Presented By:
Kelly Allan

The W. Edwards Deming Institute

Has the Pharmaceutical Industry Missed 80% of the Power of the Methods of W. Edwards Deming? Ramifications & Future Opportunities

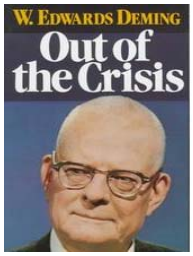
Observations & Frustrations

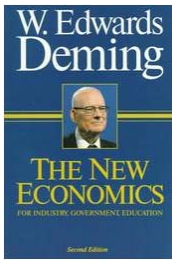
- We have plenty of time and money for "do overs" but not for solid first-time trials.
- Too many "politics". We are not one team. We work at cross-purposes. Lost time/energy
- Senior leaders don't understand constraints.
- A focus on targets instead of on improvement, creativity, and innovation. Pushing on a string.
- A focus on fast, inexpensive, patchwork "solutions" –no focus on fixing root causes. Problems recur.

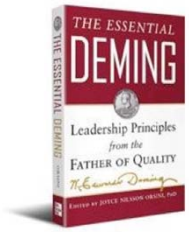
A quick history and a look to the future

by Kelly Allan on behalf of

The W. Edwards Deming Institute





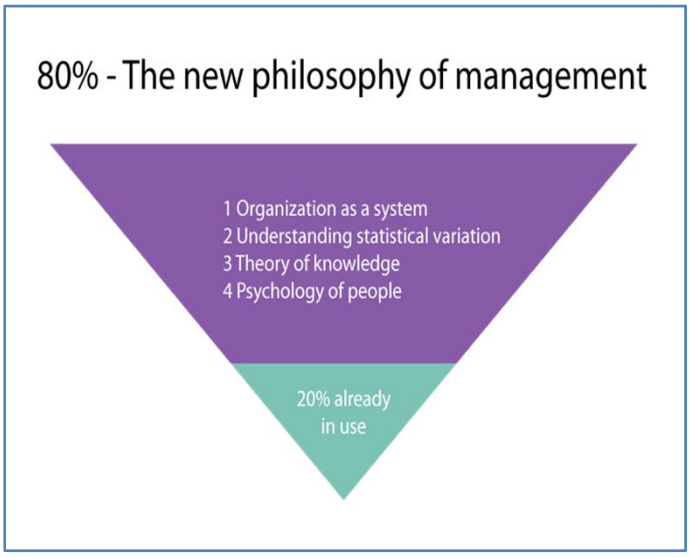


Kelly Allan Associates, Ltd.

1

Dr. W. Edwards Deming:

Management for Higher Productivity, Quality, *AND Competitive Advantage*



4

3

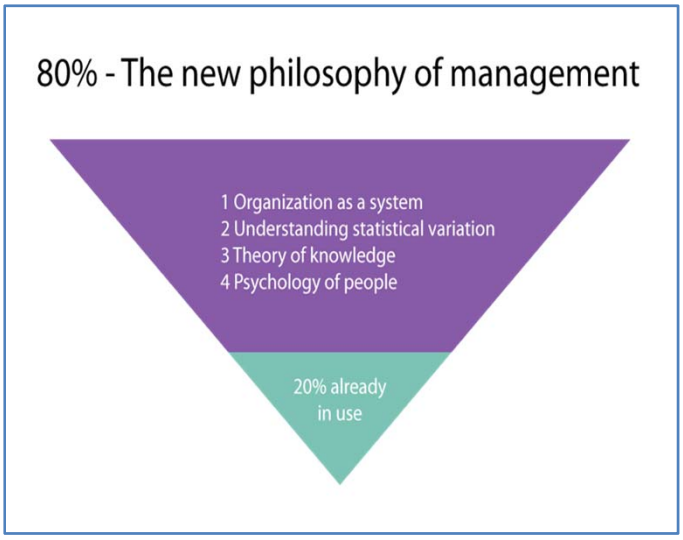
Dr. W. Edwards Deming: Management for Higher Productivity, Quality, *AND Competitive Advantage*

New Philosophy of Management:

- 4 Elements
- 14 Points for Management
- Avoid / Stop the Deadly Diseases

5

Why Deming? Why Ohno? ...The Agile Manifesto!



Kelly Allan Associates, Ltd.

3

The 4 Magnets of System of Profound Knowledge: Variation

Understanding

Variation…

including

statistical variation

The 4 Magnets o
Knowled

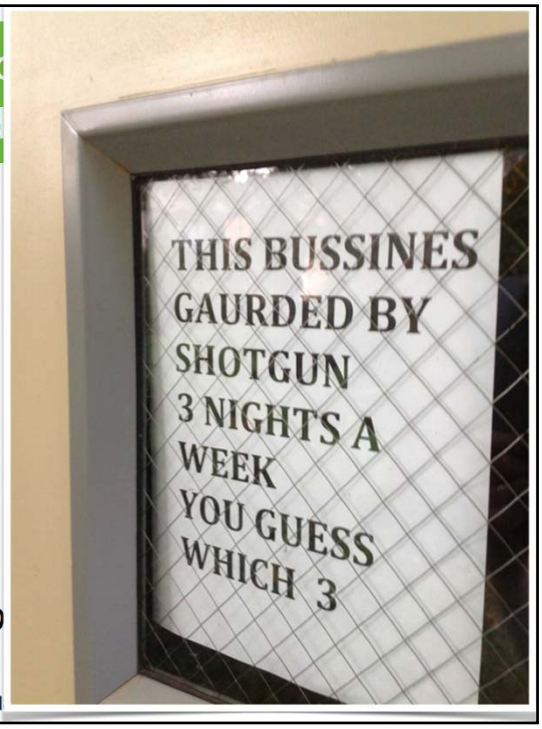
Understanding

Variation…

including

statistical variatio

THE W. EDWARDS DEMING IN

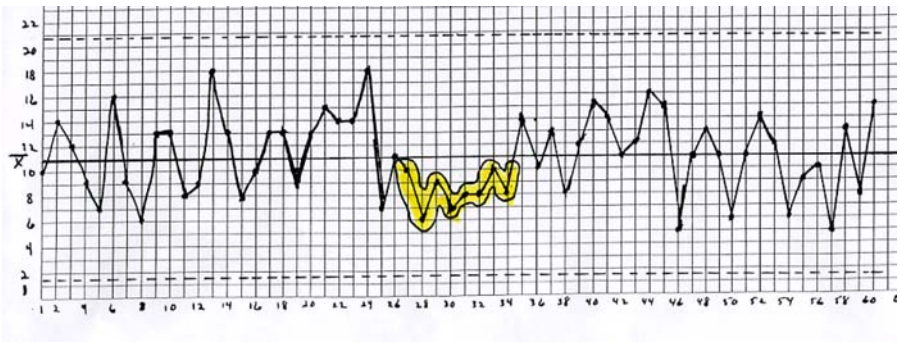


Study of a Typical Organization

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Bob	10	7	13	18	13	15	7	9	10	13	14	15	11	12	5
Jean	14	16	13	13	13	14	11	7	8	8	11	5	6	6	13
Tom	12	9	8	8	9	14	10	8	14	12	12	11	11	9	8
Ann	9	6	9	10	13	18	6	8	10	15	16	13	14	10	15

Kelly Allan Associates, Ltd. CONFIDENTIAL

60 Sequential Data Points With Special Cause



© Copyright 2010 Kelly Allan Associates, Ltd.

Presented By:
Kelly Allan

Observations & Frustrations

- We have plenty of time and money for "do overs" but not for solid first time trials.
- Too many politics. We are not one team. We work at cross-purposes.
- Senior leaders don't understand constraints.
- A focus on targets instead of on improvement
- Other…
- **Where does all that come from???**

Observations & Frustrations

- We have plenty of time and money for "do overs" but not for solid first-time trials.
- Too many "politics". We are not one team. We work at cross-purposes. Lost time/energy
- Senior leaders don't understand constraints.
- A focus on targets instead of on improvement, creativity, and innovation. Pushing on a string.
- A focus on fast, inexpensive, patchwork "solutions" –no focus on fixing root causes. Problems recur.

The W. Edwards Deming Institute

Has the Pharmaceutical Industry Missed 80% of the Power of the Methods of W. Edwards Deming? Ramifications & Future Opportunities

PDA-FDA Conference November 5, 2014

To Optimize the System

80% - The new philosophy of management

THE W. EDWARDS DEMING INSTITUTE® 68 Presented by: Kelly Allan

Resources

www.Deming.org Podcast.Deming.org linkedIn

blog.Deming.org @DemingInstitute facebook.com

youtube.com/ user/ DemingInstitute

boss.blogs.NYTimes.com [Fred Warmbier & Kelly Allan]

www.PexNetwork.com [search for "Deming Files"]

@KellyAllan6 www.KellyAllan.com

Theory of Knowledge

- Experience without theory teaches nothing.
- Plan-Do-Study-Act Cycle [PDSA]

Operational Definitions

- ODs are how we can increase productivity via greater clarity: talking about the same thing in the same way. Ex: "What is a defect?"
- ODs spread the knowledge of how we do things around here – well around here!
- An OD example with food

THE W. EDWARDS DEMING INSTITUTE® 49

Operational Definitions

Chompsy

THE W. EDWARDS DEMING INSTITUTE® 50

Plan-Do-Study-Act Cycle

Act
(Adopt the change, abandon it, or run through the cycle again)

Plan
(a change or a test aimed at improvement)

Study
(what did we learn?)

Do
(carry out the change, or a small scale test)

THE W. EDWARDS DEMING INSTITUTE® 48 Presented by: Kelly Allan

A completed PDSA?

THE W. EDWARDS DEMING INSTITUTE® 47

Psychology

THE W. EDWARDS DEMING INSTITUTE®

55

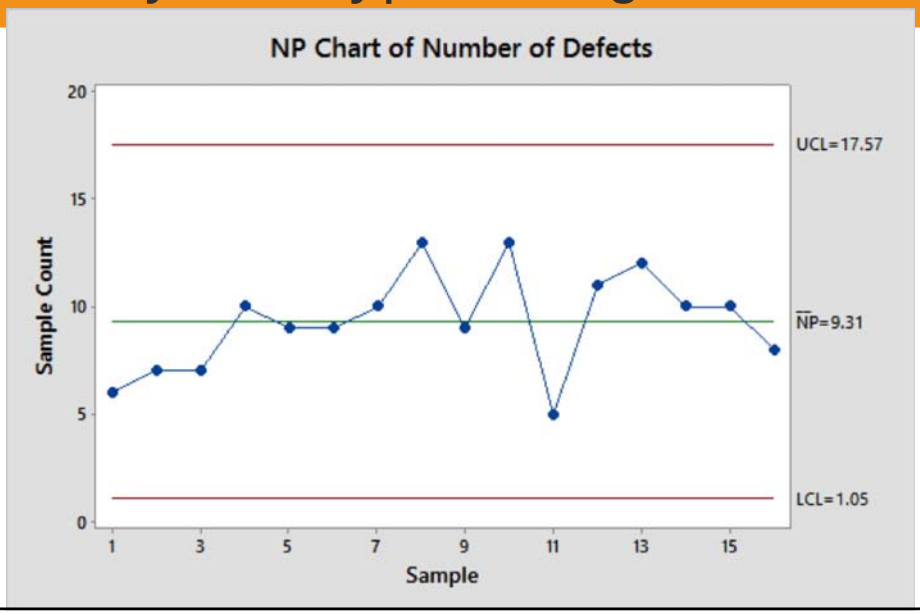
SoPK: Appreciation for a System

- You won't cause people or departments to compete!

THE W. EDWARDS DEMING INSTITUTE®

42

Study of a Typical Organization



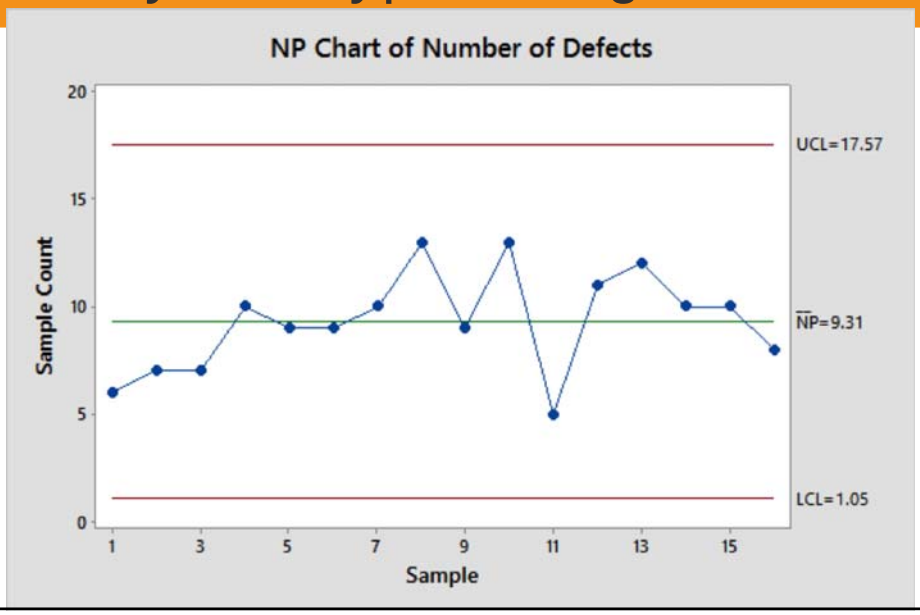
DEMING & Understanding Variation

- **Common Cause & Special Cause**

THE W. EDWARDS DEMING INSTITUTE®

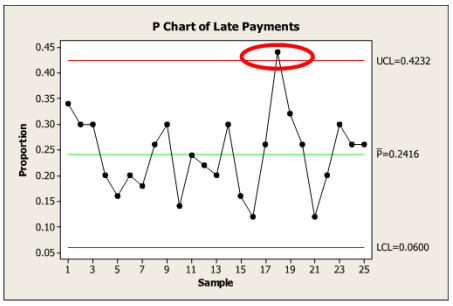
27

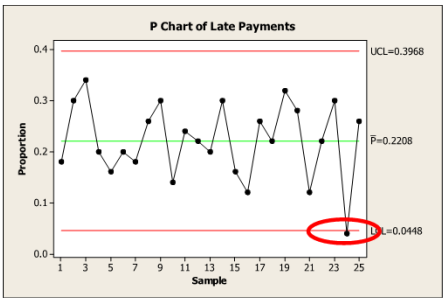
Study of a Typical Organization



A few indications of potential *Special* Cause

A Point Outside the Control Limit





To Optimize the System

80% - The new philosophy of management

THE W. EDWARDS DEMING INSTITUTE® 68 Presented by: Kelly Allan

Resources

www.Deming.org Podcast.Deming.org linkedIn

blog.Deming.org @DemingInstitute facebook.com

youtube.com/ user/ DemingInstitute

boss.blogs.NYTimes.com [Fred Warmbier & Kelly Allan]

www.PexNetwork.com [search for "Deming Files"]

@KellyAllan6 www.KellyAllan.com

THE W. EDWARDS DEMING INSTITUTE® 63 Presented by: Kelly Allan

Deming Institute Resources

- **Listen** to the Deming Podcast (http://podcast.deming.org/) for interviews with industry leaders, practitioners and educators who share stories of transformation using the principles of Dr. Deming.

- **The Red Beads**
  https://vimeo.com/107920658
  Password: RedBeads

- **Lessons of the Red Beads**
  https://vimeo.com/107923584
  Password: RedBeadsLessons