



## Deming's Management Philosophy and Its Synergy with QMS

— Interview with **Kevin Edwards Cahill**,  
**President and Executive Director of The W. Edwards Deming Institute®**

The W. Edwards Deming Institute was founded by **Dr W. Edwards Deming (1900-1993)**, known as **the Father of Quality**. An eminent scholar and teacher of a wide range of subjects including statistical variance and systems thinking, he inspired and guided the spectacular rise of Japanese industry after World War II, and the resurgence of the American automobile industry in the late 1980s. The PDSA (plan-do-study-act) principle made popular by Dr Deming has become the basis of quality management systems including the ISO 9001 standard.

HKQAA interviewed **Mr Kevin Edwards Cahill, President and Executive Director of The W. Edwards Deming Institute**, on the application of the Deming Management Method (DMM) and its benefits.



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### HKQAA: Can you briefly introduce Deming's philosophy and the Deming Management Method?

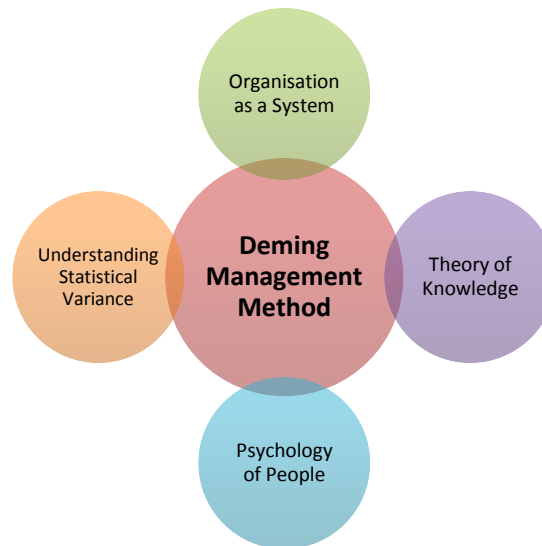
**Kevin:** The Deming Management Method (DMM) evolved from Dr Deming's keen insights into how systems/organisations actually need to function to achieve the greatest effectiveness (doing the right things) and efficiency (doing the right things in the right ways).

The use of quality tools was one aspect of the biggest game-changing insights that Deming brought forth: **quality and productivity can actually improve together, even as we are lowering costs**. Of course, many people thought Deming was crazy because the status-quo thinking in 1980 was that if you wanted to increase quality you would also be increasing your costs. Deming turned that notion upside-down and completely changed the way the world thought about quality. Since then, many organisations have embraced control charts, Pareto Charts, Fishbone charts, scatter plots and dozens of other tools and made a big difference in improving quality while decreasing costs.

### The four distinct areas of knowledge

However, this was only about 20% of Deming's body of work related to quality and management. The most potent part of that work, about 80%, was about how to manage organisations at a senior leadership level (vs. at a shop floor or service delivery level) for ever greater effectiveness. By 1981 when he published *Out of the Crisis*, he had developed the

now famous '14 Points for Management', which he later incorporated into four distinct areas of knowledge. He called the four distinct areas – and all that they represent – 'The Deming System of Profound Knowledge', which is often referred to as 'The Deming Management Method'. The principles aim at achieving increased speed to market, customer satisfaction and loyalty, increased innovation, reduced stress, reduced waste, increased effectiveness, and hard-to-copy competitiveness; and, as always with everything related to Deming, productivity increases while costs decrease.



Dr Deming urged us to accomplish win/win outcomes for owners, employees, customers, suppliers, and communities. And last but not least, he talked about the importance of pride and joy in work – and how to achieve them through genuine means, not through artificial manipulation. The DMM brings it all together in a smooth, consistent, practical, real world and integrated way.

### HKQAA: How does DMM improve the performance of an organisation?

**Kevin:** There are numerous benefits that result from implementing the DMM. Allow me talk about this in two ways:

- The first is philosophical: we cannot make an apple or apple tree, but we can create the conditions so the apple tree can grow. The Deming Management Method guides senior leaders to create the right conditions to optimise the organisation so it can grow. Through four simple principles – and their implementation – the DMM transforms organisations to a higher level of capability and success.
- The second is real world results. Within a few months, managers will measure and observe:
  - Improved sales, customer relations and vendor relations – along with decreased cost of sales.
  - Enthusiastic and realistic innovation – and more targeted marketing.
  - Improved productivity in services and products, including greater outputs from fewer inputs, improved supply chain and sub-contractor relationships.

- Reduced overheads, including increased employee motivation (without increasing costs), lower costs in human resources activities/people management, faster and better budgeting, improved cross-departmental collaboration.

### HKQAA: How can we make use of DMM to upgrade a company's management system in tandem with ISO 9001?

**Kevin:** The Deming Management Method and ISO 9001 can be quite complementary although they are very different in actual practice.

ISO 9001 is a Quality Management System (QMS) that provides a structure for the implementation of achieving the measurable criteria associated with quality products and services. It includes policies, procedures and processes which help to plan for – and execute – quality that is repeatable, and improvable. This is an important function to be able to consistently and reliably produce high quality products and to deliver high quality services, hence achieving technical quality.

#### Removing barriers to quality brought about by traditional leadership practices

As for the DMM, it is about insightful, efficient and effective leadership practices. It aims at removing barriers to quality brought about by traditional leadership practices and replaces them with easier and more effective ways to manage – that also increase everyone's joy in work.

Actually, almost every experienced person who is implementing QMS will tell you the biggest barriers to reducing costs while increasing quality and productivity are the traditionally accepted leadership and management practices. Why? There are many reasons. Here are just three: traditional leadership practices cause unhelpful internal competition, pit departments against one another for resources, and create dashboard metrics which help one department but unintentionally harm another. And that is only a small part of the story of how traditional management methods make almost everything worse, not better.

The DMM provides the framework and methods for senior leaders to use as they guide the company forward, make strategic decisions, and manage day-to-day issues. And, there is one other key element, and perhaps the most important – and Dr Deming pointed it out time and again – the DMM guides leaders to **achieve optimisation of the overall organisation**.

It is the insights that senior leaders gain from learning the DMM that makes organisations really 'hum smoothly', and be ever more competitive and innovative.

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## Management Guru Seminar Series

# The Deming Management Method for Owners and Executives

By The W. Edwards Deming Institute



In this 2.5-day seminar of being engaged in hands-on learning, senior executives **recognise and experience the power of the DMM and what it could mean for them and for their organisations**. A number of real world case examples will be provided to expose senior leaders to a variety of different ways to implement the DMM.

### Speaker

**Kelly Allan, the lead facilitator and Deming Institute advisory board member**

Allan's published work has appeared in a variety of journals, including Business First, Fast Company, Personnel Journal, Marketing News, Inc., Business Marketing Association News, Nature Conservancy, Harvard Business Review, and The Wall Street Journal. He has been featured in these books: Fast Company, The Columbus Dispatch, Sam's Club The Source, Tanning Trends, Quality Progress, The Masterful Coaching Fieldbook, The Knowing-Doing Gap and Abolishing Performance Appraisals.

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<b>Date:</b>	12th – 14th June 2014
<b>Time:</b>	9:30 – 17:30 for 12th and 13th June 9:30 – 12:30 for 14th June
<b>Fee:</b>	HK\$13,000 per head
<b>Language:</b>	English
<b>Number of seats available:</b>	60

\* Each participant will get the complimentary copy of Dr Deming's books **The New Economics and Out of the Crisis**.  
The Deming Institute will confer the Certificate to those who completed the full 2.5 day seminar.

### Registration

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