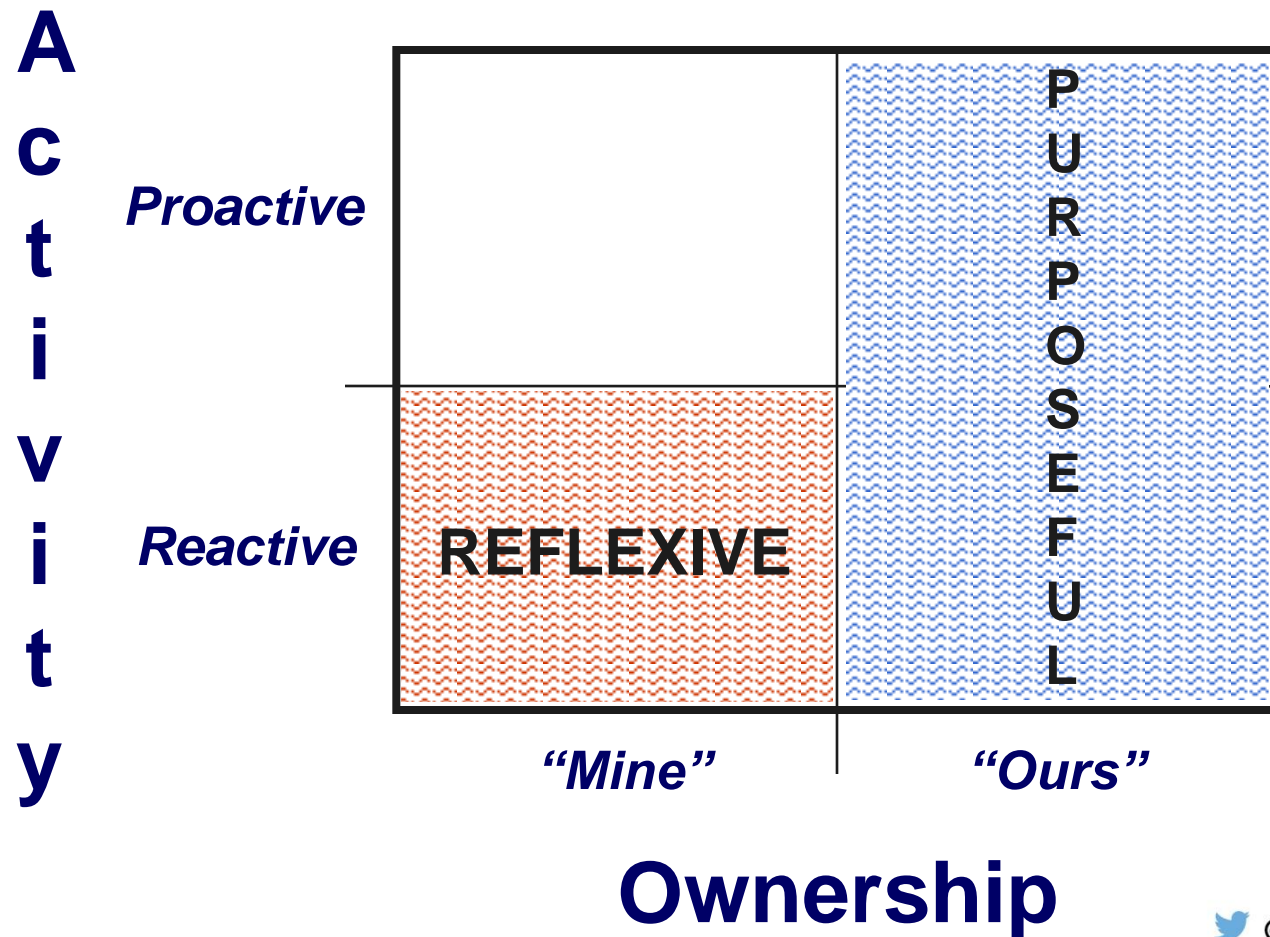


# InThinking Infusion - Process



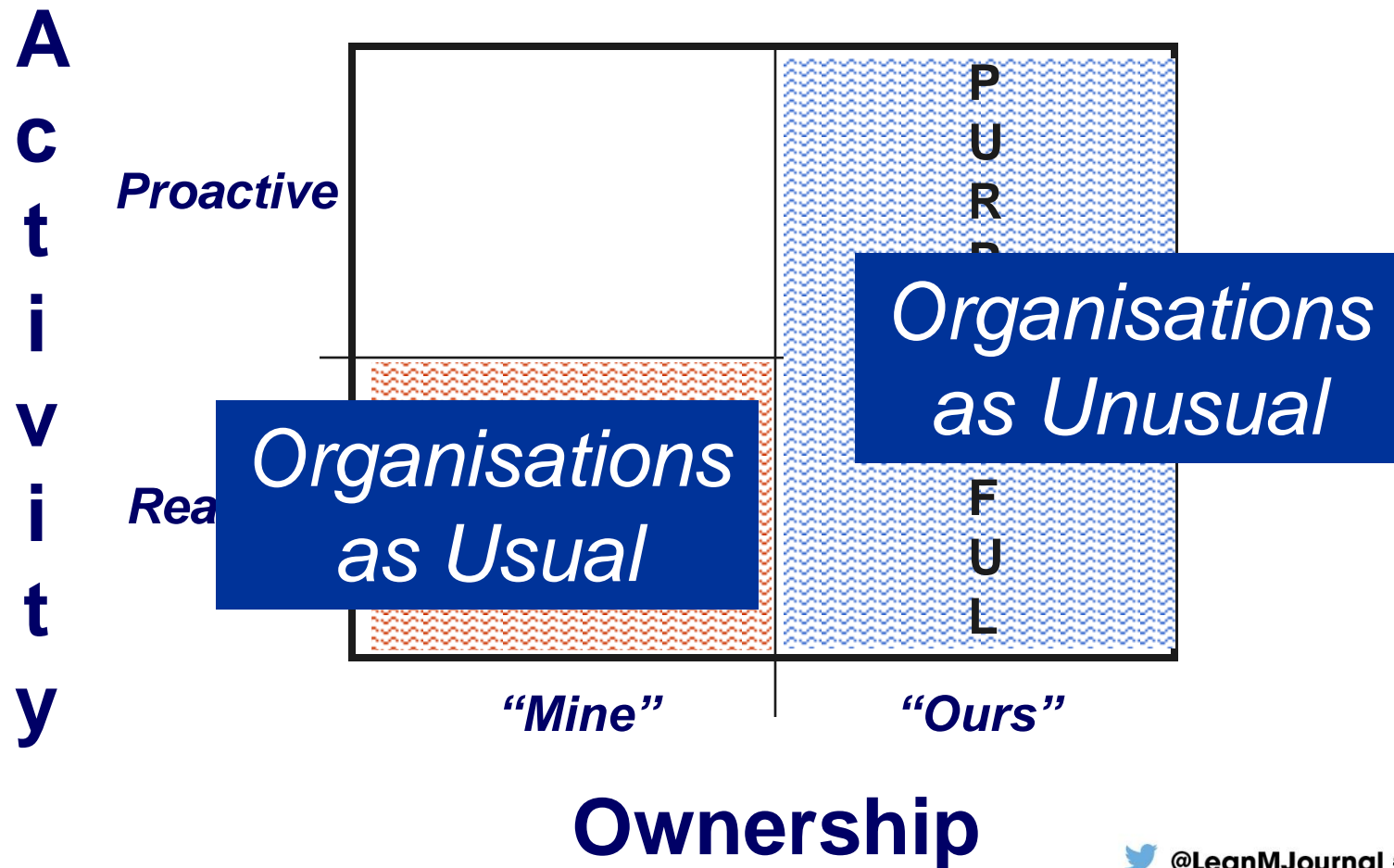


# Resource Management Model





# Resource Management Model





# Opportunities to Act





# Opportunities to Act

(differences that make a difference)

- Quality defined by relationships vs quality defined by conformance to requirements
- Production viewed as a system vs. production viewed as a linear flow of tasks
- Focus on *actions* which are “good” to minimize problems
- Focus on *interactions* to discover “opportunities for investment”



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