

ASQ St. Petersburg-Tampa
Section 1508
April 2013 Dinner Meeting

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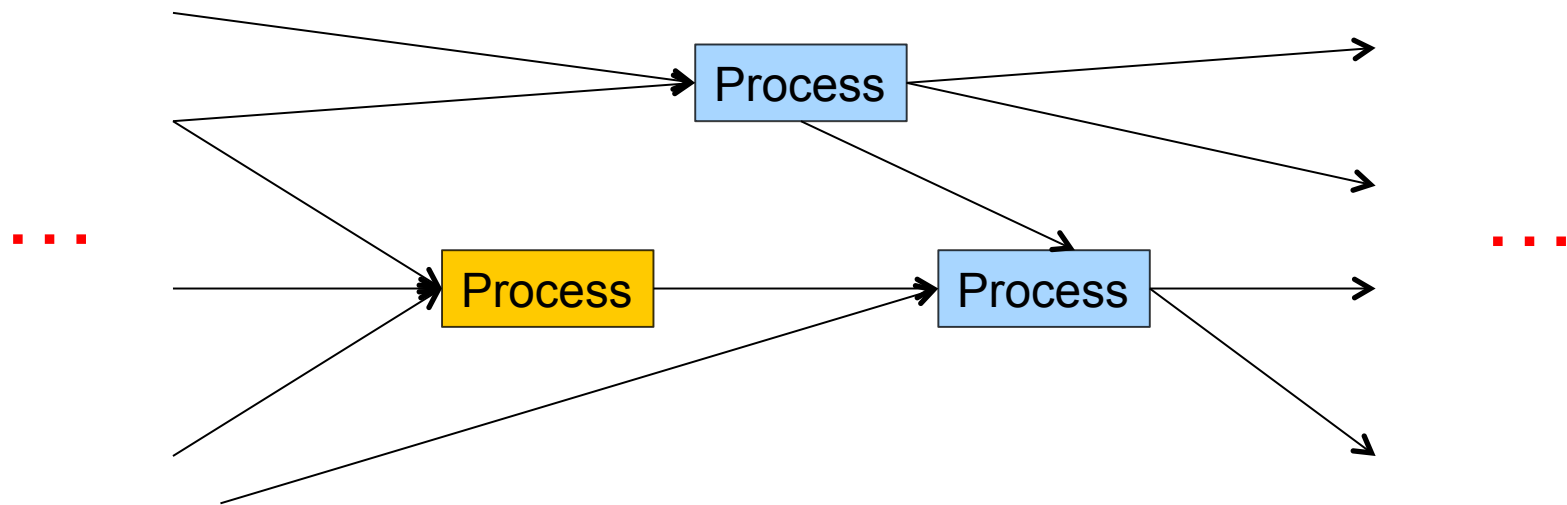
Agenda

- Introduction
- Red Bead Experiment
- Train-the-Trainer Debrief



Systems Approach

- 85% of quality problems caused by system flaws!
 - Inputs → Processes → Outcomes

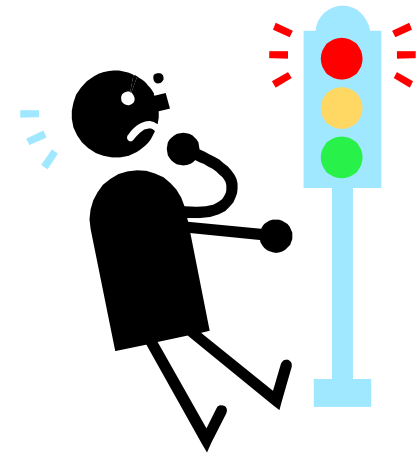


Red Bead Experiment



Red Bead Experiment

- Fun simulation - unlearn some management “superstitions”
 - **Role play** – Circa 1450 (Korean) Regulation
 - “The supervisor and compositor shall be flogged 30 times for an error per chapter”
 - “The printer shall be flogged 30 times for bad impression, either too dark or too light, or one character per chapter”



Help Wanted: White Bead Company

- **6 Willing Workers**

- Must be willing to put forth best efforts. Continuation of job is dependent on performance. Educational requirements minimal. Experience in pouring beads is not necessary.

- **2 Inspectors**

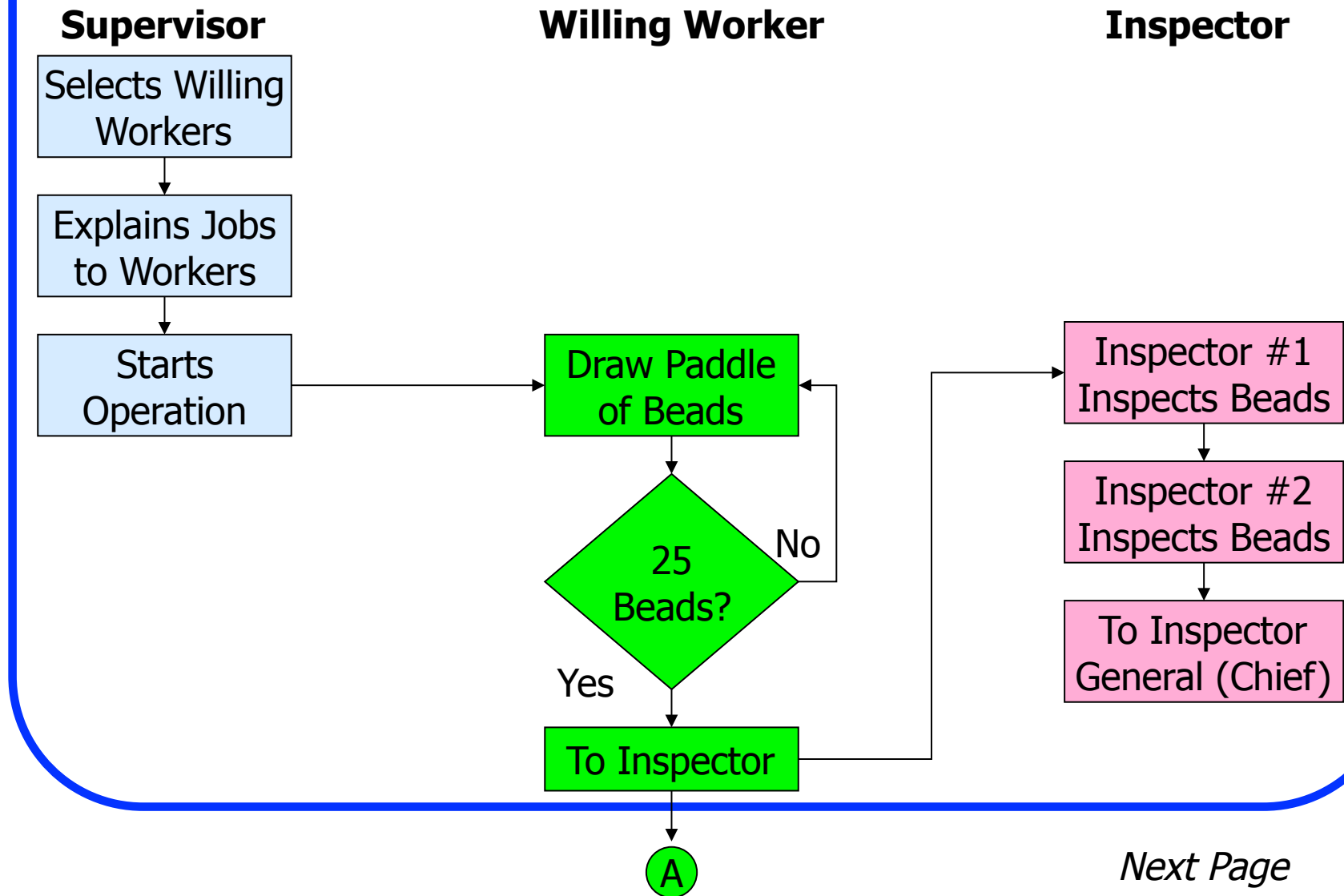
- Must be able to distinguish red from white. Must be able to count to 25. Experience is not necessary.

- **1 Recorder**

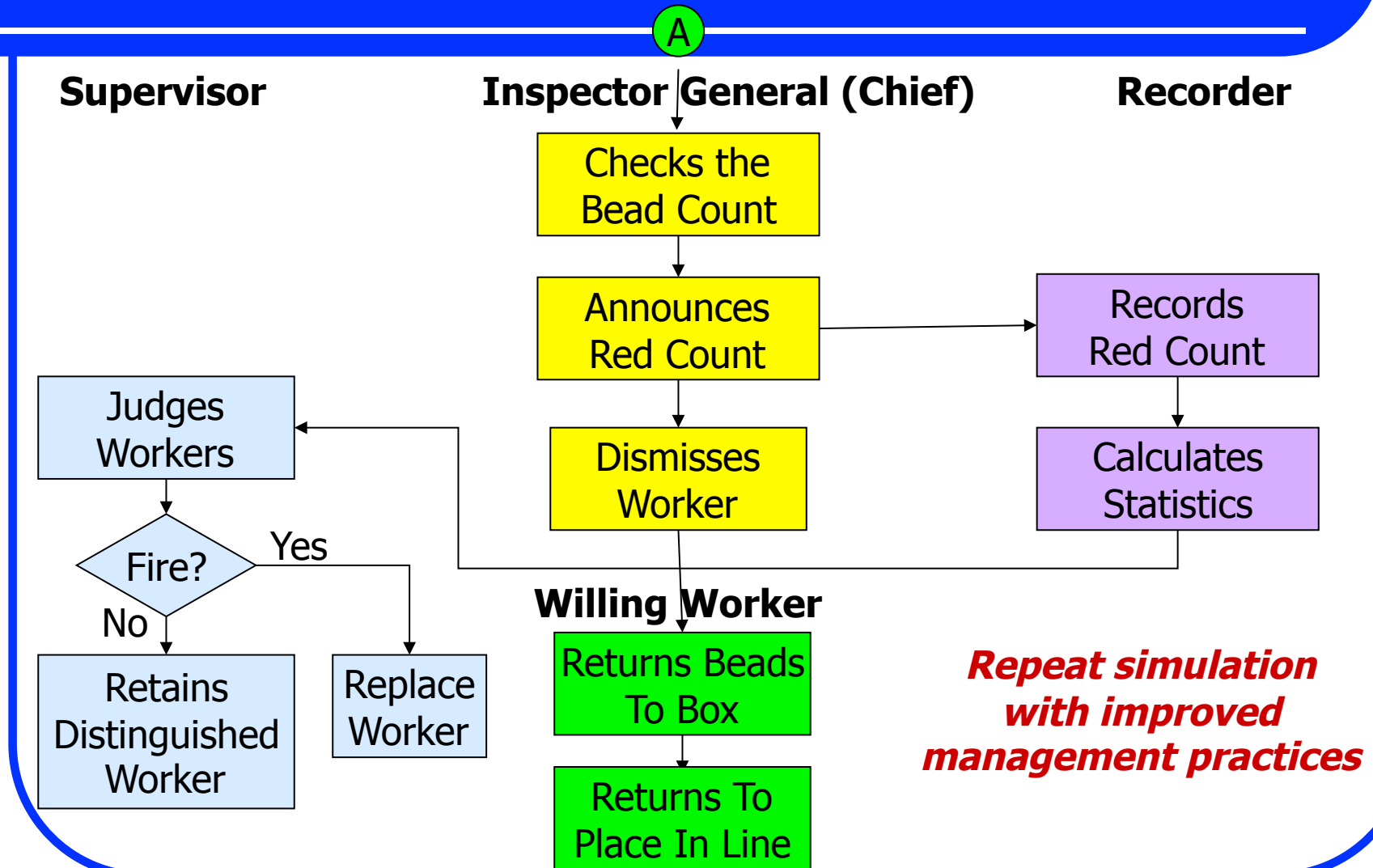
- Must be able to write, add, and average.



Operations Flow Chart



Operations Flow Chart (con't)



Inspector/Recorder Worksheet

Worker	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Yr.Total
1					
2					
3					
4					
5					
6					
Total					
Average					

First Quarter

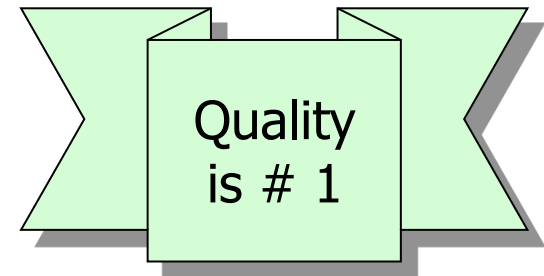
- Your job depends on your performance.
- You must follow the instructions of your supervisor or you will be fired!

Simulation



Second Quarter

- First quarter results are disappointing!
 - “Take pride in your work”
 - “Get this one for the Gipper”
 - “It’s not a job, its an adventure”
 - “Satisfied customers are happy customers and that means they will buy more”
 - “Work smarter, not harder”
 - “Do it right the first time”
 - “Zero Defects – It is up to you!”



Simulation

Third Quarter

- Costs too high!
 - We are committed to quality.
 - We will spend more money on you to improve your performance.
- Effective immediately, there is an “employee of the quarter” recognition program to the worker that makes the fewest red beads this quarter.

Reward

Simulation



Fourth Quarter

- Being nice did not help ... Costs are still overrunning revenues ... Not all workers seem to care!
 - In order to reduce costs, we will fund the “employee of the quarter” with monies taken from the “slacker of the quarter” who has the most red beads this quarter.

Simulation



Next year ...as time goes on ...

- We must right-size. Costs are too high!
 - Performance appraisals lead to layoffs and firings.
- We will keep the company open with only the above average workers.
 - The work load will be the same, so the above average workers will just have to work harder.



Simulation

What should White Bead Company do?

- Operating results come from top management decisions and actions
- Rigid and precise procedures are not sufficient to resolve process issues
 - People are not always the dominant source of issues
- Data can be misleading when not connected appropriately to understanding the process

This simulation illustrates the futility of many management methods used in our processes

Train-the-Trainer Debrief



Obligations of Top Management

1. Constancy of purpose needed as the only way to improve output is to change process and input variables
2. Management controls the results and needs stakeholder input to lead improvements
3. Inspection does not improve the process
4. Caution decision making exclusively on the price tag



Obligations of Top Management

5. Continuously improve processes and systems
6. Train as talking about customer expectations did not improve output
7. Leadership knowledge and skills critical for success
8. Fear and intimidation alone did not change results
9. Need to breakdown barriers to pride and support



Obligations of Top Management

10. Slogans and incentives did not drive improvement
11. Watch perceptions on lack of performance
12. Remove barriers that rob people of pride
13. People need knowledge and empowerment to support strategic and operating improvements
14. Transformation is everyone's job!



Questions?

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