

Purposeful Resource Management

Presented by
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Abstract: The aim of this session is to present a proposal for “better thinking about thinking” as it applies to how resources are managed, both individually and collectively. Beginning with a series of seemingly simple questions, the answers to which reveal assumptions made in how we allocate resources, this session offer insights into how Genichi Taguchi’s ideas on “Quality Loss” have been integrated with W. Edwards Deming’s “New Economics” to establish a new approach to resource management, termed “Purposeful Resource Management.” The foundation of a radical departure from “Reflexive Resource Management” lies in a transformation of the way we think about our thinking.

Agenda

- Quiz
- Present State
- Future State
- Better Thinking *About...*

Quiz

Q1: Alligators

What is the leading use of alligator skin in the United States today?

Q2: Automobile Tires

Who makes the best automobile tires in the world today?

Q3: Time Management

How much time is spent discussing parts which are good and arrive on time?

Time Management



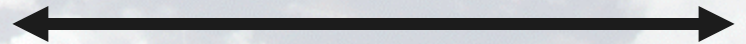
Styles of Thinking

❖ Categories

- ❖ Absolutes
- ❖ Discrete / Digital
- ❖ Black & White
- ❖ Good/Bad, Up/Down

❖ Continuum

- ❖ Relative
- ❖ Wholeness / Analog
- ❖ Shades of Gray
- ❖ Better/Faster



Q4: Satisfaction

How important is customer satisfaction?

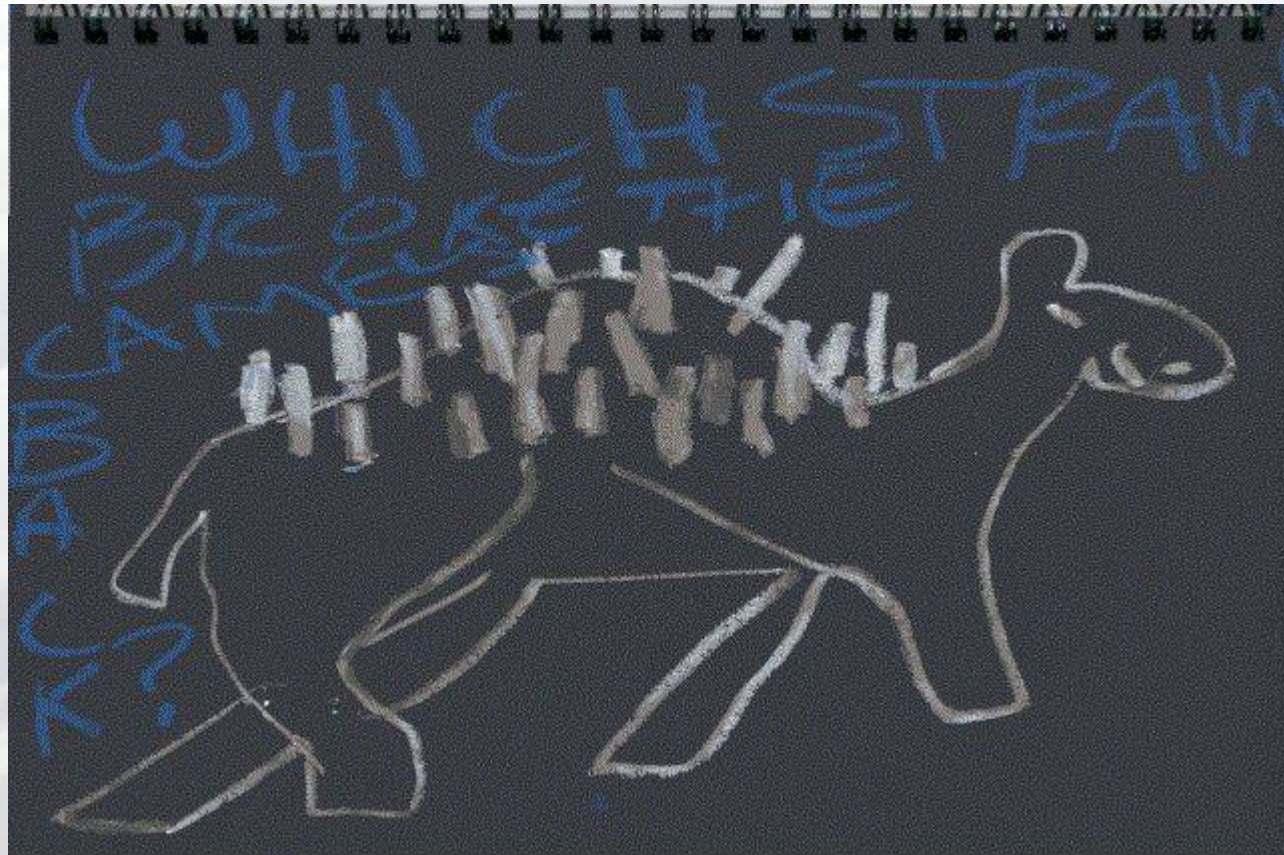
Disappointment



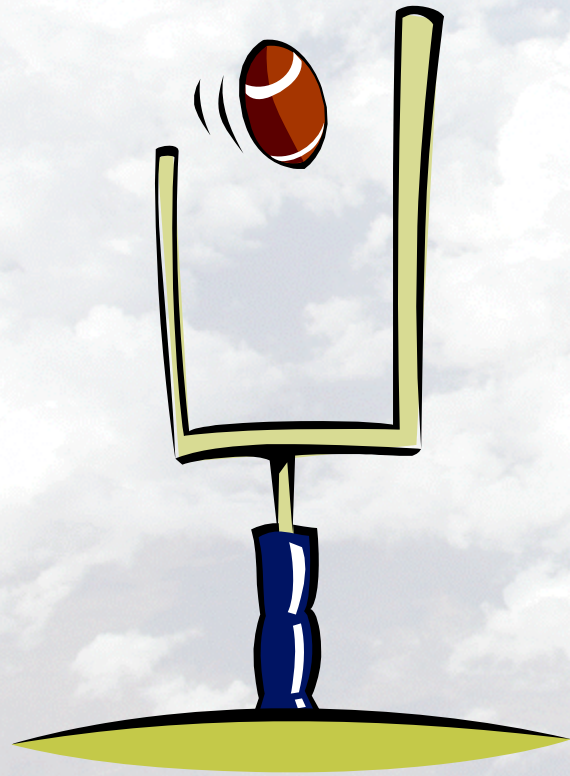
Expectation Dynamics



Q5: The Last Straw



Last Straws

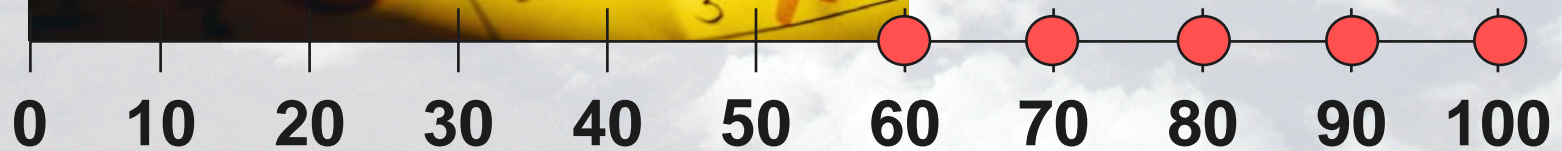
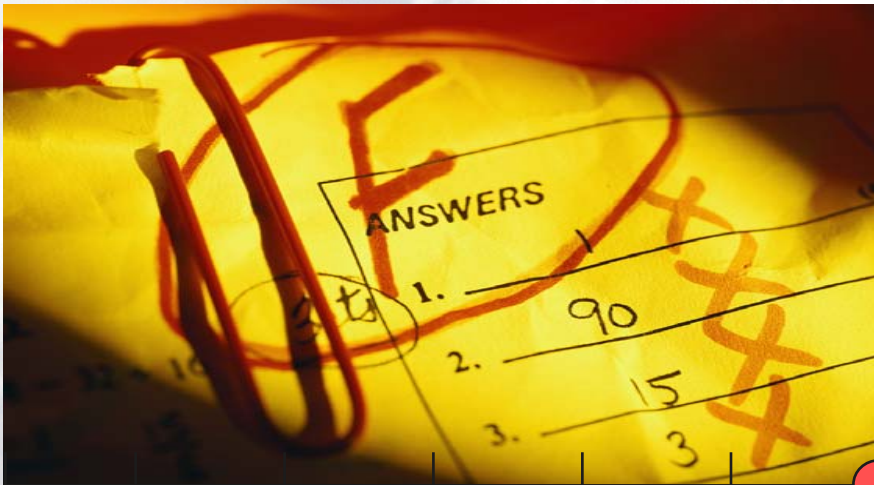


Q6: Grades

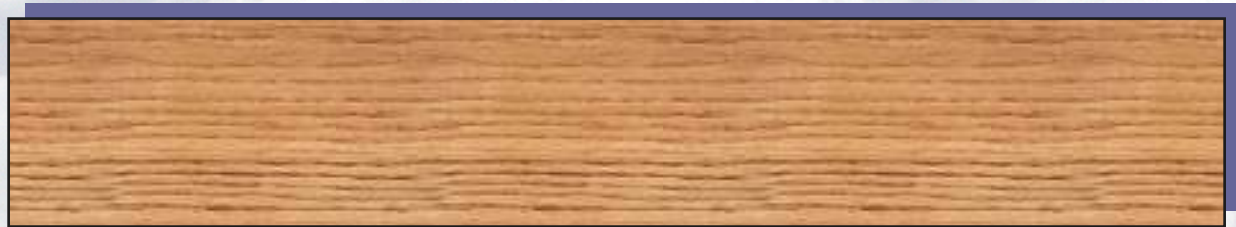
What letter grade is required for all parts purchased?



Grades



Q7: Cutting Wood



Cutting Wood

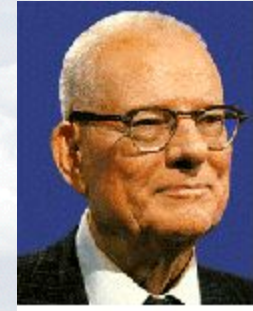


Cutting Wood



target

W. Edwards Deming on Quality



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

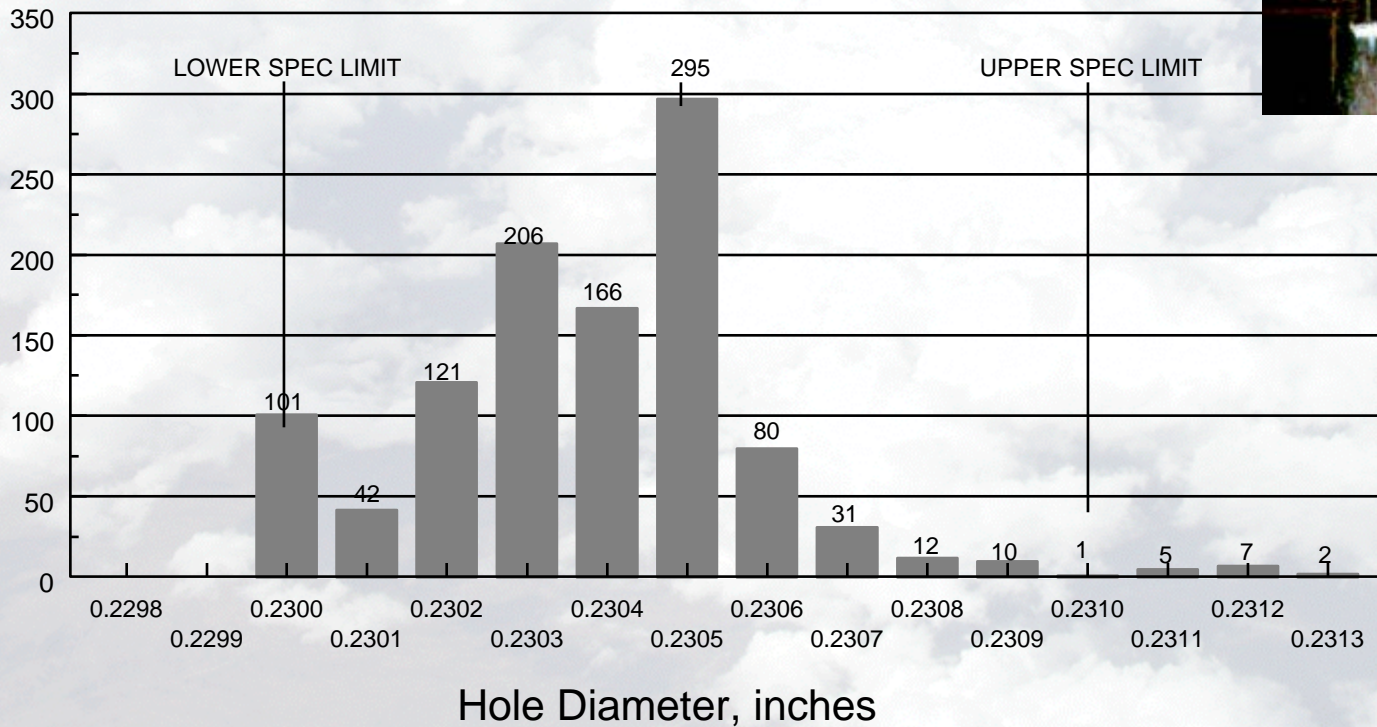
Philip Crosby on Quality



- ❖ “Zero defects is another way of saying ‘do it right the first time’”
- ❖ ***Quality*** is defined as conformance to requirements

Defects

Frequency



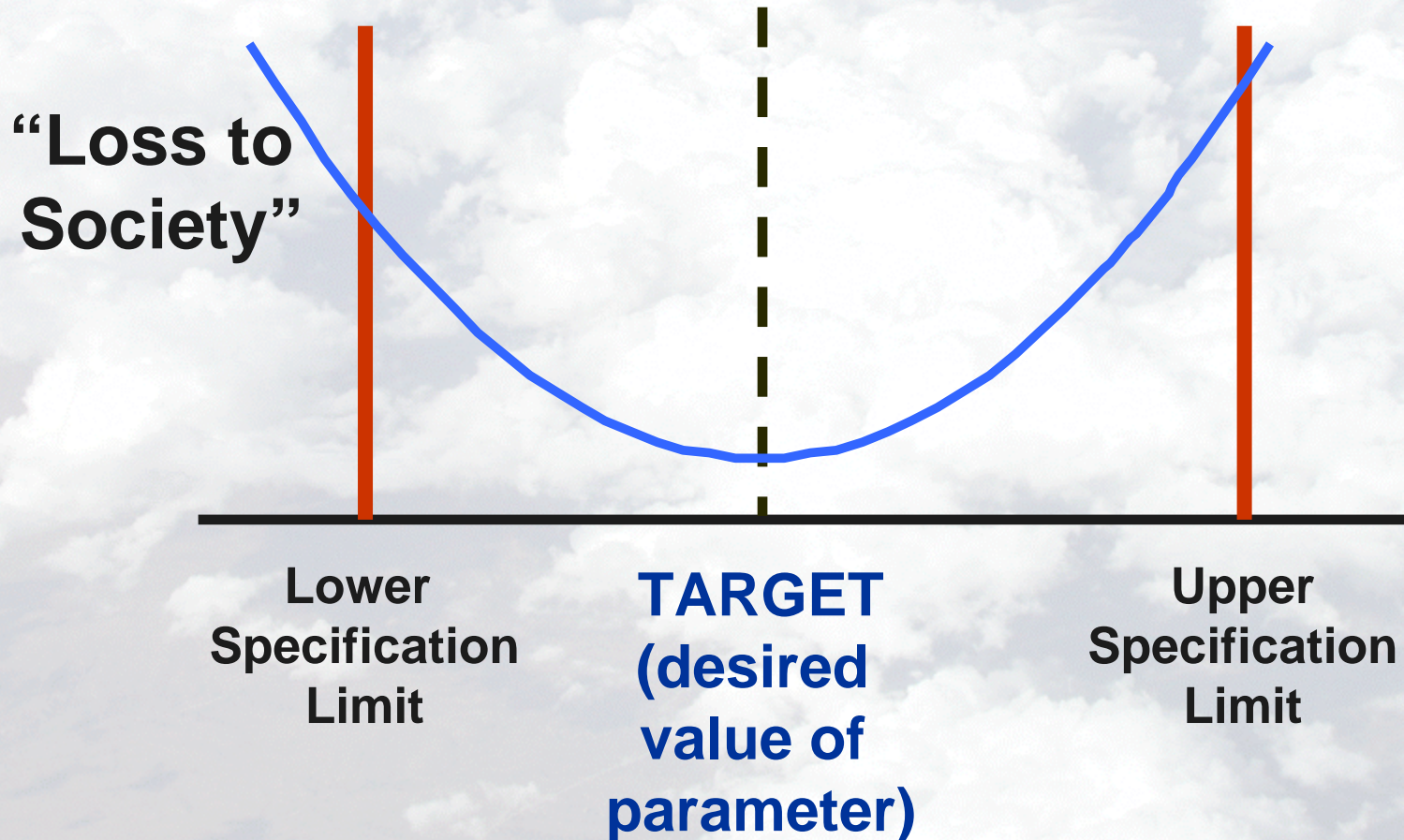
Genichi Taguchi on Quality



“***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

Taguchi's Quality Loss Function



A Better View

**“The Taguchi Loss Function is
a better view of the world”**

W. Edwards Deming

Source: Out of the Crisis, W. Edwards Deming, 1986

Reform & Transform

➤ Reform(ation) *(Physical Change)*

- Process Change
- Change in Requirements
- Relocation
- Renaming
- Rephrasing

➤ Transform(ation) *(Mental Change)*

- From Observer to Participant
- From Witness to Participant
- From *Part* to *Part Of*
- From *Spectator* to *Spect-Actor*



Present State

Present State

- Driving Change
- Focus on Reformation (Reforming)
- Reducing Cost, Waste, Inventory, Variation, etc
- Talk about “Working Together”
- Striving for “Zero Defects”
- Striving for “Zero Waste”
- Striving for “Satisfaction”
- Continuous Improvement
- Using Metrics for Alignment*

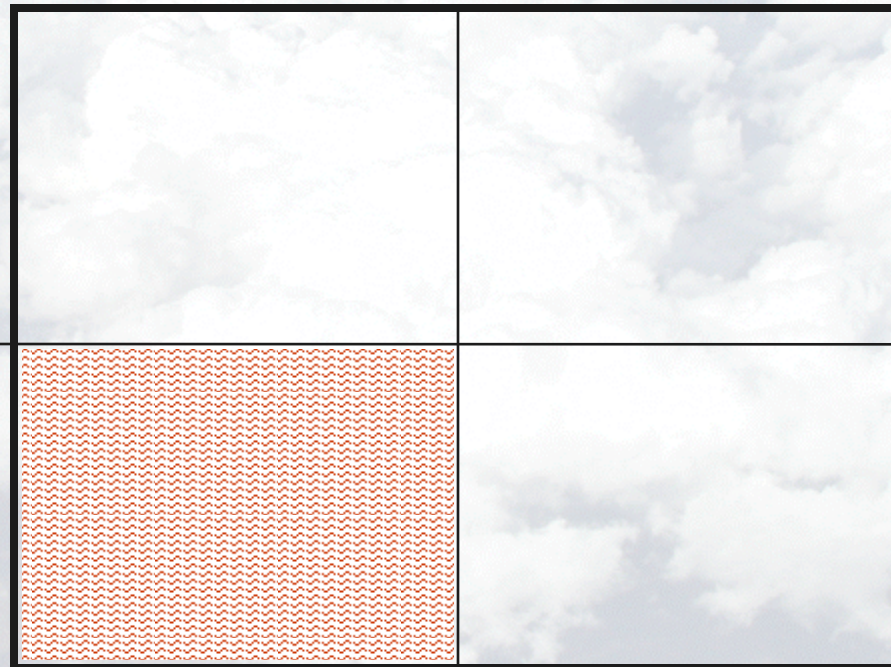
*without a thinking transformation

Resource Management

A
c
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y

Proactive

Reactive



"Mine"

"Ours"

Ownership

Assumptions

- ❖ A better way to operate an organization is to invest resources with the ability to manage customer delight, satisfaction, and disappointment
- ❖ Better investment results from discovering opportunities to invest
- ❖ The discovery of opportunities for investment is limited by how thinking is conditioned

What is needed ?



Thinking that
promotes
better
discovery



Future State

Future State

- Leading Transformation
- Use of Reformation and Transformation
- Resource & Relationship Management (Striving for Balance)
- Thinking & Learning Together - Then Working Together
- Managing Customers' Expectations
- Continuous Investment
- Using InThinking for Alignment

InThinking

The concept of “InThinking” derives from “*awareness* of our own *thinking* and the *assumptions* we make in how we act when we allocate resources, where thinking is defined as “a way of reasoning.” Fundamental to resource allocation is whether our activities are *proactive* or *reactive*, and whether the resources involved belong to the enterprise (“*ours*”) or to one's own department, function, district, part, etc. (“*mine*”).

InThinking...continued

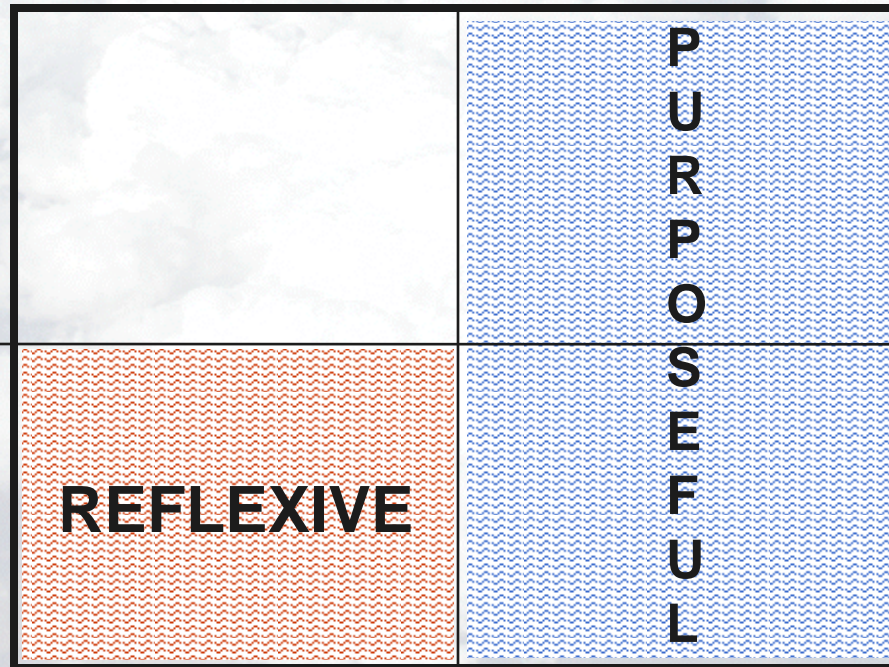
InThinking invites an individual to learn to perceive the patterns of interdependencies surrounding him or her and to reason and judge with new insight and thereby engage in the activities of *Purposeful Resource Management* and *Purposeful Resource Leadership* across their enterprise.

Resource Management

A
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Proactive

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“Mine”

“Ours”

Ownership



Better Thinking *About...*

Imagine the Possibilities...

- ❖ when operating in an “InThinking” environment
- ❖ if we could develop a broader appreciation of “continuous and connected learning”
- ❖ if we could develop a deeper appreciation of “*working together,*” “*learning together,*” and “*thinking together*”

Imagine the Possibilities...

❖ and the markets we could create

Thinking Together

Investing Together

Designing Together

Building Together

Learning Together

Working Together

Leading Together

**Questions/Comments/Feedback:
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**Additional Information
In2:InThinking Network
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