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OISM 470W
March 25, 2001
Mini-Tutorial

DEMING PRIZE

Dr. W. Edwards was one of the greatest leaders of Quality Control and Management. His philosophy of using statistics to control manufacturing was developed when he was working at AT&T manufacturing plant.

Quality control is the elimination of waste. Deming lectured at a seminar where he taught statistical quality control and how to use it effectively. His goal was to find all the patterns in the products so that these problems could be easily fixed. He was best known in Japan, where he taught management and engineers the methods for management of quality. The Japanese were interested in his methods, especially at that time when their economy was dreadful. Deming's methods immediately increased the economy in Japan. As soon as these drastic changes in Japan began to occur, the Japanese Science and Engineering (also known as JUSE) developed something what is called The Deming Prize, naming the award after Deming to thank him for everything that he has done to help the Japanese improve their economy. The Deming Prize was given to those for who have achieved quality and kept on improving the quality of their services and products.

There are three categories to the Deming Award. The Deming Prize for individuals, which is awarded to anyone who has shown great amount of contribution to quality control by working extra to achieve improvement. Quality control award for factories is given to those factories that have improved in total quality management. Last

but not least is the “Deming Application Prize for Small Businesses” (Foster, 82), which is given the companies that have improved by using statistical methods.

The process of applying for the award can take quiet some time, as you fill out all the paper work, applying and submitting all the necessary information. After that, there is a period while the committee decides whether to accept the company or not. Whether you win or not, you’ll receive a letter explaining why the company was accepted or rejected.

In order to receive the Deming Prize, the committee concentrates on several important points that are listed and explained below. *Policy*, which is recognized as stating clear policies, methods, plans for the company. It also important to recognize what the short-term plans are and the long term plans. It is very important to distinguish the leadership and tasks of different people working in the departments, such as executives and managers. *Organization* explains the structure of the quality control, how each department communicates with each other, the structure of quality control, how each department is working to achieve better quality.

Information should be used effectively by collecting all the relevant information and being able to apply the collected information to data analysis. *Standardization* is important to receive the Deming Prize because the committee looks at it to make sure that the company constantly revises its procedures, meanwhile getting rid of old procedures and applying those that are going to work. It checks how the company implements those changes and adapts to new changes. *Quality assurance* consists of developing new products, making sure that they are the right products for the system and that they work, inspecting the products, delivering them to the right location at the right time, and making sure that each customer is satisfied with the products.

Training and educating the employees with the new products, explaining the goals, the mission of the company, and how the managers seek to achieve those goals with the help of the company's employees and trainees. This can be related with a category that deals with future plans of the employees. During training and educating, "applicants document plans and accomplishments" (Foster, 82). While the committee looks at the "firm's practices relating to education and training as they relate to quality" (Foster, 82), at the same time the way that the employees are trained, it affects the standing of the company in the future. The *future plans* should include the understanding of the current situations, and trying to improve these situations by implementing new ideas and concepts. *Quality effects* are looked at in order to achieve the Deming Prize. It is vital that applicants write down how this new change has benefited their company, and what the final outcome was. They need to write down what the effects were, and how the company has been affected by the changes. Applicants should be able to recognize and understand what they wanted the outcome to be and how the outcome was different or similar to the one that they have achieved. In the *analysis* category you need to state your concerns and issue, make sure that you know what is more important and state what the plans are for any improvement that you wish to achieve.

The Deming Award can be given to any company that has achieved quality improvement through hard work and process. Anyone should be able to apply. Deming made sure the company has tried and presented all the steps in implementing the statistical control and got rid of old habits. As stated previously, it was first used only in Japan, however as the economy grew, more companies wanted to apply for the Deming award, including those overseas.

“In 1994 Lucent Technologies' Power Systems unit became the first American-based manufacturer to win this prestigious award. Power Systems' commitment to TQM formed the core of its business philosophy. The unit emphasizes empowering its people and employing cooperative approaches to solving problems” (<http://www.lucent.com/news/about/awards/docs/deming.html>).

There can be many reasons for wanting to apply for the Deming Award, several of them being is that the company shows commitment, for self-satisfaction, advertise the company as very dedicated, striving to achieve the best possible results.

Many companies apply for the Deming Prize, since it encourages them to work hard, to continuously improve towards better. On the most part, it has had a great impact on manufacturing companies and organizations that provide services to their companies. Deming Prize is used to encourage companies to eliminate all the unnecessary patterns in their products and services. It is used mainly for companies that have shown proper implementation of quality control, and who showed proper management, with the right goals and approaches to improve the company's qualities.

1. T / F The Deming Prize was established in United States and then countries overseas started applying for it as well.

2. T / F Main category that the JUSE committee looks at is that the company that they are viewing at has to be in good financial standing.

3. T / F It is important that all information about the company's improvement is being recorded in order for the judges to decide if the company is a winner or not.

More information can be found on various websites, such as:

1. <http://www.lucent.com/news/about/awards/docs/deming.html>
2. www.deming.org - this site gives history of what the Deming Prize is about.
3. Foster, Thomas S. Managing Quality: An Integrative Approach. Upper Saddle River: Prentice Hall, Inc, 2001.

