

PROJECT MANAGEMENT ASSOCIATES, INC

*2100 Southwinds Circle
Birmingham, Alabama 35244*

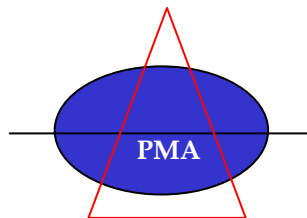
Presents

Basic Project Management

Via

WEB BASED LEARNING

Author: William J. Scott, PMP, PE

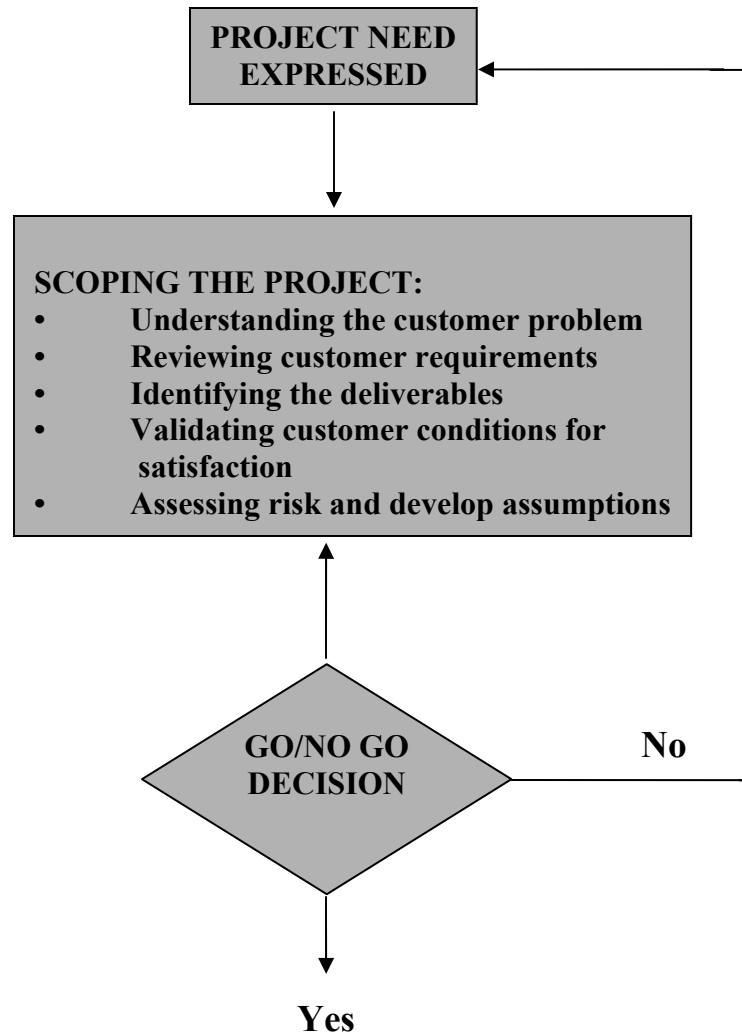


THE NEXT MODULE

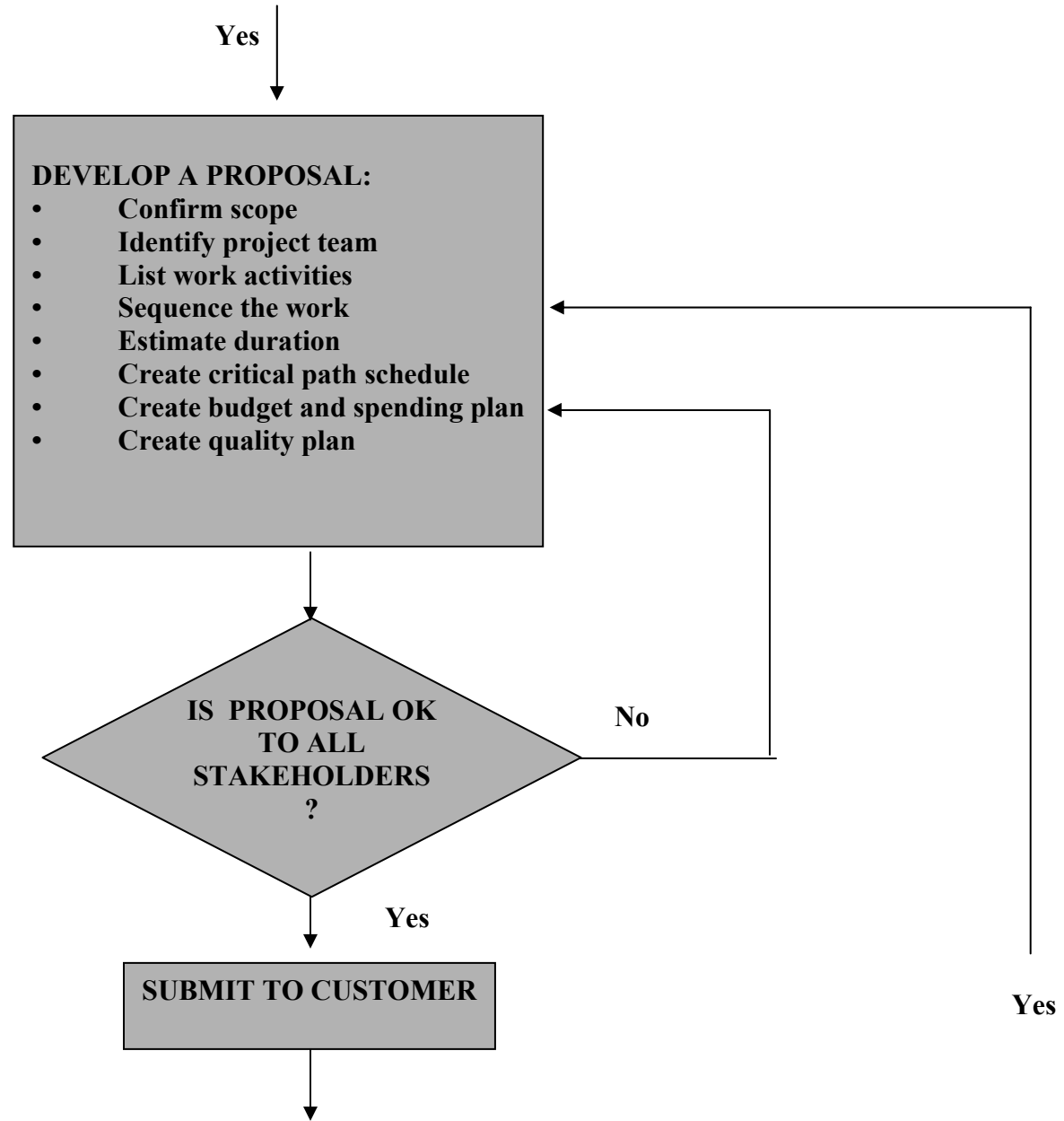
MODULE # 4:

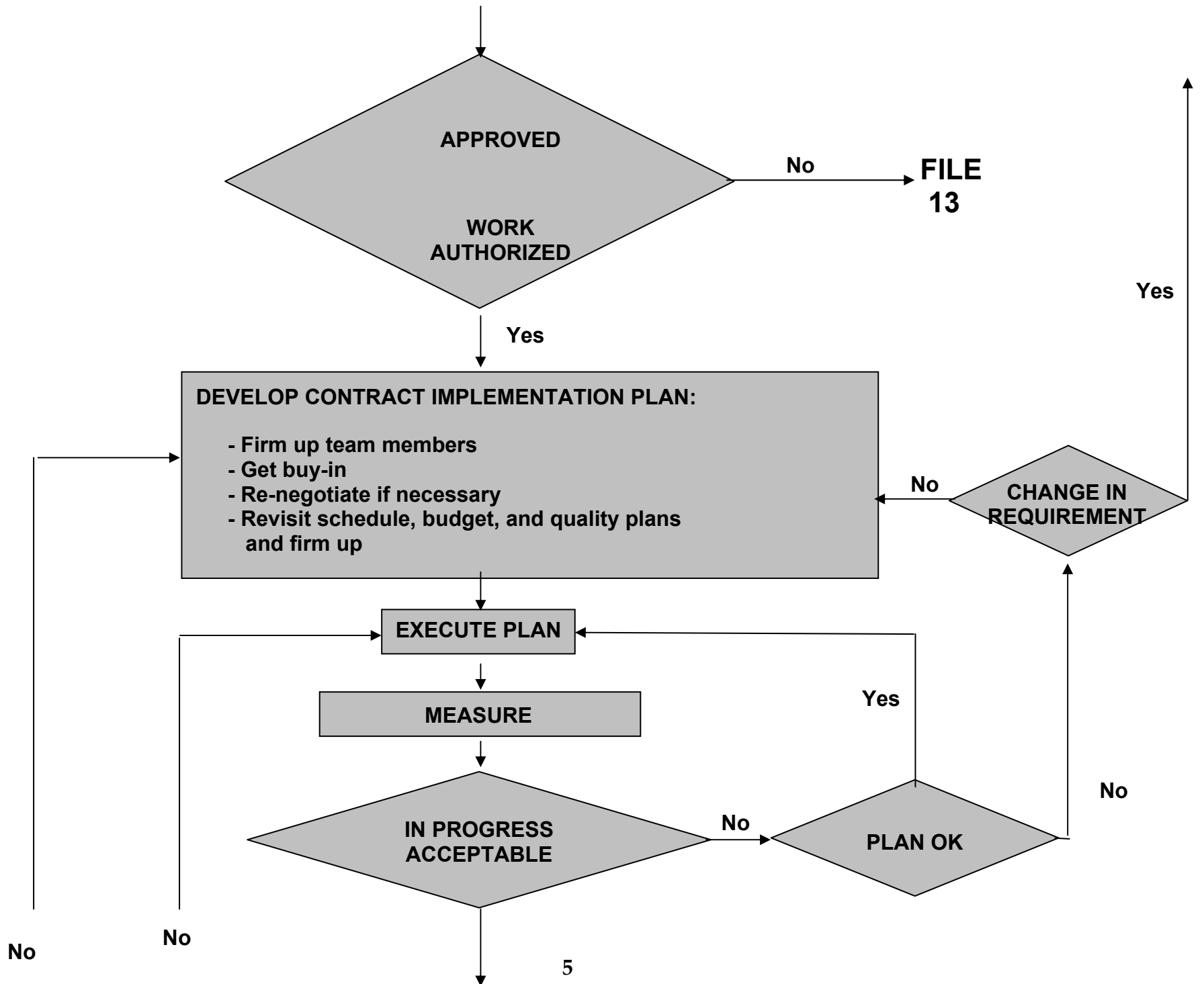
The Project Management Process

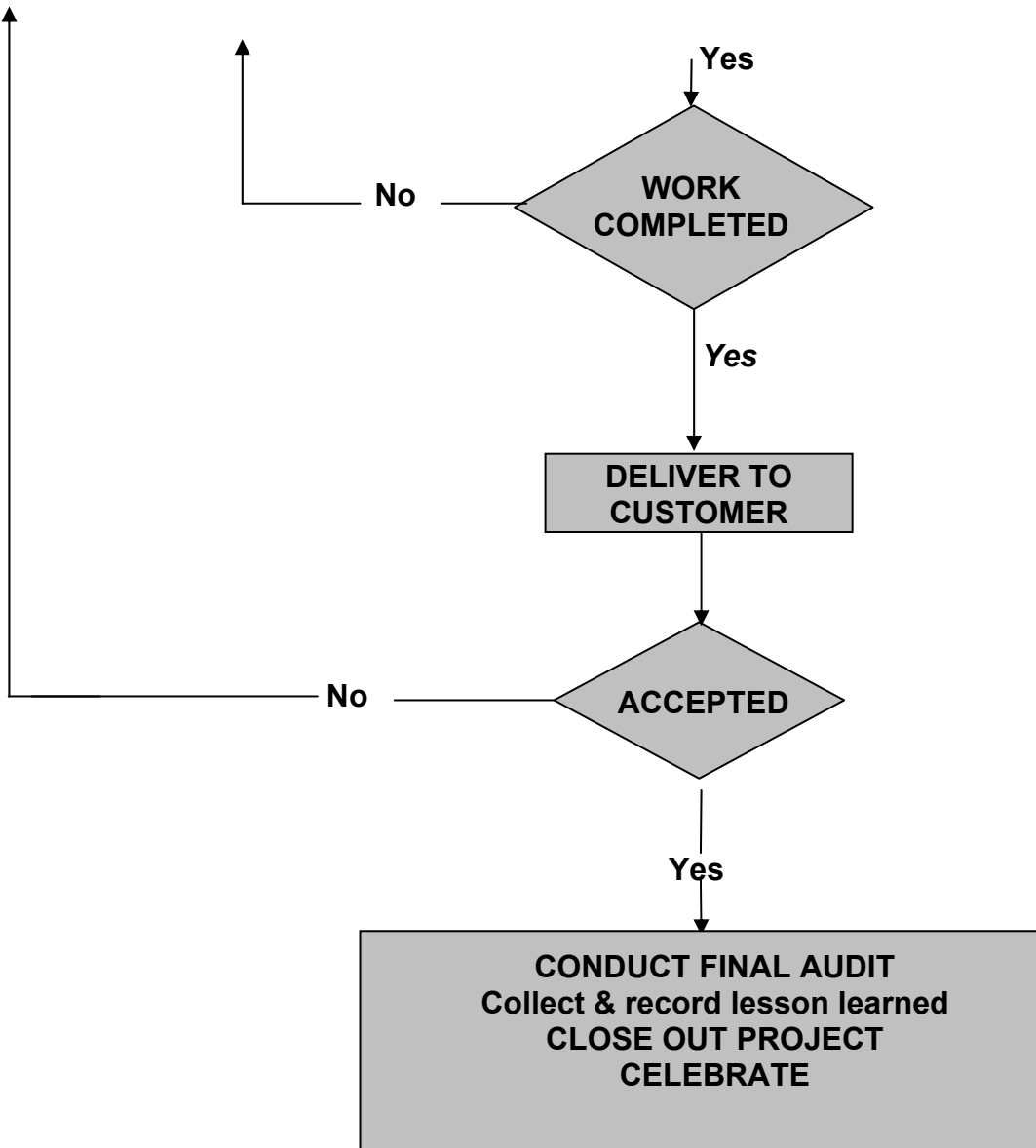
PROJECT MANAGEMENT PROCESS MAP



PROJECT MANAGEMENT PROCESS MAP







QUALITY - JAPANESE VALUE STORY

In the 50's a lot of Japanese goods begin to show up in America. Americans were cautious in their purchase of foreign goods, especially Japanese. Their caution was warranted, because in the beginning many of the Japanese goods were in fact "junk". They were not made very well and were of lower quality. Well, it didn't take long for the word to get around. So when Americans saw "made in Japan" they associated it with low quality junk.

Well all of that changed in the 60's and 70's when the Japanese discovered what high quality (at a reasonable price) could do for you in a global market. And then the Japanese discovered what high quality even at a not so reasonable price could do for you in that same global market.

Then all of a sudden "Made in Japan" became synonymous with high quality, especially in cars, electronics and manufactured goods. This all changed dramatically over the short span of 20 years.

With that background, we go to the story:

An American company needed 1,000 globe water valves, 2" diameter for a construction project. They took bids, evaluated them and decided to award the contract to a Japanese manufacturer. When the American firm wrote the purchase order it listed:

1,000, each, 2" globe, steel body, water valves.

At the bottom of the purchase order there was a statement that the purchaser would accept 2% defects.

Well some 3 months later, a large box with 1000 globe, steel body, 2" diameter, water valves was delivered to the site. There was a second, much smaller box with 20 globe, 2" diameter, steel body, water valves that were defective. A letter from the Japanese valve manufacturer accompanied the delivery. It was address to the American Company and said:

Dear Sir,

It is our pleasure to deliver to you the 1,000 water valves you purchased.

We have also delivered to you the 20 defective water valves you specified. We are not sure why you ordered the 2% defective valves as we are used to manufacturing with zero defects. In fact it was very costly to us to make these 20 defective valves for you.

Thank you very much for your business.

So what we have here is a lesson in quality form the original low quality country to mighty America who use to pride itself as a high quality country.

It is funny how Japan started with low quality and rose to high quality. The US started with high quality (relatively) and then fell and has only recently risen again.