



How businesses survive in a turbulent economy

As our government struggles to find ways to fix our troubled economy, businesses are struggling to become more efficient and productive. Unfortunately, the harsh reality is that there is no quick fix to a situation that has been building for a very long time. In some industries this condition has existed for as long as 4 decades.

Dr. W. Edwards Deming was an American statistician that led Japan's manufacturing industry out of post-WWII turmoil. Dr. Deming's philosophy for quality processes and management became the catalyst and foundation of the Total Quality Management (TQM) buzz in the 1980s. Although Dr. Deming's approach was applied primarily to the Japanese manufacturing industry, his principles are just as applicable to any service-related organization.

In his book, "**Out of the Crisis**," Dr. Deming notes the 14 points which he believes are the foundation to improving management and the overall viability of an organization. The top 3 points are:

1. Create constancy of purpose for improvement of product and service with the aim to become competitive and to stay in business, and to keep providing jobs.
2. Adopt the new philosophy. We are in a new economic age. Western management must awaken to the challenge, must learn their responsibilities, and take on leadership for change.
3. Cease dependence on inspection to achieve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.

Focusing on these three points alone can bring change to an organization and result in long-term benefits. These points can be simplified into:

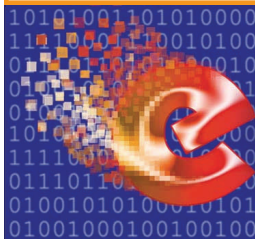
- Constantly look to improve products and services;
- Be a leader for change; and
- Quality should be innate to the product or service, not an after-thought.

The differences between US and Japanese auto industries exemplifies how Dr. Deming's approach not only improves an organization, but transforms it into an industry leader. While US auto makers reveled in our post-war industrial superiority, the Japanese auto industry spent 4 years transforming itself. It embraced Dr. Deming's approach and it invested in the proper tooling and automation with the goal of achieving long-term and sustainable benefits. Japan was not satisfied with the "it's good enough" mentality of US manufacturers. The result of their investment is evident today in our auto market, with Japan being a clear leader.

This philosophy is just as applicable today as it was 40 years ago. Today's organizations are faced with increasing demands for high quality products and services. Even for service-oriented companies, gone are the days when the answer to working faster was simply to hire more people. Employees are not nominal commodities that are easily replaced. There are direct and indirect costs associated whenever a new employee is hired. Furthermore, seasoned employees bring a level of organizational maturity that cannot be taught to new employees.

So, how do organizations react to our new economic environment and ensure their survival both short-term and long-term? In one word, change. Examine your current processes, invest in the proper tools and automation, and provide the best possible product or service. However, be wary of short cutting the first step of examining the current processes. Simply applying automation to a bad process does not improve the process.

E-ware, Inc. has helped many clients improve their organization's efficiency by developing solutions that are customer-centric. We help managers cross, and break down, the organizational barriers that often hinder enterprise-wide initiatives. Contact E-ware today and invest in your organization's future.



About the author:

Alan Payne has over 25 years of IT and technology experience designing and developing large scale applications. He has led development teams for the U.S. Department of the Army, large financial institutions, and non-profit organizations. His immersion in the client's operation is key to his projects' success.

Contact the author:

Alan Payne
E-ware, Inc.
Phone: 703.218.3111
Email: Alan.Payne@E-ware.net
Web site: www.E-ware.net