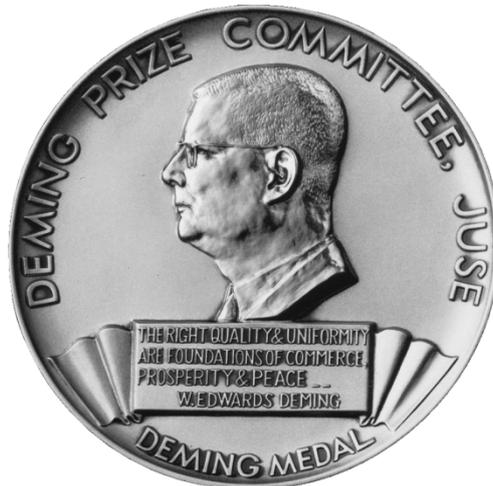


# **The Application Guide for The Deming Prize**

## **2014**

### **For Companies and Organizations Overseas**



The Deming Prize is an annual award presented to an organization that has implemented TQM suitable for its management philosophy, scope/type/scale of business, and management environment. Regardless of the types of business, any organization can apply for the Prize under certain conditions, be it public or private, large or small, domestic or overseas, or part of or entire organization.

**The Deming Prize Committee  
Union of Japanese Scientists and Engineers**

## **Dr. William Edwards Deming**

Dr. W. E. Deming was born in Sioux City, Iowa, United States in October 14, 1900. After Graduating from University of Wyoming, Dr. Deming successively held prominent positions such as university lecturer, engineer for the United States Department of Agriculture, lecturer of the National Bureau of Standards, consultant for the Secretary of the Army, and professor of the New York University. His career continued as he actively engaged in consulting and instructing of Quality Management for the government agencies and companies.

Dr. Deming is the internationally-respected authority in the field of statistics, especially the sampling theory as well as its practice and is one of the founders of the statistical quality control in the U.S. From 1950 and onward, Dr. Deming provided considerable contribution to post-war Japan in order to develop and advance the statistical quality control in the country. For his such efforts, he was awarded the Second Order of the Sacred Treasure by the Japanese Government.

Dr. Deming passed away on December 20, 1993 at the age of 93.

Cover page shows the Deming Medal with Dr. Deming's side face image and his word "THE RIGHT QUALITY & UNIFORMITY ARE FOUNDATIONS OF COMMERCE, PROSPERITY & PEACE" engraved on it designed by late Yoji Yamawaki, former professor of the Tokyo National University of Fine Arts and Music. The medal is awarded to the Deming Prize Winner.

## THE GUIDE FOR THE DEMING PRIZE 2014

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## A) The Deming Prize

### 1. Eligibility for Application

Organizations include companies, institutions, divisions and operational business units as well as the headquarters of a company (the organization hereafter) that meet the following conditions a), b) and c) may apply for the Deming Prize (the Prize hereafter). There are no restrictions regarding the organization's type of industry, business scale, and nationality. Be it public or private, the application can be made by the organization as a whole or as its unit.

However, the organizations wishing to apply for the Deming Prize must carry out the TQM Diagnosis by the Deming Prize Committee no later than one year prior to the year of application. Please refer to B) TQM Diagnosis by the Deming Prize Committee for information.

- a) The organization provides or is involved in providing \*the products and the services that are socially and economically significant.
- b) The organization is responsible for the entire or the important part (planning, design and development, manufacturing, distribution, sales, services etc.) of the function that is necessary to perform the integrated quality assurance system for products and services mentioned in Item a) above.
- c) The organization has the responsibility and the authority to manage its people, materials, and financial resources that are necessary to perform the function mentioned in Item b) above.

(\*)"the products and the services that are socially and economically significant" are to be provided for the benefit of external individuals and organizations that are economically independent and separate establishment from the applicant organization.

To cite examples, following organizations will be regarded as applicable

- Company as a whole or its division
- Non-profit government organization, local government, public utility body, or their unit
- Plant or divisions include R&D, technology development, procurement, sales & marketing, etc.
- Organization that is engaged in the entire process of the value chain for the specific product
- Headquarters and foreign entity
- Business group under the unified cooperation to provide specific product line

## 2. Organizations Qualified for Receiving the Prize

The Deming Prize is given to applicant organizations that realize the following three particulars by means of TQM.

More specifically, the following criteria are used for the examination to determine whether or not the applicant organizations should be awarded the Prize:

- a) Customer-oriented business objectives and strategies are established in a positive manner according to the management philosophy, type of industry, business scale, and business environment with the clear management belief.
- b) TQM has been implemented properly to achieve business objectives and strategies as mentioned in Item a) above.
- c) The business objectives and strategies in the Item a) above have been achieving effects as an outcome of the Item b) above.

The Deming Prize examination does not require applicants to conform to a quality management model provided by the Deming Prize Committee.

Rather, the applicants are expected to understand their current situation, establish their own themes and objectives and improve and transform themselves organization-wide. Not only the results achieved and the processes used, but also the effectiveness expected in the future is subjects for the examination. According to the judgment criteria(13. Evaluation Criteria), the examiners evaluate whether or not the themes established by the applicants were commensurate to their situation; whether or not their activities were suitable to their circumstance; and whether or not their activities are likely to achieve their higher objectives in the future.

TQM is defined as follows:

### **Definition of TQM (Total Quality Management)** **(Revised in October 2009)**

#### Text

TQM is a set of systematic activities carried out by the entire organization to effectively and efficiently achieve the organization's objectives so as to provide products and services with a level of quality that satisfies customers, at the appropriate time and price.

#### Explanation

1. "Systematic activities" refers to the organized activities to achieve the organization's mission (objective) under the top management's firm determination and leadership by establishing the clear mid- and long-term vision and strategy as well as the appropriate quality strategies and policies.

2. "Carrying out by the entire organization effectively and efficiently" refers to involve everyone at all levels and all parts of the organization so as to achieve the business objectives speedily and efficiently with the least management resources. This is accomplished through an appropriate management system that has a quality assurance system at its core, and it integrates other cross-functional management systems such as cost, delivery, environment and safety. The respect for humanity value encourages the organization to develop human resources which uphold its core technology, speediness and vitality. The organization maintains and improves its processes and operations and uses appropriate statistical techniques and other tools. Based on facts, the organization manages its business by rotating the management cycle of PDCA (plan, do, check and act). The organization also rebuilds its management system by utilizing appropriate scientific methods and information technology.
3. "Organization's objectives" are to aim for ensuring the appropriate profit and growth in the long term by achieving consistent and continuous customer satisfaction as well as to increase the employees satisfaction, the benefit to all the stakeholders includes society, business partners, and shareholders.
4. "Provide" refers to the series of activities from producing "products and services" to delivering them to the customers include research and study, planning, development, design, production preparation, purchasing, manufacturing, installation, inspection, order-taking, distribution, sales and marketing, maintenance, after-sales services, and after-usage disposal and recycling.
5. "Products and services" refers to all the benefits that are delivered to the customers include finished products, its parts and materials, system, software, energy, and information.
6. "Quality" refers to the usability(in functional and psychological aspect), reliability, and safety. Also, in defining "quality", influence on the third parties, society, environment, and future generations needs to be considered.
7. "Customers" not only refers to the buyers but also stakeholders include the users, consumers, and beneficiaries.

Note)

- For any organization, the shortest way to win the Deming Prize is to manage its business in the most appropriate manner to the organization. It is undesirable to conduct unnecessary activities for its fundamental business just for the sake of the examination. Such activities will not help the organization with its examination; rather they may negatively affect the examination.

- The emphasis of the examination is on whether or not the organization has developed a unique brand of TQM suitable for its business and scale. It does not require all the applicant organizations to uniformly follow the same brand of TQM.
- If the organization just copies the format of TQM from others or if it prepares rules and standards more than necessary under the name of TQM, such activities will not support receiving the Prize.
- Some regards that the advanced statistical methods must be used to pass the examination, however, it is a misunderstanding.
- Including new activities that are suitable for the applicant organization's business and scale are highly respected.

### 3. The Overall Flow from Application to Awarding

The overall flow of the Deming Prize application and examination process is shown in Table 1.1 below. The application, examination and awarding process for the Deming Prize is carried out once a year. Applicant organizations are encouraged to consult with the Secretariat for the Deming Prize Committee.

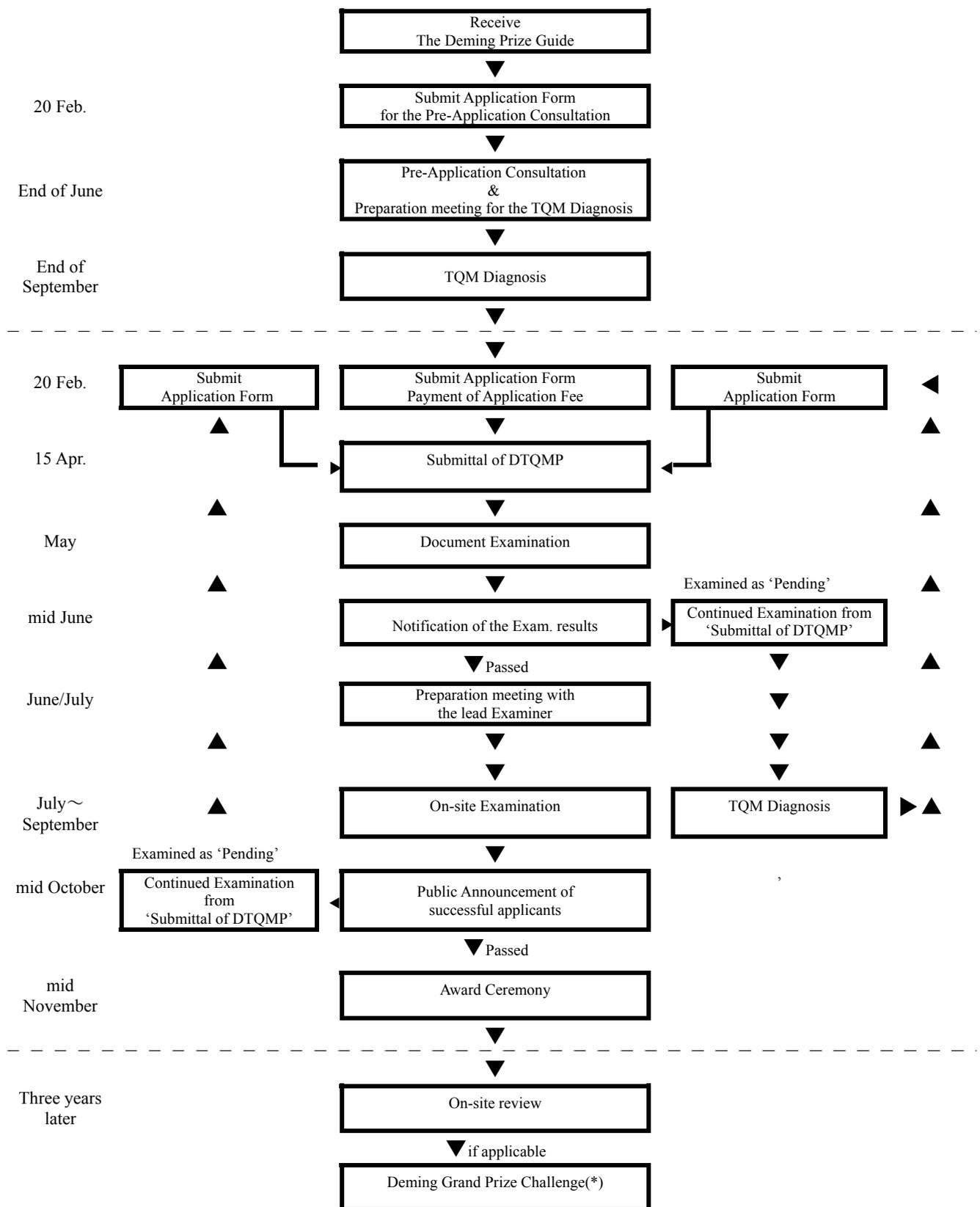
The following are **the major conditions** for the organizations to receive for the Prize:

- a) To receive the TQM Diagnosis Consultation prior to applying for the Prize.
- b) To submit the Description of TQM Practices and pass the document examination.
- c) To receive the on-site examination and pass the examination.

The following are **the major duties** of the organizations after receiving the Prize:

- d) To present their TQM practices at the winners' presentation meeting.
- e) To make available to the public the TQM know-how as a benchmark that is obtained through the Deming Prize challenge and examination process.
- f) To receive the on-site review three years after receiving the Prize.

Table 1.1: The Overall Flow from Application to Awarding



(\*) Overseas organizations wishing to apply for the Deming Grand Prize must carry out the TQM Diagnosis by the Deming Prize Committee no later than one year prior to the year of application.

[Flow for the Deming Prize Application]

**【Receive the TQM Diagnosis】**

To be eligible to apply for the Prize, applicant organizations must receive “the TQM Diagnosis”. This process is intended to make the applicant organizations’ overall examination more effective and efficient by fully understanding the Deming Prize.

The details of the TQM Diagnosis are presented at the end of this Guide. The Committee members form a team to diagnose the level of the receiving organizations’ TQM and present the report on the Diagnosis findings. The TQM diagnosis by the Deming Prize Committee will only be carried out once for each application.

At the “Pre-Application Consultation,” the members hear the organizations’ explanation of their current status and discuss the Deming Prize so as to help the organizations to apply for the Prize speedily. As for the Pre-Application Consultation, please refer to 5. What is the Pre-Application Consultation?

As a general rule, scope of TQM Diagnosis and that of Deming Prize examination has to be the same. Applicants are asked to hold discussion with the committee in order to thoroughly clarify examination scope, eligibility, examination/diagnosis procedure (number of examiners, duration) at “Pre-Application Consultation”. As “Pre-Application Consultation” also serves as “Preparation Meeting for TQM Diagnosis”, the Deming Prize Committee strongly recommends the applicant organization to participate in this meeting in order to carry out the diagnosis effectively. “Pre-Application Consultation/Preparation Meeting for TQM Diagnosis” will be carried out in Japan.

**【Apply for the Prize】**

To apply for the Prize, the applicant must complete the designated application form and submit it with application fee and necessary documents followed by the Description of TQM Practices. Considering the applicant’s status in receiving the Pre-Application Consultation and the TQM Diagnosis, the Committee conducts the document examination.

When passing the document examination, the applicant organization will proceed to receive the on-site examination. The Committee determines and notifies the applicant the examiners in charge for the on-site examination, who will perform as a lead examiner, and when the examination will take place. To conduct the on-site examination, a team of the examiners consisting of multiple Committee members will visit the applicant organization and carry out the course of Schedule A and Schedule B. and Executive Session. If considered as necessary, the Reference examination will be held also.

When the applicants are considered as qualified based on the on-site examination results, the Deming Prize will be awarded. The prize-winning organizations are expected to make a short report on their TQM practices at the “Winners Presentations by the prizewinners”. If the applicants do not pass the examination, they will receive the “continued examination” status. As for the “continued examination”, please refer to 15. Determination of Prize Winners and Notification of the Examination Result.

The prize-winning organizations are requested to report their TQM practices at the “Winners Presentations by the prizewinners”.

To contribute to the mission of the Deming Prize—the promotion and proliferation of TQM—the prize-winning organizations are also encouraged to actively share with the other organizations their TQM know-how obtained through the Deming Prize challenge and examination process.

For a follow-up review, the prize-winning organization is requested to submit a short report on the status of its TQM practices three years after having received the Prize. At the review, the Committee members will visit the organization and hold a meeting to discuss its current TQM status.

Instead of the follow-up review, the prize-winning organization may choose either “receiving the TQM Diagnosis” or “applying for the examination for the Deming Grand Prize”. As for the details of the Deming Grand Prize, please refer to the Application Guide for the Deming Grand Prize.

#### **4. The Secretariat for the Deming Prize Committee**

To carry out the Deming Prize Committee's administrative duties, the Secretariat for the Deming Prize Committee was established at JUSE. When applying, organizations are encouraged to consult with the Secretariat as the need arises for application procedures, general questions about the Deming Prize.

#### **5. What are the Deming Prize Committee Quality Management Consultation and the Pre-Application Consultation?**

##### **5.1 The Deming Prize Committee Quality Management Consultation**

The Deming Prize Committee Quality Management Consultation is carried out by the Deming Prize Committee members for the organization that is wishing to apply for the Deming Prize. The consultation includes hearing and evaluation of consuler organization's TQM activity status and advices on how to implement and promote TQM, promotion plan, and actions to take toward the Deming Prize application.

In order to apply for the Deming Prize Committee Quality Management Consultation, please complete the application form at the end of this guide and submit to the secretariat no later than 2 months prior to the desired date for the consultation. Date and time, time required, necessary documents, and venue are to be discussed with the secretariat.

##### **5.2 Cost for the Deming Prize Committee Quality Management Consultation**

No fee is required for the consultation. However, when holding the consultation for the applicant overseas, the actual expenses such as interpretation fees are to be borne by the applicant.

##### **5.3 Pre-Application Consultation**

The Pre-Application Consultation is carried out by the Deming Prize Committee and its members to provide the consuler organization with the general advice on the Deming Prize application as the need arises. It is asked to receive the consultation by the end of September of the prior year to the Deming Prize application.

In order to apply for the Pre-Application Consultation, please complete the application form at the end of this guide and submit to the secretariat no later than 2 months prior to the desired date for the consultation.

Each meeting lasts half a day. As a rule, the meeting place will be at the Secretariat.

Those organizations that wish to apply for the Deming Prize (the Prizes hereafter) must receive the TQM Diagnosis. During the on-site TQM diagnosis, the Pre-Application Consultation is

also carried out to respond to inquires regarding application. Experience shows that prizewinners evaluate highly the efficacy of TQM diagnosis.

## **Contents**

- a) The organization that wishes to apply for the Prize explains the following:
  - The purposes of applying
  - The overview of the business activities
  - The structure of the organization and the size of its employees
  - The aims of TQM
  - The current situations of TQM (including introduction of at least 3 actual improvement cases carried out, showing how PDCA cycle was rotated in each case)
  - The plans for receiving the examination and others
- b) The Committee explains about the Deming Prize
  - Significance of the Prize
  - The way of TQM thinking and the examination viewpoints
  - The examination procedures, methods and others
- c) Questions and answers

## **5.4 Documents to be presented for the Pre-Application Consultation and their contents**

It is asked for the applicant organization to submit 3 hard copies of the following documents no later than a week prior to the Pre-Application Consultation.:

- a) Brochure of the applicant organization and of the upper organization that the applicant is affiliated to

- b) The organizational chart

- (1) Organizational Chart of the applying unit

It implies the Organizational Chart of the applying unit i.e., the entire organization, a division, a business unit etc. In the Organizational Chart, kindly indicate the direct reporting system with a solid line and the indirect reporting system with a dotted line for each subordinate organization reporting to the higher ranking organization (or Manager). When the higher ranking organization (or Manager), reported directly or indirectly, is outside the organization of the applying unit, indicate it as a sub-organization (or by the name of position) in the complete organizational chart of the entire organization as described below.

- (2) Organizational Chart of the entire organization

It implies the Organizational Chart of the entire higher ranking organization of which the applying unit forms a part. Here, indicate the reporting system by the applying unit to the higher ranking organization with a solid line if direct and with a dotted line, if indirect. Kindly indicate the direct reporting system from a sub-organization of the applying unit to the higher ranking organization (or a position) without going through the Head of the applying unit with a solid line and indirect reporting with a dotted line and also indicate the position (rank) of the reporter on the line for the reporting system.

Organizational Chart of the entire organization implies the organizational chart of the organization as if the applying unit is functionally a part of it, irrespective of the classification under corporate registration, difference in name and difference in capital composition as well as capital affiliation.

- c) Explanatory Note on Functional Roles

It should include the name of the organization, number of employees, and details of main businesses that the organization is engaged in. To be more precise, the number of employees

(total employees including part-timers, workers paid by the hour, temporary workers from an agency etc. who are hired on on-going basis. The respective number of each employment type should be indicated in the bracket after entry of total employees) and main businesses that the organization is engaged in should be indicated regarding each and every organization shown in the Organizational Chart of the applicant unit. The organization for the applicant unit should be summarily and systematically arranged. It may be included in the Organizational Chart mentioned above under b).

This Organizational Chart as well as explanatory notes on functional roles will have to be submitted at the time of application for the TQM Diagnosis by the Deming Prize Committee or holding the Pre-application Consultation for the Deming Prize etc. This will be used as the basis to decide whether the applicant unit is suited for the Deming Prize or to finalize the unit and the schedule for assessment.

d) Chart of the quality assurance system

A Quality Assurance System Chart illustrates the mechanism of quality assurance system outline. On the premise of clarifying “socially and economically significant products and services” that the applicant organization provides or involves in providing as well as the receiver (customer), clearly describe what the functions (planning, design and development, manufacturing, delivery, sales, service etc) are required to assure thorough quality to customers, what part of those functions the applicant organization or its sub-organizations take responsibilities, and what organization, including upper organizations or their sub-organizations the applicant belongs to, takes the remainder of important functions in charge.

Organizational charts, explanatory notes on functional roles and responsibilities and quality assurance system charts are also requested to submit when applying for the TQM diagnosis or the pre-application consultation for the Deming Grand Prize. This is because such information is vital to confirm whether the applicant is eligible for the Deming Grand Prize, determine the number of examination units, and plan schedule for the examination.

## 5.5 Costs

All the actual expenses associated with the Pre-Application Consultation include travel expense, interpretation expense are to be borne by the applicant organization. No consultation fee is required.

## 6. TQM Diagnosis by the Deming Prize Committee

The TQM Diagnosis by the Deming Prize Committee is conducted with the aim of contributing to the further development of the applicant organization’s TQM promotion. The organization will become eligible to apply for the Deming Prize the following year. For details and its application, please refer to ‘C) TQM Diagnosis’ section in this guide.

## 7. Application Procedures

The applicant organization is requested to submit the following documents and fee to the Deming Prize Committee no later than February 20. When February 20 falls on Saturday or Sunday, due date for submission will be extended to the following Monday. This rule applies to all of the other submittal due dates.

### 7.1 Submittal of the application form

An organization that wishes to apply for the Deming Prize (applicant organization hereafter) must complete and submit a copy of the application form for the Deming Prize provided at the end of this booklet to the Deming Prize Committee by February 20(one copy). Please send the application form by fax, followed by postal mail.

### 7.2 Application Fee

The examination of the Deming Prize is undertaken by the Deming Prize Committee members' gratuitous services, and therefore there is no examination fee. However, the applicant organization is requested to pay for the application fee which will be appropriated as part of the administrative fee.

For applicants with 1 on-site examination unit\*: JPY1,500,000-

For applicants with 2 or more on-site examination unit: Initial fee of JPY1,500,000 plus JPY500,000 per additional unit

Example) For applicant with 3 on-site examination units:  
JPY1,500,000 + (500,000 x 2) = JPY2,500,000

\*Refer to 11.3.1 What are On-Site Examination Units?

### 7.3 Submittal documents

Together with the application form, the applicant is requested to send the following documents (10 copies of items described in a) and b)):

Each document of a) and b) should be serially numbered from 1 to 10 and orderly sorted by its number to make 10 sets when submitting. If you intend to enclose each set in an envelope/bag, the serial number of the documents inside should be put on the envelope/bag as well.

- a) Documents that explain the applicant organization's outline
  - (1) Brochure that explains the organization or its upper organization's history, scale, products, and services (eg. company brochure, products catalog, etc.).
  - (2) Document that shows the organization or its upper organization's business/financial result. (eg. latest sales/annual report etc.)
  
- b) Other Submittal Documents at the time of the application
  - (1) Checklist of Documents to be Submitted
  - (2) The applicant's organizational chart (including the number of employees)  
(refer to 5.4 Other supplemental materials for explanation)
  - (3) Functional roles and responsibilities of the applicant organization  
(refer to 5.4)
  - (4) Chart of the quality assurance system(refer to 5.4)
  - (5) Proposal on how the DTQMP may be divided

(refer to 9.2 Dividing the Description of TQM Practices)

(6) Request for the number of examination units, days, and examiners  
(refer to 11.3 Request for On-Site Examination Units and Schedule)

(7) Request for the On-Site Examination dates

Indicate at least 15 candidate dates between July 21 and September 30 possible for carrying out On-Site Examination for each examination unit. Also, specify holidays and unavailable dates with the reason.

Sample)

Jul.21	Jul.22	Jul.23	Jul.24	Jul.25	Jul.26	Jul.27	Jul.28	Jul.29	Jul.30	...
Tue.	Wed.	Thu.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thu.	
○	◎	○	△	×	×	×	×	×	×	
	First Choice		Having internal occasion	Office closed		Summer vacation				

(8) A broad regional map that illustrates location and positional relation among the head office, business units, and plants as well as the nearest airport with the indication of transportation means and time

(9) Contact Information of the each examination unit

in order to be prepared for the unexpected circumstances, it is requested to provide the contact details of the each examination unit that is accessible any time include holiday, before and after the business hour.

c) Put the data files of submittal documents as mentioned above in clause a) and b) in a CD-Rom and send one copy to the secretariat. Data should be in PDF format and named as follows with the year and organization name at the end.

011 DP Application Form 20xx Organization name

021 DP Applicant Profile 20xx Organization name

031 Organization Outline 20xx Organization name

(should include 7.3 Submittal documents a)-(1))

032 Organization Business Result 20xx Organization name

(should include 7.3 Submittal documents a)-(2))

041 Application Other Docs 20xx Organization name

(should include 7.3 Submittal document b))

## 8. Receipt of the Application

The Committee meets in mid-March and examines to determine if the applicant is eligible for the Deming Prize examination by referring to the submitted documents. Within a week after this meeting, the applicant will be notified of receipt of the application, request for submitting the Description of TQM Practices and other documents, and upcoming document examination and schedule.

## 9. Submittal of the Description of TQM Practices

An applicant organization is requested to submit the following documents to the Secretariat for the Deming Prize Committee.

a) Description of TQM Practices (DTQMP hereafter)

b) Terminology glossary, which explains organization-specific terminology and abbreviations to the examiners

\*It is requested NOT to use abbreviations for general terms in DTQMP

The following guideline should be observed:

Due date: April 15

Number of hardcopies: Number of appointed examiners plus 2 spare copies

Number of softcopies: Number of appointed examiners plus 2 spare copies in CD-ROM

Please note that hard copies and CD-ROM need to be sequentially numbered from No.1 up to the number of appointed examiners plus 2. Data should be in PDF format and named as follows with the year and organization name at the end.

011 DTQMP General 20xx Organization name

021 DTQMP Departmental 20xx Organization name

031 Terminology Glossary 20xx Organization name

The examiners and the Secretariat for the Deming Prize Committee are responsible for handling DTQMP and other documents submitted by the applicants. After the use, they will be disposed of by burning or shredding.

### **9.1 What is the Description of TQM Practices?**

DTQMP is a written report that describes the applicant organization's TQM status and will be referred by the examiners to grasp the applicant's activities from the time of introduction to the time of application, including resulting effects. It is the subject for the document examination to judge if the applicant organization qualifies to stand for the on-site examination. It is also used as a reference for the on-site examination.

### **9.2 Dividing the Description of TQM Practices**

As a rule, two types of DTQMP should be compiled—a) General DTQMP and b) Departmental DTQMP.

#### **a) General DTQMP**

The General DTQMP should introduce the applicable examination unit's TQM activities by referring to the features, status of its implementation, effects, and future plans. When two or more examination units are involved, "Corporate General DTQMP" or "Organization General DTQMP" compiled for the examination unit with the general management of the applicant organization should encompass all the relevant examination unit's TQM activities by referring to the features, status of its implementation, effects, and future plans.

#### **b) Departmental DTQMP**

According to the organizational structure, the Departmental DTQMP should introduce the details of TQM deployment and implementation at each department within the applicable examination unit.

The following table illustrates how the DTQMP may be divided.

Example 1	When the organization has one examination unit
1.1.	Corporate-General, Corporate-Departmental
1.2.	Division A-General, Division A-Departmental
1.3.	Plant A-General, Plant A-Departmental
Example 2	When the organization has two or more examination units
2.1.	When there are two or more business groups with different functions
	Corporate-General, Headquarters-Departmental Technology Development & Control Group-General, Technology Development & Control Group-Departmental Manufacturing Group-General, Manufacturing Group-Departmental Sales & Marketing Group-General, Sales & Marketing Group-Departmental Administration Group-General, Administration Group-Departmental
2.2.	When there are two or more divisions
	Corporate-General, Headquarters-Departmental Division A-General, Division A-Departmental Division B-General, Division B-Departmental Division C-General, Division C-Departmental
2.3.	When there are two or more plants, branch offices, or R&D centers
	Corporate-General, Corporate-Departmental Plant A-General, Plant A-Departmental Plant B-General, Plant B-Departmental Branch Office C-General, Branch Office C-Departmental Branch Office D-General, Branch Office D-Departmental R&D Center E-General, R&D Center E-Departmental

### 9.3 Contents of DTQMP

The applicant organization should prepare its DTQMP to facilitate an easy understanding of its TQM status. The descriptions below include the points to be remembered in writing DTQMP. These are the necessary points that help examiners to understand the applicant's TQM implementation status. The applicant may add to or modify these points, if deemed necessary for making the examiners understand its TQM status.

a) The contents of the Corporate-General DTQMP and Organization-General DTQMP

The Corporate-General and Organization-General DTQMP should encompass all of the examination units' activities. The contents may be organized according to the following example:

- 1) Outline of the applicant organization  
This section should explain the products and services that the applicant organization provides or involved in providing as well as its business activities. For these items, the applicant is encouraged to describe the features of the products and services, its business scale and its position in the market in a chronological order. Also, include the overall structure of the organization and the roles and the number of employees at each business unit or department within the applicant organization. In case there is an organization playing an important role other than the applicant, it should be described as well.
- 2) Management objective and policy  
Elaborate how the organization fulfills the item a) under "Organization Qualified for Receiving the Prize": Customer-oriented business objectives and strategies are established in a positive manner according to the management philosophy, type of

industry, business scale, and business environment with the clear management belief. Add details on the reason for implementing and promoting TQM by referring to the management environment, management policy, as well as the management strategy and its formulation.

- 3) TQM introduction and promotion  
Elaborate how the organization fulfills the item b) under "Organization Qualified for Receiving the Prize": TQM has been implemented properly to achieve business objectives and strategies as mentioned in Item a) above. Add details on the entire picture of TQM implementation and promotion by referring to how the applicant has been utilizing the TQM philosophy, methodology, and tool along with their characteristics.

- 4) Status of TQM implementation  
Elaborate specific TQM activities unique to the applicant organization that have been practiced with an aim to achieve the business strategy. Describe what their features are and how they were promoted. It is effective to divide the description into reasonable chapters and recommended to present the "Unique and remarkable activity" in an independent chapter.

- 5) Effects of TQM implementation and future plans

Elaborate how the organization fulfills the item c) under "Organization Qualified for Receiving the Prize": The business objectives and strategies in the Item a) above have been achieving effects as an outcome of the Item b) above. Define in connection with the description provided in (2), (3), and (4) above. Use quantitative measure to describe tangible effect and illustrate the time-shift of the effect in a graph. Be as concrete as possible to describe intangible effect.

Also, indicate a future plan to continue TQM after receiving the Deming Prize by referring to mid-term (3-5 years) management objective, management strategy to achieve the objective, and a plan to promote TQM in order to carry out the strategy effectively. Please also include remaining issues to be addressed and new actions to be implemented in a concrete manner.

- 6) Senior executives' thoughts on TQM Practices

Each of the key senior executives is expected to individually describe his/her understanding of TQM, roles in promoting TQM, and thoughts on the organizational strengths, human resources development and the organization's social responsibilities. These points written on his/her own should include his/her name and title. This will be used as source material for the executive session during the on-site examination. Those who intend to participate in the executive session must submit this document.

- b) The contents of General DTQMP for each examination unit when there are two or more examination units

Each applicable examination unit should prepare its DTQMP that describes the details of the unit's TQM activities. Refer to the "a) The contents of the Corporate-General DTQMP and Organization-General DTQMP" when preparing. The writing style and format of the DTQMP is open; it should, however, include the following points.

- 1) An outline and the features of the applicable examination unit and an overview of its products, services and business activities
- 2) The relationship between the applicable examination unit head's policies and the

- corporate management and TQM policies (short, mid and long term)
- 3) The organization of the applicable examination unit and the relationship with its general management organization
- 4) The history of the applicable examination unit's TQM (including the historical TQM policy changes and the current TQM policies)
- 5) The TQM implementation status of the applicable examination unit
- 6) Self-evaluation of applicable examination unit's product and service quality and a comparison with other organizations
- 7) Both tangible and intangible effects of the TQM practices at the applicable examination unit level  
Remaining problems and future plans for the applicable examination unit's TQM practices

c) The contents of Departmental DTQMP

Departmental DTQMP should describe each departmental activity within the applicable examination unit. Please clarify the following points in description:

- \* Functions or segregation of duties that must be fulfilled by the department of the applicable examination unit
- \* Organizational structure of the department of the applicable examination unit
- \* Process establishment and securement of management resources for the department of the applicable examination unit in order to implement segregation of duties
- \* Management assignment of the department of the applicable examination unit
- \* The TQM implementation status as well as features of the department of the applicable examination unit

d) The following points should be remembered when the Description of TQM Practices is prepared.

- 1) Confidential matters should be avoided in the DTQMP. For example, codes may be used instead of proper nouns or indexes may be used for the scales of graphs. If necessary, such matters should be supplemented during the on-site examination.
- 2) The description should be based on the facts.
- 3) DTQMP should show the overall TQM activities as well as specific individual activities and the systems. For example, to describe TQM status corresponding to the evaluation criterion, "management and improvement of product and operational qualities," one or more representative improvement cases should be included.
- 4) By separating important **Outstanding TQM Activities** (former "Unique Activities") and systems from those that are not, the applicant should explain its TQM in a focused manner.

The applicant is encouraged to consult with the Secretariat for the Deming Prize when it has any questions regarding how the DTQMP should be divided and organized.

e) Examples of the Description of TQM Practices (DTQMP)

1) Example of arrangement of chapters, items and description of contents in the DTQMP

Example 1

<p>1. Outline of the Organization</p>	<p>Describe necessary items that help examiner’s understanding of the applicant organization.</p>
<p>2. Business Goal and Strategies</p>	<p>This chapter should reflect the item a) under “Organizations Qualified for Receiving the Prize” in the Deming Prize Guide as follows: Customer-oriented business objectives and strategies are established in a positive manner according to the management philosophy, type of industry, business scale, and business environment with the clear management belief.</p> <p>Describe management principle, business category, scale of operation and management environment as well as proactive customer-oriented business objective and strategy. Also make statements which reflect the “Basic Categories” under the “Evaluation Criteria”</p> <p>Separately show base building strategy, or required management system, and challenging strategy by, for example, listing. Then lead them to chapter 4 and 5. Take into account that base building strategy is to become evaluation subject of the “1.Basic Categories” and challenging strategy is to become evaluation subject of the “2.Unique Activity” under the “Evaluation Criteria” in the Deming Prize Guide.</p>
<p>3. TQM Promotion</p> <ul style="list-style-type: none"> <li>3.1 Framework</li> <li>3.2 Policy Management</li> <li>3.3 Daily Work Management</li> <li>3.4 Cross-Functional Activities</li> <li>3.5 Problem Solving Task Achievement</li> <li>3.6 QC Circle Activities : Small Group Improvement Activities</li> <li>3.7 Others</li> </ul>	<p>This chapter should reflect the item b) under “Organizations Qualified for Receiving the Prize” in the Deming Prize Guide as follows: TQM has been implemented properly to achieve business objectives and strategies as mentioned in item a). Describe the methodology of TQM promotion which is practiced in the applicant organizations. Along with the aim of TQM promotion, describe TPM, Toyota Production System, Six Sigma as well if they are practiced as TQM activity.</p> <p>Clauses listed on the left are merely an example. They don’t necessarily need to be practiced and they may be integrated. Describe the actuality of the applicant organization. Take into account this chapter to become evaluation subject of the “1.Basic Categories” and “2.Unique Activity” under the “Evaluation Criteria” in the Deming Prize Guide.</p>
<p>4. Practice of Base building strategies (or Establishment/Practice of management system)</p> <ul style="list-style-type: none"> <li>4.1 Strategy 1 (or Establishment/Practice of ○○ managing system)</li> <li>4.2 Strategy 2 ... (or Establishment/Practice of △△ managing system)</li> </ul>	<p>Describe the practice in connection with the Base building strategy in the chapter 2. Separately make clauses for each strategies, or managing system.</p> <p>○○ and △△ means new product development, quality assurance, cost managing, quantity and delivery management, safety management, business operation and environmental management. Describe how the methodology is mentioned in chapter 3 utilized and practiced. It must be noted also what are stated in “1. Basic Categories” in the Deming Prize Guide as the evaluation items.</p>

<p>5. Practice of Challenging strategies  5.1 Strategy 1  5.2 Strategy 2  .....</p>	<p>Describe the practice in connection with the Challenging strategy in the chapter 2. Separately make clauses for each strategy.</p> <p>Describe how the methodology is mentioned in chapter 3 utilized and practiced. It must be noted that this chapter should describe how the three items, a), b) and c), written under the “Organizations Qualified for Receiving the Prize” in the Deming Prize Guide are practiced with organic linkage. Also keep in mind that this chapter is highly likely to be considered as what are stated in “1. Basic Categories” in the Deming Prize Guide as the evaluation items.</p>
<p>6. Overall Effects</p>	<p>Describe the effect with regard to the item c) under the “Organizations Qualified for Receiving the Prize” which says “As an outcome of item b), results have been obtained for business objectives and strategies as stated in item a). Describe as it responds to the management objective stated in chapter 2. Be consistent with what is written in chapter 3, the aim of TQM promotion.</p>
<p>7. Future Plan</p>	<p>Indicate a future plan to continue TQM after receiving the Deming Prize by referring to mid-term (3-5 years) management objective, management strategy to achieve the objective, and a plan to promote TQM in order to carry out the strategy effectively. Please also include remaining issues to be addressed and new actions to be implemented in a concrete manner.</p>

Example 2

<p>1. Outline of the organization</p>	<p>Describe the necessary matters such as management principles or business, philosophy, products and customers, market, history of the organization, distinctive features of business, structure and its characteristics etc. that enable the auditors understand about the applicant organization.</p>
<p>2. Business goals and Management Strategies</p>	<p>This Chapter corresponds to the item a) prescribed under “Organizations Qualified for Receiving the Prize” in the Deming Prize Guide namely, “a) Customer-oriented business objectives and strategies are established in a positive manner according to the management philosophy, type of industry, business scale, and business environment with the clear management belief”.</p> <p>(1) Describe your understanding about the business environment i.e., external environment such as customers, market, society, technology, competition, composition of the industry etc. and internal environment such as technologies, management, human resource etc.</p> <p>(2) Describe the management objectives (Status that must be achieved) set based on analysis of business environment.</p> <p>(3) Describe the management strategies i.e., means and measures for the attainment of business objectives and the mechanism for their formulation.</p>

<p>3. TQM Framework for the realization of Management Strategies</p>	<p>This chapter should explain the methodologies being practiced by the applicant regarding TQM described under item b) prescribed under “Organizations Qualified for Receiving the Prize” in the Deming Prize Guide namely, “b) TQM has been implemented properly to achieve business objectives and strategies as mentioned in item a) above”.</p> <p>Clarify the relation between aims of TQM promotion and framework (or master plan) of TQM, as well as business strategies and TQM. To be more precise, explain which thoughts, methodologies and methods are being used, how they are put to use and what effects they have delivered in the context of strategies being implemented. In addition, clarify what are your “Outstanding TQM Activities (former “Unique Activities”)” vis-à-vis competition.</p> <p>Further, describe about the details of the implementation status of various elements included in TQM Framework in Chapter 4.</p>
<p>4. Implementation Status of TQM</p> <ul style="list-style-type: none"> <li>4.1 Policy Management</li> <li>4.2 Daily Work Management</li> <li>4.3 Cross Functional Activities</li> <li>4.4 Problem Solving/Task Achieving Activities</li> <li>4.5 QC Circle Activities : Small Group Improvement Activities</li> <li>4.6 New Product Development Management</li> <li>4.7 Quality Assurance</li> <li>4.8 Utilization of IT</li> <li>4.9 Human Resource Development</li> </ul>	<p>Describe about the elements of TQM Framework mentioned in Chapter 3 (Policy Management, Daily Work Management, Cross Functional Activities, Problem solving/task achieving activities, QC Circle activities : Small Group Improvement Activities, New Product Development Management, Quality Assurance, Utilization of IT, Human Resource Development etc.) creating separate sections for each one of them.</p> <p>When describing them, explain how each of the elements is being practiced and clarify how they are organically linked with the realization of management strategies explained in Chapter 3.</p> <p>In addition, create a separate section and explain in details about the “Outstanding TQM Activities (former “Unique Activities”)” indicated in Chapter 3.</p>
<p>5. Overall Effect</p>	<p>In this Chapter, explain about the effects mentioned under item c) prescribed in “Organizations Qualified for Receiving the Prize” in the Deming Prize Guide namely, “c) As an outcome of item b), results have been obtained for business objectives and strategies as stated in item a)”.</p> <p>It is necessary to describe in a manner that corresponds with management objectives and strategies mentioned in Chapter 2 as well as there is compatibility with “Aims of TQM promotion and TQM framework” mentioned in Chapter 3.</p>
<p>6. Future Plan</p>	<p>Indicate a future plan to continue TQM after receiving the Deming Prize by referring to mid-term (3-5 years) management objective, management strategy to achieve the objective, and a plan to promote TQM in order to carry out the strategy effectively. Please also include remaining issues to be addressed and new actions to be implemented in a concrete manner.</p>

**Example 3**

1. Outline of the organization	Describe the outline, scale of operations, history, main products and characteristics etc.
2. Organization and Management	Describe about the organization, main businesses, main committees, characteristics of organizational management etc.
3. TQM Promotion	Describe the objectives behind introduction of TQM, issues at the time of introduction, focus areas for activities, progress of activities, implementation status, confirmation of effects, future issues etc.
4. Policy Management 5. Human Resource Development 6. Information Management 7. Standardization	Describe the framework of systems built based on TQM.  In each chapter, describe the objectives, problems (issues), focal point of activities, progress of activities, implementation status, systems and mechanism built, effects, future issues etc.
8. Implementation Status of Quality Control 8.1 New Product Development 8.2 Quality Assurance 8.3 Cost Management 8.4 Quantity and Delivery Management 8.5 Safety Management 8.6 Marketing 8.7 Environment Management etc.	Describe function-wise (Q, C, D, S, M etc.) implementation status of <b>Outstanding TQM Activities</b> (former “Unique Activities”) on quality control. (Choose the activities that you would like to emphasize on).  In each function, describe the problems (issues) at the beginning, focal point of activities, progress of activities, implementation status, systems and mechanism built, effects, future issues etc.
9. Overall Effects	Describe the overall effects of TQM promotion in a manner that relation with implementation status of TQM is understood. For tangible effects, show the trend graph using quantitative measures if at all possible.
10. Future Plan	Indicate a future plan to continue TQM after receiving the Deming Prize by referring to mid-term (3-5 years) management objective, management strategy to achieve the objective, and a plan to promote TQM in order to carry out the strategy effectively. Please also include remaining issues to be addressed and new actions to be implemented in a concrete manner.

2) Example of description of Chronology of Activities

	Year			
P	Objective			
D	Main Items of implementation	Focus areas of Activities 1		
		<ul style="list-style-type: none"> <li>• Specific items implemented</li> <li>• Specific items implemented</li> </ul>		
		Focus areas of Activities 2		
		<ul style="list-style-type: none"> <li>• Specific items implemented</li> <li>• Specific items implemented</li> </ul>		
		Focus areas of Activities 3		
		<ul style="list-style-type: none"> <li>• Specific items implemented</li> <li>• Specific items implemented</li> </ul>		
C	Effects			
A	Problems			

Describe in a manner that the rotation of PDCA is understood year by year.

3) Important remarks upon describing “Implementation Status”

1. Describe regarding each focal point of activities how the system/mechanism for improvement was devised and the level was improved.
2. Emphasize on activities that you are proud of or are your **Outstanding TQM Activities** (former “Unique Activities”).
3. Describe to make easily understood with maximum use of tables and graphs. Do not reduce the size of Tables/Graphs and ensure that they are legible.
4. Explain the implemented activities with specific case studies of Kaizen carried out.

## 9.4 The Format of DTQMP

- a) Size: A4 or Letter size
- b) Cover: Follow the style of the attached sample at the end of this guide
- c) Writing Method: Written horizontally and bound at the left  
One page should contain approximately 800 words. The use of a word-processor is encouraged to avoid extra costs.
- d) Number of Pages: Including charts and figures, the standard number of pages is shown below. A folded page is counted as one page plus the amount of material over one page.

1) General DTQMP: 50 pages or less excluding pages for the senior executives' thoughts on TQM Practices

### 2) Departmental DTQMP

Number of Employees per Unit	Number of Pages
100 or less	50 pages or less
1,000 or less	60 pages or less
2,000 or less	75 pages or less
more than 2,000	For each additional 500, 5 pages added. However, the number of pages must not exceed 100 in any case.

Note 1) The standard number of pages given above is only a guide; slight changes in number (approximately 10%) are acceptable.

2) The use of a large folded page and small letters in charts and figures should be avoided.

## 10. Document Examination

The purpose of the document examination is not a screening process to simply limit the number of organizations that can proceed to the on-site examination. Rather, it is to evaluate the level of TQM practices at the applicant organizations based on their documents submitted. In this manner, the document examination serves as a preparatory process so as to carry out the on-site examination without wasting any costs and time, which can be a high burden especially for the overseas applicants.

### 10.1 The purposes of the document examination

The document examination is a process to evaluate the applicant's DTQMP and other documents and judge if it is possible to conduct the on-site examination effectively at the applicant organization. Multiple examiners assigned to the applicant conduct the document examination to assess if the applicant can stand for the on-site examination from the viewpoint of the evaluation criteria (refer to 13. Evaluation Criteria) and if the on-site examination can benefit the applicant organization.

## 10.2 What is the document examination?

The results of the document examination are either passing or pending. If the applicant passes the documents examination, it moves on to the on-site examination. If it doesn't, the applicant is given a "continued examination" status. The continued examination means to allow the applicant to start with the process of resubmitting its DTQMP in the following year, unless it withdraws from the application. This status remains in effect for three years.

The cases that applicant may receive the status of "continued examination" are when they are in special type of businesses where appropriate examiners cannot be assigned or when the applicants' descriptions of their DTQMP are extremely insufficient to be used as reference materials for on-site examination.

## 11. On-Site Examination

When an applicant passes the document examination, it proceeds to the on-site examination. The on-site examination is carried out in Japanese. However, English may be used for handout or visual aid materials.

### 11.1 What is the on-site examination?

The on-site examination makes the core of the examinations for the Deming Prize.

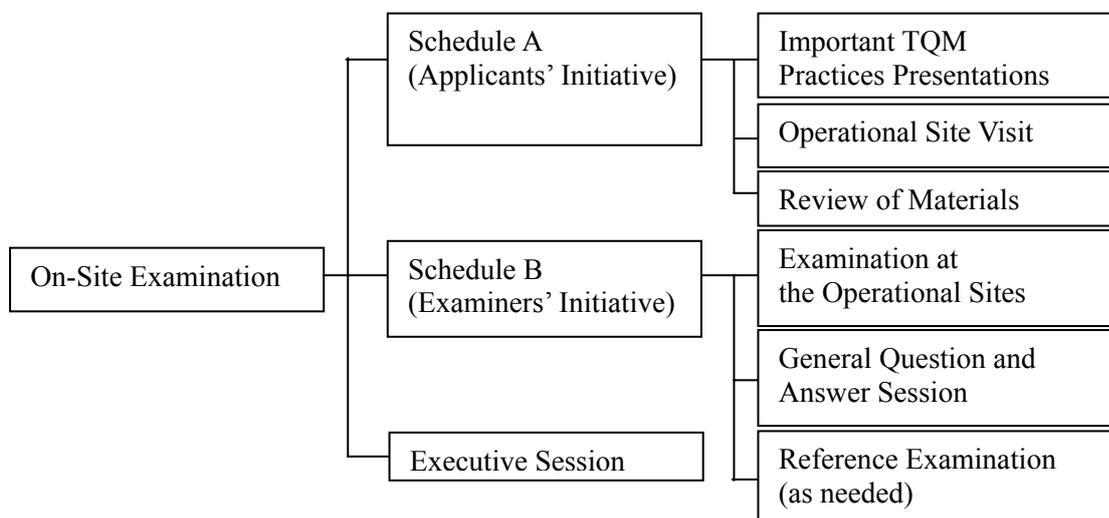
During the on-site examination, the examiners, who have been assigned to an examination unit (refer to 11.4 Notification of the Examiners and On-site Examination Schedule), visit and investigate the status of its TQM practices referring to its DTQMP.

In determining examination units, locations, schedules and the number of examiners for the on-site examination, the Committee considers the applicant's request and the best possible method for examining the applicant's TQM implementation status.

As shown below, the on-site examination consists of applicants' initiative Schedules A and examiners' initiative Schedule B. If necessary, a reference examination will be conducted.

Additionally, during the on-site examination of the examination unit with overall administrative functions, an executive session will be held with top management of applicant organizations.

The specific schedules of the on-site examination are determined through discussions between the applicant and the lead examiner at the preparation meeting.



**a) Schedule A**

Schedule A is the time allocated for the applicant organization to take the initiative in making the examiners understand the status and features of its TQM practices.

Schedule A consists of Important TQM Practices Presentation, Operational Site Visit and Review of Materials. The ratio of time allocated for the first two activities at the business unit level is two to one respectively. In the case of the examination unit with overall administrative functions, the operational site visit may be further shortened or deleted upon consulting with the lead examiner at the preparation meeting.

1) The Unit's Important TQM Practices Presentations:

These presentations include an explanation of the points that are considered to be particularly important in the Description of TQM Practices and the activities after the submittal of DTQMP which are followed by questions and answers on these points and explanations.

As a rule, ratio of the time allocation for the explanation part and Q&A part in the entire Important TQM Practice presentation should be 2 to 1. However, its time allocation will finally be decided taking into account the contents of presentation.

It is advisable to provide larger amount of time to Q&A especially for “Outline of the applicant organization”, “Management objective and policy”, and “TQM introduction and promotion” during Important TQM Practice Presentation, e.g. 1 to 1.

Materials supporting the important TQM practices presentation may be presented to or circulated among the examiners on the day of the examination.

2) The Operational Site Visit

For a factory, the operational site visit includes explanations at the operational site regarding production processes such as manufacturing, inspection, testing, packaging and storage; management methods; and products. For a non-factory site, the presentations are made at the sites where jobs are performed. When a product or its use needs to be understood, explanations may be provided at any appropriate site.

During the operational site visit, explanations should be given so as to enable the examiners to understand the business activities and the method of managing at each process and department. There is no need to make special preparations for this purpose. Rather, the use of existing materials is encouraged.

The time scheduled for the operational site visit should include questions and answers allocating 20% of the time.

3) Review of Materials

At the end of the important TQM practices session, approximately 40 minutes should be allocated for viewing the supporting materials, which help the examiners better understand the contents of the important TQM practices. In principle, documents of the past 3 years for the main organization concerning the important TQM practices presentation will be required. If significant organizational change has been introduced in the last 3 years, documents including the period prior to the introduction of the organizational change may be added. These documents must be prepared in a separate room for review.

Documents to be arranged include:

1. Long Term Plan, Annual Policy, Trend Graphs of Management Indicators on QCD etc.
2. Formats being used on daily basis for functions like new product development, quality assurance, cost management etc.
3. Case studies of kaizen

In the room for this document review, a few persons who can assist in document searches or respond to simple confirmations by the examiners and, in case materials are in electronic media format, those who can operate the system, should be available. However, no discussion on the contents of documents will be carried out during the review. In the event discussion does take place, it is not regarded as the formal answer.

## **b) Schedule B**

Schedule B is the time allocated for the examiner-initiated portion of the examination. It is conducted at the departments and functions related to Schedule A's presentations on the important TQM practices and operational sites. The purpose of Schedule B is to see in actual the TQM practices presented during Schedule A. The applicant is to prepare at least 3 drafts of Schedule B and submit for discussion with the examiners at the preparation meeting. The examiners will decide on the final draft of the schedule. This plan, however, is subject to change. As a rule, the timetable for Schedule B will be presented to the applicant at the completion of Schedule A and implemented upon approval.

Schedule B consists of the examination at the operational sites and the general question and answer session.

### **1) The Examination at the Operational Sites**

When appropriate, the examination at the operational sites is conducted simultaneously by teams consisting of two or more examiners. However, each member of the same team may conduct his part of the examination separately.

This examination at the operational sites is conducted under the instruction of the examiners. Therefore, the examiners also determine the examination methods. There is no fixed format for the examination. The examination methods may change department by department or examiner team by examiner team. The examiners use various methods of their own. The following show some examples:

Example 1: Please show me your department's lists of management items, control graphs and process capability indices. Among these management indicators, please pick the most important one and explain how you rotated the PDCA cycle using a case example.

Example 2: Please show me a case example that you solved problems on a priority issue of your department's annual plans this year.

Example 3: Please go and get a defective item at the final inspection process at the operational site and point out how you rotated the PDCA cycle regarding this item on an actual document used.

Example 4: Please show me how your section's important management items are related to the corporate's priority issue. Among these items, please pick one that you could not achieve its target and tell me how you rotated the PDCA cycle.

Example 5: Please present a case example that you used SQC effectively.

These questions are directed to the items related to the important TQM practices and the operational site visit during Schedule A. The examination is conducted according to the evaluation criteria introduced later. The examination is to review if the activities are indeed carried out based on the facts. The applicant is requested to prepare related materials. However, there is no need to make special preparations for this purpose. Rather, the use of existing materials is encouraged.

## 2) The General Question and Answer Session

The general question and answer session is conducted after the examination at the operational sites. It also does not follow a fixed format. The applicant may be allowed to provide supplemental and corrective explanations on what have been presented as well as additional materials. If so desired, the applicant should consult with the lead examiner.

### c) **Executive Session**

As executives play such important roles in promoting TQM, “the executive session” intends to investigate (evaluate) their understanding, enthusiasm, establishing and deploying policies and reviewing activities through questions and answers in an informal manner. The following points are included:

- 1) Understanding of and enthusiasm toward TQM
- 2) Insights into top management leadership, visions, strategic policies and environmental changes
- 3) Organizational strength (maintenance and strengthening core technology, speed and vitality)
- 4) Employee development
- 5) Organization’s social responsibilities

The executive session is conducted after the Schedule B of the on-site examination unit with overall administrative functions.

Participants from the applicant organization in the executive session are determined at the preparation meeting for the on-site examination. Those who intend to participate in this session must have submitted their thoughts on TQM Practices at the time of DTQMP submission. (refer to 9.3 a)-5) Senior Executive's Thoughts on TQM Practices)

The lead examiner acts as moderator, and after the participants share their thoughts, as a rule, a talk between the examiners and the executives ensues.

### d) **Reference Examination**

A Reference Examination may also be carried out, if deemed necessary. Reference Examination is applied to organizations (especially the procurement-related, subcontractors, affiliated organizations in relation to overall administration etc.: Reference Examinees hereafter) closely related to the applicant from the standpoint of assuring and improving quality in products/services provision. The purpose of reference examination is not grading the Reference Examinee, but to confirm the approach of the applicant’s management and quality, status of quality management activities, and to use this information for reference in evaluating the applicant. Therefore, in principle, the Reference Examinee is not evaluated for its status of TQM, its level of QA, its level of

sales management etc. Reference Examination is included in the Schedule B but is carried out with consent of the Reference Examinee.

In case the Reference Examinee is not located close by, the introduction of the reference examinee, promotion status of QCD, case studies of Kaizen etc. may be arranged and shown at the applicant's place through video or other mediums. However, it is not necessary that Reference Examination be carried out for each examination unit.

## 11.2 Standard Time Allocation for the On-Site Examination

As a rule, the on-site examination is carried out from 9:00 a.m. to 5:00 p.m., with lunch break of one hour. The morning session of the examination includes a 15-minute break and the afternoon session a 20-minute break. The following is a typical time allocation for the on-site examination.

Standard Time Allocation for Examination Units without overall administrative functions

Days Needed	Activities and Time Allocation	
0.5 day	Schedule A	2 hours (A.M. or P.M.)
	Schedule B	2 hours (P.M.)
1.0 day	Schedule A	3 hours (A.M.)
	Schedule B	4 hours (P.M.)
1.5 days Example 1	Schedule A	3 - 4 hours (Day 1 A.M. and P.M.)
	Schedule B	3 - 4 hours (Day 1 P.M.)
	Schedule B	2 - 3 hours (Day 2 A.M.)
1.5 days Example 2	Schedule A	4 hours (Day 1 P.M.)
	Schedule B	5 - 6 hours (Day 2 A.M. and P.M.)
2.0 days	Schedule A	7 hours (Day 1)
	Schedule B	7 hours (Day 2)

Note) The above time schedule does not include time for interpretation. In general, the examiners will carry out the on-site examination in Japanese. Additional time should be allotted for interpretation. Interpretation should be consecutive interpretation, not simultaneous interpretation. Standard interpretation device of microphones and headphones must be provided if simultaneous interpretation will be conducted.

Standard Time Allocation for Examination Units with overall administrative functions

Days Needed	Activities and Time Allocation	
1.0 day	Schedule A	2 - 3 hours (A.M.)
	Schedule B	3 - 4 hours (P.M.)
	Executive Session	1 hour (P.M.)
2.0 days	Schedule A	5 hours (Day 1 A.M. and P.M.)
	Schedule B	2 hours (Day 1 P.M.)
	Schedule B	5 hours (Day 2 A.M. and P.M.)
	Executive Session	1 - 2 hours (Day 2 P.M.)

Note) In case of the examination units with overall administrative functions, the standard time allocation as presented above may not be applied if deemed necessary.

### 11.3 Request for On-Site Examination Units and Schedules

The applicant organization should submit its request for on-site examination units and schedules at the time of application.

Strictly speaking, this request should be made after the applicant has passed the document examination. However, this information is essential when selecting examiners. Therefore, the applicant is requested to send it at the time of application.

#### 11.3.1 What are On-Site Examination Units?

Depending on the applicant's size, organizational structure, scope of business, and its geographical location(s), the on-site examination will be carried out according to the following two plans:

Plan (I): The examination is scheduled and conducted separately for appropriate sub-organization groups which comprise the entire applicant organization.

Plan (II): The examination is scheduled and conducted together for the entire applicant organization.

In the case of (I), the on-site examination may not be conducted at all sub-organization groups. A sub-organization group selected for the on-site examination is referred to as an "examination unit." The Deming Prize Examination Committee determines which sub-organization group(s) will be examined, considering the applicant's request.

In the case of (II), the entire organization will constitute a one examination unit.

Please refer to the following chart when dividing the examination units

	a) Two or more examination units	b) One examination unit
Business description	Multiple business operations with features by respective businesses	Single business operation
Geographical location	Multiple business bases	Single business base
Scale of business	Very large	Not large
Examination target	Each business and base	Combined as one unit
Notes	1 Each examination unit will receive Examination Findings Report respectively. 2 Requires JPY 400,000 per additional examination unit	

### Example of examination unit divisions

Example) Company A with 4 examination units

Examination unit	Business description	Geographical location	No. of examiners	Length of examination	No. of employees
Headquarters		South dist.	6	1	
Domestic Sales	Domestic Sales	-	4	1	
East dist. Office	Housing material production	East dist.	4	1	
West dist. Office	Auto parts production	West dist.	4	1	

Example) Company B with 1 examination unit

Examination unit	Business description	Geographical location	No. of examiners	Length of examination	No. of employees
Company B	Textile production and sales	headquarters	8	2	
		South dist.			
		East dist.			
		West dist.			

#### 11.3.2 The contents of the request

When making a request for examination units and schedules, the applicant organization should clarify the following points:

- 1) Plan I or Plan II  
In the case of Plan (I), include how to divide the organization into examination units.
- 2) The number of examiners and the number of days for each examination unit.
- 3) The examination dates for each examination unit

In general, two or more examiners conduct the on-site examination for each examination unit (four or more examiners for Plan II). The standard number of examiners is 4 and the maximum 8, basically even numbers. As a rule, the on-site examinations are scheduled as shown below. The applicant organization should select the requested dates for each examination unit between July 21st and September 30th. The request should show the applicant's choices (up to the fifth priority or so) as well as inconvenient dates. When Plan (I) is selected, the on-site examination with overall administrative functions will be conducted at the end.

Examination Unit	Number of Days
Organization with overall administrative functions	1 – 2 days
Division, Branch Office	0.5 – 1 day
Plant, Factory	1 – 2 days
Laboratory	0.5 – 1 day
Regional, Sales, Local Office	0.5 – 1 day

- Note 1) When the organization with overall administrative functions and the plant are united as organization, and are, therefore, difficult to separate for the examination, they are treated as one examination unit, and the examination is conducted for one or two days.
- Note 2) In case of having unique organizational structures, the Deming Prize Examination Committee will listen to the applicant's concern and try to accommodate it in its decision-making process.

#### **11.4 Notification of the Examiners and On-site Examination Schedule**

After reviewing the applicant's request, the Deming Prize Examination Committee determines which examiners will conduct the on-site examination and what schedule they will follow. This information will be communicated to the applicant organization together with the notification of passing the document examination. Even after the notification was made, the examiners and the number of examiners may change due to unforeseeable circumstances. In such a case, the applicant will be advised of the change as soon as possible.

One of the examiners for each examination unit will be assigned as the lead examiner who takes responsibility for the smooth operation of the examination. When two or more examination units are chosen, a chief examiner, who coordinates the overall on-site examination, is selected from among the lead examiners.

Note) The restriction for consultants or counselors to the applicant organization

When a member from the Deming Prize Examination Committee has been offering TQM consultation services to the applicant organization, he/she should not provide any such services to the applicant after the day when the first on-site examination for the year begins to the day when the examination result is announced to public. The applicant's consultant/counselor will not be involved in the on-site examination. However, this rule does not apply for the consultants/counselors who have only lectured for the applicant organization or whose last consultation services to the applicant organization was a year or more before the examination.

#### **11.5 Preparation Meeting for the On-Site Examination**

For each examination unit, a preparation meeting for the on-site examination will be held between the applicant organization and the lead examiner (the other examiners may also attend this meeting.) As for the participants from the applicant organization, there is no limit. Commonly 3 or 4 people attend including the person in charge for applying for the Prize, managers and staff members. When multiple examination units are involved, the people in charge for these units may also attend the meeting.

The time allocated for this meeting is approximately half a day (including interpretation time)

It is held at the location of the Secretariat for the Deming Prize Committee.

### 11.5.1 The contents of the meeting

For the smooth implementation of the on-site examination, the following will be discussed at the preparation meeting:

- a) Schedule A ⇒ determined at the meeting
- b) Schedule B ⇒ draft plans are determined
- c) Reference examinee (refer to 11.1 d) Reference Examination)  
⇒ determined at the meeting
- d) Participants of the executive session ⇒ determined at the meeting

Additionally, administrative issues (hotels, transportation means and examination room layouts) will be discussed at the meeting.

### 11.5.2 Agenda for the meeting

1. Introduction of examiners, organization representatives, the accompanying secretariat and interpreter
2. Production of the preparation meeting minute
  - Requested to the organization to submit within one week after the meeting
3. Purpose of this preparation meeting
  - Exchange of information, discussion, and decision making of draft plans for the smooth operation of the on-site examination and the examination schedule
  - Explanation on Items with possibility of change for the onsite examination
4. Brief presentation on organization profile and examination unit by the organization representative
5. Determination of Schedule A
  - (1) Proportion of the 'Important TQM Practices Presentations' and the 'Operational Site Presentations' should be 2:1 in principle
  - (2) Proportion of 'presentation' and 'Q&A' should basically be 23:1 however, the time allotment for 'Q&A' may change depend on the number of examiners
  - (3) Procedure for the 'Review of Materials' (Standard time: 30 minutes, Circulation possible)
  - (4) Around 20% of the time allotted for the 'Operational Site Visit Presentations' should be spent on Q&A.
6. Determination of Schedule B (to see the status of quality management practice at the examining department)
  - (1) Discussion on draft plans and time allotment
  - (2) Discussion on team composition, and combination of department to be examined
  - (3) Determine the organization for Reference Examination
  - (4) Confirm attendants to the 'General Q&A Session'
7. Executive Session
  - Confirm attendants to the Executive Session
8. Examination Venue, Accommodation and transportation
  - (1) Mode of transportation, time schedule
    - When the examination team needs to be separated to examine the multiple sites during schedule B, divide the team and determine the accompanying secretariat as well as the

interpreter (for oversea companies) in advance in order to make preparation such as transportation and accommodation if required

#### 9. Layout of the examination room

(1) (Schedule A)

- Seating maps for the examiners, microphone, screen, presenters, MC and participants from organization (supporting staffs are not allowed to stand behind the examiners)

(2) (Schedule B)

- location, transportation, room layout of the examination venue. Procedure of the presentation

(3) Confirmation on examiner's waiting room

#### 10. Confirmation on emergency contact

- Company representatives/examiners/Secretariat

#### 11. Confirmation on items arranged by the company

(1) Simplification of accommodation, meals and transportation

(2) Lighting, noise, internet usage, and bearing of communication expenses at the hotel

(3) Availability of a LCD projector for the post examination meeting among examiners

(4) Arrangement of post examination meeting room (Date, time, and venue)

(5) Interpreters

1) For Schedule A, 2 interpreters (1 each for the applicant organization and for the examination team) and for Schedule B, 1 interpreter per examiner needs to be assigned.

2) Sufficient experience, TQM knowledge, and Japanese command required.

#### 12. Remarks for the examination day

- Video shooting and recording (for internal use only)

- Additional submission of materials for the 'Important TQM Practices Presentations' is permitted with approx. 30 minutes reviewing time. No guarantee of looking through all

- Distinction of materials (Confidential/Return required)

#### 13. Questions/Enquiries from the company

#### 14. Others

- In case of delay in schedule on the examination day, report immediately and consult with the accompanying Secretariat for measures

- Regarding the record of question and answers during the examination, its submittal is requested with the consent of the company (Not mandatory requirement)

- Schedule hereafter until the Deming Prize Award Ceremony by referring to the separate document (preparatory guidelines towards the ceremony considering the possible passing of the examination)

### 11.5.3 Materials to be prepared

The applicant organization is requested to bring the materials listed below to the meeting. As for the number of people attending the meeting, please contact the Secretariat for the Committee.

a) The materials that explain each examination unit's business activities and the organization of its employees.

b) Materials proposing the items listed under 11.5.1, a), b), c), and d) as well as the relevant materials listed under 11.5.2.

When developing these draft plans, please refer to "11.1 What is the on-site examination?" and "10.2 Standard Time Allocation for the On-Site Examination."

## **11.6 Overall Points to Remember Regarding the On-Site Examination**

- a) Based on the applicant's DTQMP, the examiners judge if the applicant passes the document examination. In the event of applicant passing, DTQMP helps the examiners conduct the on-site examination efficiently.
- b) As a rule, the examiners will provide no advice or guidance during the on-site-examination, nor will they give any comments to the applicant immediately following the examination.
- c) Unless otherwise requested by the examiners, only the people in each respective examination unit should answer the examiners' questions. Consult the lead examiner first, should you wish to have someone outside the examination unit answer their questions..
- d) When confidential items are included in the presentation materials during the examination, they should be clearly indicated as such. The examiners will be especially cautious about the information indicated as confidential so as not to disclose it to any third party.
- e) Because of confidentiality requirements, the applicant organization may refuse to provide explanations, furnish materials, or allow access to operational sites. On the other hand, the examination must be conducted based on facts. If there are too many such refusals, the examiners may be unable to perform the necessary examination.
- f) On examination day, the examiners may wish to exchange information among themselves. The applicant is requested to provide facilities for such purposes.
- g) For the on-site examination, hospitality such as chauffeuring and dining should be simple and frugal.
- h) The examiners will not receive any articles other than documents necessary for the examination
- i) The examiners will not dine with personnel (including the associated organization) from applicant organization during the on-site examination and also on the day before.
- j) As a rule, the examiners will not ride in the same vehicle with personnel from applicant organization for transportation. However, this does not apply to the driver of the company/office car and during the on-site examination.
- k) The on-site examination may be recorded on audio or videotapes for internal use. Their external use is strictly prohibited. Please request to the examiners for permission in advance.

## **11.7 Confidentiality of the Examination**

The examiners will not disclose information obtained through examination process to the third party without prior consent of the applicant organization.

## 12. Examination and Evaluation Methods

The examination for the Deming Prize focuses on the following key points:

<Organizations Qualified for Receiving the Prize>

The Deming Prize is given to applicant organizations that realize the following three particulars by means of TQM.

- a) Customer-oriented business objectives and strategies are established in a positive manner according to the management philosophy, type of industry, business scale, and business environment with the clear management belief.
- b) TQM has been implemented properly to achieve business objectives and strategies as mentioned in Item a) above.
- c) The business objectives and strategies in the Item a) above have been achieving effects as an outcome of the Item b) above.

Each category has evaluation criteria, and each criterion contains “items” and “points” which should serve as tentative standards. At the time of examination, the Committee may change allocations in consideration of the applicant’s business type. The focus of the examination is on three points listed above. Therefore, the applicants are examined by how TQM is implemented to suit their business and obtained the results.

### 13. Evaluation Criteria

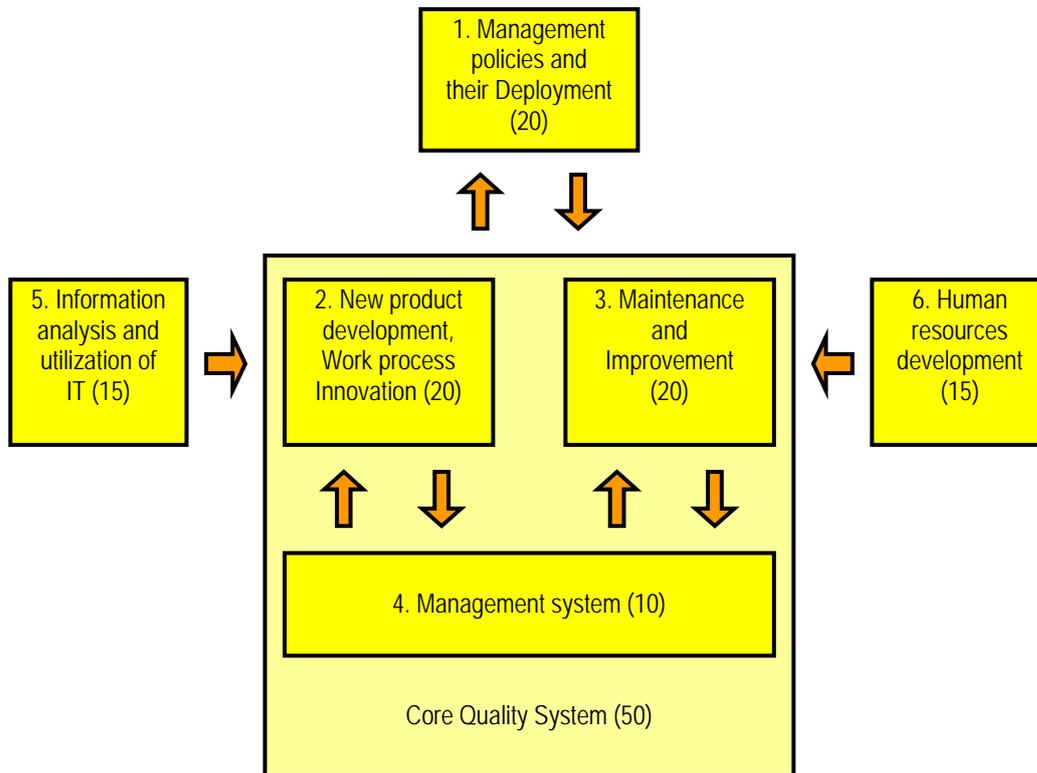
Evaluation criteria consist of “basic categories”, “Outstanding TQM Activities (former “Unique Activities”)” and “roles of top management.” The items and points given to each basic category are tentative standards. Considering the applicant’s business type, the Committee may change allocations.

#### 13.1 Basic Categories

##### 13.1.1 Evaluation items and points

Evaluation Items		Points
1.	Management policies and their deployment regarding quality management	20
a.	Under clear management policies that reflect its management principles, industry, business, scope and business environment, the organization has established challenging, quality-oriented, customer-driven business objectives and strategies.	(10)
b.	Management policies are deployed throughout the organization and implemented in a united way.	(10)
2.	New product development and/or work process innovation	20
a.	The organization actively develops new products (including services) or innovates work processes.	(10)
b.	New products need to satisfy customers’ requirements. In the case of work process innovation, it must contribute greatly to the efficiency of business management.	(10)
3.	Maintenance and improvement of product and operational qualities	20
a.	Daily Work Management Through standardization and education/training, the organization rarely has troubles in daily work and major operations in each department have been stabilized.	(10)
b.	Continuous Improvement The organization makes improvements on quality and other aspects of its business in a planned and continual manner. It has reduced claims and defect problems in the market or the succeeding processes. It has been maintaining claims and defect problems in the market or the succeeding processes at extremely low levels. The customer satisfaction rate has improved.	(10)
4.	Establishment of systems for managing quality, quantity, delivery, costs, safety, environment, etc The organization has established the necessary systems among the ones listed above and utilizing them effectively.	10
5.	Collection and analysis of quality information and utilization of information Technology The organization collects quality information from the market and within its organization in an organized manner and utilizes it effectively. Together with the use of statistical methods and information technology, such information is utilized effectively for developing new products and maintaining and improving operational qualities.	15
6.	Human resources development The organization educates and develops its human resources in a planned manner resulting in maintaining and improving product and operational qualities.	15

### The relationship within basic categories and points



#### 13.1.2 Evaluation methods

Each evaluation item is reviewed from the following four angles and scored according to the levels listed below:

##### a) Evaluation angles

1.	Effectiveness	Effective to achieve the objectives
2.	Consistency	Consistent throughout the organization
3.	Continuity	Continuous from mid- and long-term viewpoints
4.	Thoroughness	Through implementation at the department involved

b) Levels

Levels	Activities Implemented	Points	
		Items with 10 points max.	Items with 15 points max.
1	No Activity	0	0
2	Inferior	1-3	1~5
3	Fair	4-6	6-9
4	Excellent	7-8	10-12
5	Exceptional, benchmarks in the world	9-10	13-15

The Relationship Between Evaluation Items and Angles

	Effectiveness	Consistency	Continuity	Thoroughness
<b>1. Management policies and their deployment</b>				
Policies and strategies(10)	◎	○	○	—
Deployment of policies(10)	○	○	○	◎
<b>2. Product development, work process innovation</b>				
Enthusiasm(10)	○	○	○	○
Results(10)	◎	—	○	—
<b>3. Maintenance and improvement</b>				
Daily management(10)	○	○	◎	○
Continual improvement(10)	◎	○	○	○
<b>4. Management system(10)</b>				
Management system(10)	○	◎	○	○
<b>5. Information analysis and utilization of IT(15)</b>				
Information analysis and utilization of IT(15)	○	○	○	○
<b>6. Human resources development(15)</b>				
Human resources development(15)	○	○	○	○

Note) In the table, “◎” indicates the strong relationship between a given evaluation item and a given evaluation angle. In evaluating the specific evaluation item, its corresponding angle will be the focus. The “—” symbolizes no relationship between a given evaluation item and given evaluation angle, and no evaluation made from that angle.

**13.2 Outstanding TQM Activities\* (former “Unique Activities”)  
\*Onward from 2014,**

**13.2.1 What are Outstanding TQM Activities? (former “Unique Activities”)**

**Outstanding TQM Activities** (former “Unique Activities”) refer to the applicant’s core quality related activities for its development that it focuses on, employs unique ideas to and achieves the favorable results from. Such activities may include basic categories 1 to 6. The applicant organization should have at least one unique activity. The following lists some examples:

Top management vision, business strategies and leadership

- Strong leadership is exerted to share the values of the vision.
- Business strategies are established to become an excellent organization.
- Under the excellent vision, the organizational innovation and improvement takes place.
  - Development of systems to create and improve mechanism of unique and effective qualities suitable for its industry and organization
  - Innovation of quality management system processes such as concurrent engineering
  - Establishment of production and purchasing systems that secures quality and delivery in the case of overseas production and procurement

Creation of values for the customers

- The organization develops quality management systems to create values for the customers and provide products and services that include such values.
  - Materialization of its product planning process that is excellent for developing products and services
  - Development of research and technology development systems for creating excellent new products and services
  - Development of quality management systems that can secure customer satisfaction in solution businesses

Remarkable improvement of organizational performance

- Quality improvement
- Speed and productivity improvement
  - Establishment of new product development systems that shorten the development times while securing quality
  - Development of quality management systems that secure qualities in supply chain management (SCM)
- Cost reduction
  - Development of quality management systems to secure qualities while significantly reducing costs
- Securing environment and safety
  - Establishment of quality management systems that incorporates maintenance of environment, resources saving and energy saving
  - Establishment of management systems that emphasize the safety of operations and products

Establishment of the management foundations

- Enhancement of technological capabilities and core competence
  - Enrichment of core competence that focuses on quality
  - Development and deployment of quality management systems that can deepen technological capabilities
- Response to changing business environment
  - Building management fitness that can respond flexibly to the changes in business environment
- Strengthened human resources development
  - Establishment of human resources development systems that can enhance employees' capabilities and satisfaction
- Strengthened foundation of information systems
  - Establishment of excellent quality management systems using information technology

Others

- Excellent and Outstanding TQM Activities (former "Unique Activities") that are not listed above

### 13.2.2 Evaluation method

The Outstanding TQM Activities (former "Unique Activities") are not evaluated if they conform to existing criteria; rather, their evaluation is focused on performance. There is no criterion set for each evaluation item. It is evaluated from the evaluation angles listed below 1) to 3) using the scale of 1 to 5. After all points are summed up, an overall evaluation is performed using the scale of 1 to 5.

a) Evaluation angles

1) Effectiveness	It is actually conducted as an organized activity and contributes to the organization's performance improvement and further growth.
2) Reproducibility	The subject for evaluation is not on new products, services and technologies developed, but it is on management method that enabled their development. Such a method must be established as a system so that similar results can be expected when it is applied to similar situations.
3) Innovativeness	It must be innovative and can be expected to contribute to management development in a given field.

b) Evaluation criteria (for each angel)

1 point	None exists
2 points	Hardly any exists
3 points	Somewhat exists
4 points	Exists
5 points	Greatly exists

c) Criteria for overall evaluation

1 point	Non-admirable activity
2 points	Activity can be found elsewhere
3 points	Good activity, but not excellent
4 points	Excellent activity constituting an element of the core technology
5 points	Exceptional activity, can be other organizations' benchmark

### 13.3 Roles of top management

As executives play such important roles in promoting TQM, “the executive session” intends to investigate (evaluate) their understanding, enthusiasm, establishing and deploying policies and reviewing activities through questions and answers in an informal manner. The following points are included:

- 1) Understanding of and enthusiasm toward TQM
- 2) Insights into top management leadership, visions, strategic policies and environmental changes
- 3) Organizational strength (maintenance and strengthening core technology, speed and vitality)
- 4) Employee development
- 5) Organization's social responsibilities

#### 13.3.1 Evaluation methods and criteria

An overall evaluation is made using the scale of 100 points in consideration of the examination findings from the executive session, basic items and **Outstanding TQM Activities** (former “Unique Activities”) as well as the management results obtained.

## 14. Judgment method

### 14.1 Basic Categories

- 1) Each examiner evaluates independently giving a point to each item from 1) to 6) and totals them.
- 2) The median value of all examiners’ scores is identified. If the value is 70 points or higher, it is considered passing.
- 3) When the condition above is not met and the scores among the examiners are dispersed, the examiners meet to disclose their scores and review their evaluation before the final judgment is made.

### 14.2 **Outstanding TQM Activities** (former “Unique Activities”)

- 1) Each examiner evaluates the activity on its effectiveness, reproducibility and innovativeness in the scale of 1 to 5 with his/her short description of reasons. Based on these points, he/she reviews the activity again and comes up with an overall score in the scale of 1 to 5.
- 2) The median value of all examiners’ scores is identified. If the value is 3.5 points or higher, it is considered passing.
- 3) When the condition above is not met and the scores among the examiners are dispersed, the examiners meet to disclose their scores and review their evaluation before the final judgment is made.

### 14.3 Roles of Top management

- 1) Each examiner evaluates independently based on the results of the executive session using the scale of 100 points.
- 2) The median value of all examiners' scores is identified. If the value is 70 points or higher, it is considered passing.
- 3) When the condition above is not met and the scores among the examiners are dispersed, the examiners meet to disclose their scores and review their evaluation before the final judgment is made.

### 14.4 Overall judgment

- 1) When the applicant organization has only one examination unit,  
  
To pass the examination, the applicant must be awarded passing point for each of the categories—basic categories, **Outstanding TQM Activities** (former “Unique Activities”) and top management.
- 2) When the applicant organization has two or more examination units,  
  
The same evaluation method as above will be applied for the examination unit with overall administrative functions. For the other examination units, “basic categories” and “**Outstanding TQM Activities** (former “Unique Activities”)” will be evaluated. Next, passing units are given 1 point, while non-passing units are given 0 point. Then the weighted average of these points is calculated. If it is 0.5 or higher, the applicant passes the examination.

When it is judged that the applicant organization has acted in a socially immoral manner, the decision on its passing or not passing may be suspended.

## 15. Determination of Prize Winners and Notification of the Examination Result

The Deming Prize Examination Committee reports the evaluation results of each applicant organization to the Deming Prize Committee. When applicants are considered qualified based on the report, the Deming Prize is awarded by the Deming Prize Committee.

In the event that the applicant has not attained a passing point score, final judgment is reserved and, unless the applicant requests withdrawal, the status is considered as “continued examination.” Subsequent examinations are limited to twice during the validity of next three years. Subsequent examinations will focus on what was indicated at the previous examination and what has changed since then. The applicant is recognized as having passed the examination when it has sufficiently improved upon the previously noted issues and has achieved the necessary level to pass.

The successful applicant organization will be informed of the examination result as promptly as possible, followed by an official written notice by mail. In the case of continued examination status, only an official written notice by mail will be provided.

## 16. Report on Examination Findings

The prize winner will receive a written report on the examination findings on the day of the Deming Prize award ceremony. In the event that the applicant receives a continued examination status, the report will be sent by mail. Upon request from the applicant, two or

more examiners will visit the applicant with a written report to explain the examination findings around the time of the Deming Prize award ceremony. The report on examination findings is prepared for each examination unit. Each report consists of three parts: an overall evaluation, comments on each item (given in 13. Evaluation Criteria) and comments on each department. In concrete terms, it presents merits, improvement opportunities and recommendations for future improvement by item and by department.

**17. Public Announcement of Prize Winners**

In mid-October, the Deming Prize Committee makes a news release at a press club about the prize winners. The contents are announced in the “Nihon Keizai Shimbun” (the world’s largest selling business daily) and also reported in the JUSE’s home page and web magazines "Quality Management" and "JUSE News." At this time, the reasons for the award are revealed to the public. If an applicant organization receives a “continued examination” status, nothing whatsoever about the organization, including its name, is announced.

At the award ceremony, which takes place in November, winners receive the Deming Medal with an accompanying certificate of merit.

**18. Duties of the Prize Winner**

- (a) **Winners Presentations by the prizewinners**  
The prize winners will be asked to report its TQM practices and experience at the Winners Presentations Meeting. Within 15 days after being notified of the examination result, the prize winner is requested to submit a manuscript of its TQM practices, to be included in the summary report of the prize winners’ TQM practices distributed to all participants at the Winners Presentations Meeting.
- (b) The prize winners are encouraged to actively share with the other organizations their TQM know-how obtained through the processes of challenging for the Deming Prize and receiving the examination.

**19. Status Report and Post-Prize Review Three Years after Receiving the Prize**

The prize winners in their third year after winning the Deming Prize become eligible to challenge the Deming Grand Prize on the condition of having received TQM Diagnosis by the Deming Prize Committee no later than one year prior to the year of Deming Grand Prize application. If decided not to apply for the Deming Grand Prize, the prize winners will be requested to submit “Post-Prize TQM Practice Status Report” on the status of its TQM practices three years after having received the prize. (i.e., 2011 winner is requested to submit the report in 2014)

Contents must explain:

- 1. Follow up activities on items pointed out in the Examination Findings Report of the Deming Prize. Categorize the follow up activities into a) completed, or b) in progress using the table shown below.

No.	Category	Items pointed out in the Examination Findings Report	Follow up activity	a	b
				Completed	In progress

- 2. Current status of the future plans presented at the time of the examination

### 3. Newly introduced TQM activities after winning the prize and their results

After receiving the report, either to carry out following a) or b) will be determined by the Deming Prize Committee, taking into consideration the prize winner's request as well as contents of the submitted report.

- a) TQM diagnosis by the Deming Prize Committee (refer to page 30)
- b) Post-Prize\* review three years after winning the Deming Prize

Please refer to page 30 for the option a). TQM diagnosis. The Deming Prize Committee strongly recommends each prize winner to carry out the TQM diagnosis for further promotion and development of TQM.

To conduct b) Post-Prize review three years after winning the Deming Prize, One-day on-site review will be carried out by two examiners appointed from the Deming Prize Examination Committee, based on the submitted Post-Prize TQM Practice Status Report. The Post-Prize review consists of an explanatory presentation on the post-prize TQM practice status by the president or executive in charge of TQM of the prize winner, followed by discussion.

\*For overseas winners wishing to request b) Post-Prize Review three years after winning the Deming Prize, no on-site review will be carried out. Instead, representatives who take responsibilities in promoting TQM in the prize winner's organization will be requested to visit the Secretariat to make an explanatory presentation on the post-prize TQM practice status to the appointed examiners, and exchange ideas.

Please consult with the Secretariat for the Deming Prize Committee for details.

## **20. Examination Expenses**

There is no examination fee. However, apart from the application fee (Refer to 7.2 Application fee), the applicant organization is expected to carry the expenses associated with the on-site examination, such as travel and hotel accommodations for the examiners and their accompanying Secretariat member, as well as production cost of the report on examination findings. When determined as the prize winner, production cost for the summary report of the prize winners' TQM practices distributed at the Winners Presentations and co-sponsorship fund for the award ceremony are also requested to be borne by the prize winners.

## **B) TQM Diagnosis by The Deming Prize Committee**

Encouraged to be used to prepare for the Deming Prize application or understand the level of TQM at your organization

### **1. Eligibility for Application**

The TQM Diagnosis by the Deming Prize Committee is conducted with the aim of contributing to the further development of the TQM promotion. Since there are no eligibility conditions for this diagnosis, any organizations that are implementing TQM can apply for the TQM Diagnosis. Please keep in mind that the organization having received the TQM Diagnosis can not apply for the Deming Prize in the same year as the TQM Diagnosis. The organization will be able to receive recommendations to proceed with the application for the Deming Prize in the following years.

### **2. Application Procedures**

Organizations wishing to receive the TQM Diagnosis must select one of the three reasons provided below and submit the application form (provided at the end of this booklet) at least three months prior to the desired dates. However, no diagnosis will be conducted during the Deming Prize examination period in principle.

- a) To receive a diagnosis for recommendations at the introductory or promotional stage of TQM.
- b)\* To receive a diagnosis for recommendations to make an effective use of the Deming Prize challenge.
- c)\* To receive a diagnosis for recommendations to make an effective use of the Deming Grand Prize challenge, in lieu of receiving the Post-Prize review three years after receiving the Deming Prize.
  
- (\* ) Carrying out the TQM Diagnosis by the Deming Prize Committee is a mandatory requirement upon application for the Deming Prize/Deming Grand Prize. In the event that the application is made to prepare for the Deming Prize/ Deming Grand Prize challenge, the pre-application consultation will also be carried out by the examiners during the on-site diagnosis.
- (\* ) It is also noted that the TQM diagnosis with an aim to prepare for the Deming Prize/Deming Grand Prize will be carried out once respectively for each prize, unless otherwise granted by the committee due to changes in application unit, application scope, applicant's organization etc.

As a rule, the lead examiner who represents the diagnosis team will have a preparation meeting with the applicant representatives to discuss the procedures for the Diagnosis at least one month before the on-site diagnosis dates.

### **3. Submittal of Documents**

To ensure an effective diagnosis, the following documents should be submitted at least 1 month prior to the dates desired for the TQM Diagnosis:

- (a) A document that describes the organization: materials that provide information such as the scale of business, organizational structures, products and services, and organization-specific terminology.
- (b) A document that describes the organization's TQM practices: materials that reflect the status of TQM implementation in each diagnosis location. For example, materials used for internal TQM audit may be used. As for the format and contents of this document,

there is no set standard. However, the total number of pages for each diagnosis location should be between 30 and 50 when receiving the diagnosis designated for a) in the application procedures above.

When carrying out the diagnosis designated for b) or c) in the application procedures above, the total number of pages should comply with the DTQMP for the Deming Prize. (Refer to 9. Submittal of the Description of TQM Practices, p10 in this guide.)

The documents are requested to prepare based on the instruction as well as the checklist provided by the Secretariat.

The above documents for each diagnosis location shall be prepared for the number of committee members who will conduct the diagnosis, plus two for the Secretariat. Photocopied documents may be used. During the diagnosis, the documents for day-to-day management are requested for viewing.

#### **4. Diagnosis Procedure**

- (1) The members of the Deming Prize Examination Committee will conduct the TQM Diagnosis. The results of the diagnosis will not be disclosed to the outside whatsoever.
- (2) The dates and locations for the diagnosis are generally determined in concordance with the applicant's request. However, diagnosis at every requested location may not necessarily be examined. Dates for the diagnosis may be adjusted as well.
- (3) As a rule, one to two days will be spent at each diagnosis location, and the hours of the TQM diagnosis each day are from 9:00 a.m. to 5:00 p.m.
- (4) In general, two to four committee members handle one location. Depending on the size of the diagnosis location, the Deming Prize Examination Committee shall determine how many committee members will conduct the diagnosis, with due respect to the applicant's request.
- (5) The diagnosis will be based on the applicant's presentations, the on-site examination, document review, and questions and answers. At the conclusion of the TQM Diagnosis, the examiners will provide brief summary comments.
- (6) The details of the diagnosis agenda will be determined in consultation with the applicant.

#### **5. Report of the Diagnosis Findings**

The results of the diagnosis will be communicated through comments provided immediately after the diagnosis and through a report on the diagnosis findings. The report on the diagnosis findings will be sent to the applicant, as a rule, within one month after the diagnosis, following the lead member has compiled the findings of all the committee members who conducted the diagnosis.

#### **6. Costs**

All fees and expenses associated with the diagnosis, including fees for the diagnosis as well as expenses for travel and hotel accommodations, production cost of the diagnosis report and administration costs, will be charged.

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Please remit the appropriate amount to the following bank account in Japanese yen.

On your remittance, please quote "Deming Prize"

THE BANK OF TOKYO-MITSUBISHI UFJ, LIMITED

Shinjuku-doori Branch in Tokyo

Address: 3-30-18 Shinjuku, Shinjuku-ku, Tokyo

Account name: Union of Japanese Scientists and Engineers (JUSE)

Account number: 0084317

Swift Code: BOTKJPJT

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## Estimated Costs for the TQM Diagnosis by the Deming Prize Committee

As of January 2014

	Item	Cost per Unit (JPY)	Description
1	<b>Application deposit</b>	3,000,000	*All expenses related with the TQM diagnosis will be deducted from the deposit and the balance will be settled upon completion of the diagnosis
2	<b>Consultation fee</b>	30,000	*Per hour, per examiner
3	<b>Airfare</b>		*Actual cost for full fare business class ticket for the examiners (will be arranged by the secretariat) *Airport tax will be added *Visa application cost will be separately charged if applicable
4	<b>Per diem</b>	10,000	*Per day, per examiner
5	<b>Travel insurance</b>	4,000~8,000	*Per examiner *Range in cost depend on the travel length
6	<b>Interpreter</b>		*One interpreter per examiner to be arranged locally between Japanese and English or your local language
	When accompanied from Japan	80,000~110,000 40,000~55,000	*Per working day *Per diem per day (include traveling day) *Item 3,5,7, and 8 also apply to each interpreter
7	<b>Domestic travel</b>		*Actual cost for examiner's travel expense within Japan between their home and the terminal station/airport
8	<b>Local arrangement</b>		*Actual expense for single room accommodation, local transfers and meals for the examiners are to be arranged and borne by the applicant
	<b>Diagnosis findings report</b>		*The report is normally around 20-25 pages long
9	Manuscript fee	20,000 30,000 40,000	*Per examiner for 1-day diagnosis *Per examiner for 2-day diagnosis *Per examiner for 3-day diagnosis
	Lead examiner's review	20,000	*Per diagnosis unit
	Editing fee	1,600	*Per page
	Translation fee	5,000~6,000	*Per page
10	<b>Management fee</b>		*Item 2 and 9 are subject to 20% management fee by the secretariat
*Related cost for preparing "Description of TQM Practice" is to be borne by the applicant.			
*Generally, 2 examiners are assigned per diagnosis unit			

## Estimated Costs for the Deming Prize and the Deming Grand Prize

As of January 2014

	Item	Cost per Unit (JPY)	Description
1	<b>Application fee</b>	1,500,000 500,000	*One examination unit *Per additional examination unit
2	<b>Document examination</b>		
	Document examination fee	30,000	*Per examiner
	Document examination meeting Examiner's travel expense		*Actual cost between examiner's home and JUSE
3	<b>Preparation meeting</b>		
	Examiner's travel expense		*Actual cost between examiner's home and JUSE
	Interpreter	80,000~110,000	*Per working day
4	<b>Airfare</b>		*Actual cost for full fare business class ticket for the examination team (will be arranged by the secretariat) *Airport tax will be added *Visa application cost will be separately charged if applicable
5	<b>Per diem</b>	11,000~15,000	*Per day, per examiner (include traveling day)
		10,000	*Per day, per secretariat (include traveling day)
6	<b>Travel insurance</b>	4,000~8,000	*Per examiner, secretariat, and interpreter when accompanied *Range in cost depend on the travel length
7	<b>Interpreter</b>		*One interpreter per examiner to be arranged locally between Japanese and English or your local language
	When accompanied from Japan	80,000~110,000 40,000~55,000	*Per working day *Per diem per day (include traveling day) *Item 4,6,8, and 9 also apply to each interpreter
8	<b>Domestic travel</b>		*Actual cost for the examiner's travel expense within Japan between their home and the terminal station/airport
9	<b>Local arrangement</b>		*Actual expense for single room accommodation, local transfers and meals for the examiners are to be arranged and borne by the applicant
10	<b>Examination findings report</b>		*The report is normally around 20-25 pages long
	Manuscript fee	100,000	*Per examiner for 1-day examination
	Lead examiner's review	50,000	*Per examination unit
	Editing fee	1,600	*Per page
	Translation fee	5,000~6,000	*Per page
11	<b>Co-sponsorship fee</b>		*Prize/Medal winning organizations are requested to co-sponsor the Deming Prize Award Ceremony related events and ads
	Deming Prize winner	500,000	
	Deming Grand Prize winner	600,000	

\*Related cost for preparing "Description of TQM Practice" is to be borne by the applicant.

\*Generally, 4 examiners and 1 secretariat are assigned per examination unit. It may increase to 6 or 8, at the maximum, considering the scale of the unit.

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### Contact Information

All inquiries about the Deming Prize should be directed to the Secretariat for the Deming Prize Committee as follows:

The Secretariat for the Deming Prize Committee  
The Union of Japanese Scientists and Engineers (JUSE)  
1-2-1 Koenji Minami, Suginami-ku, Tokyo, 166-0003, JAPAN

Telephone: +81-3-5378-1212 (weekdays 9:00 ~ 17:00)

Facsimile: +81-3-5378-9842

E - m a i l: [demingprize@juse.or.jp](mailto:demingprize@juse.or.jp)

U R L: <http://www.juse.or.jp/e/deming/>

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**APPLICATION FORM FOR  
THE DEMING PRIZE COMMITTEE QUALITY MANAGEMENT CONSULTATION**

Date: \_\_\_\_\_  
(month / day / year)

To: The Chairman of the Deming Prize Committee

- Name of the Organization: \_\_\_\_\_

- Address of the Organization: \_\_\_\_\_

\_\_\_\_\_

- Name of Principal Representative or Name of the Department Executive):

\_\_\_\_\_

(First Name)

(Last Name)

(Affiliation)

\_\_\_\_\_  
(Signature)

We would like to apply for the Deming Prize Committee Quality Management Consultation as follows:

1. The Month Desired: \_\_\_\_\_  
(month / year)

2. Main Discussion Items: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Principal Contact Person

Name: \_\_\_\_\_  
(First/Last)

Affiliation (Department): \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**APPLICATION FORM FOR  
PRE-APPLICATION CONSULTATION FOR THE DEMING PRIZE**

Date: \_\_\_\_\_  
(month / day / year)

To: The Chairman of the Deming Prize Committee

- Name of the Organization: \_\_\_\_\_

- Address of the Organization: \_\_\_\_\_

- Name of Principal Representative or Name of the Business Unit Executive):

\_\_\_\_\_  
(First Name) (Last Name) (Affiliation)

\_\_\_\_\_  
(Signature)

We would like to apply for the Pre-Application Consultation for the Deming Prize as follows:

1. The Month Desired: \_\_\_\_\_  
(month / year)

2. Main Discussion Items: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Principal Contact Person

Name: \_\_\_\_\_  
(First/Last)

Affiliation (Department): \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Note) Please attach the submittal documents referring to chapter 5.5 "Documents to be presented and their contents"

## APPLICANT PROFILE

This form needs to be submitted when applying for the  
Deming Prize and Pre-Application Consultation

### 1. Outline of application scope

Application scope					
Year of establishment					
Capital fund	(only applicable for organization-wide application)				
Sales figure					
Main product/business					
Number of employees	Full time: _____ persons		Others: _____ persons		
	Number of Managerial officials out of the above (Managers and higher)				
	Managers: _____ persons		Directors and/or above _____ persons		
Organization chart	Please attach the chart to this form by referring Page 6, Application Guide				
Functional roles and responsibilities	Please attach the chart to this form by referring Page 7, Application Guide				
Chart of the quality assurance system	Please attach the chart to this form by referring Page 7, Application Guide				
Business day (Indicate with ■)	<input type="checkbox"/> Mon. <input type="checkbox"/> Tue. <input type="checkbox"/> Wed. <input type="checkbox"/> Thu. <input type="checkbox"/> Fri. <input type="checkbox"/> Sat. <input type="checkbox"/> Sun				
Nearest airport/station					
Means of transportation from airport/station	<input type="checkbox"/> car <input type="checkbox"/> train <input type="checkbox"/> others		Min. _____ km		
Scale of head office and business units			Employees	Location (nearest airport)	Means of transportation
					From airport      From head office
	1				Min./ Km      Min./ Km
	2				Min./ Km      Min./ Km
	3				Min./ Km      Min./ Km
	4				Min./ Km      Min./ Km
	5				Min./ Km      Min./ Km
Please attach a broad regional map that illustrates location and positional relation of all the above mentioned offices, plants, nearest airport and the hotel where the examiners will be staying.					

Request for examination units and schedule  (Please refer page 27 of the guide)	Select a) or b) by indicating ■						
	□a) Multiple examination units If the unit exceeds 5, please use an extra page						□b) Single examination unit
		1	2	3	4	5	
	Unit name						
	No. of examiners						
	Length of examination						
	Preferred date for examination (indicate as many available dates as possible)						

**2. Profile of organization**

**(only applicable for unit-wise application/for applicant who belongs to an upper organization)**

Name of organization	
Year of establishment	
Capital fund	
Sales figure	
Main product/business	
Number of employees	Full time: _____ persons      Others: _____ persons
Organization chart	Please attach the chart to this form by referring Page 6, Application Guide

**3. Purpose for applying for the Deming Prize**

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#### 4. TQM introduction, promotion, and progress

Year of TQM introduction	
TQM promotion system	<input type="checkbox"/> None <input type="checkbox"/> There is a department responsible specifically for TQM promotion <input type="checkbox"/> There is a department which has several responsibilities including TQM promotion <input type="checkbox"/> Others
What are the characteristics (3 or more) of TQM in your organization	

#### 5. Received certifications and awards

<input type="checkbox"/> ISO 9000	Certified year:	
<input type="checkbox"/> ISO 14000	Certified year:	
<input type="checkbox"/> Other ISO certifications	Certified year:	
<input type="checkbox"/> <u>TS 16949</u>	Certified year:	
<input type="checkbox"/> TPM	Awarded title:	Awarded year:
<input type="checkbox"/> Quality related awards	Awarded title:	Awarded year:

#### 6. Others (special comments if any)

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\* Information provided in this form will be referred to by the Examination Committee and its members as well as by the committee secretariat in order to determine the examination scope, unit, duration for the Deming Prize

\* Information provided by the applicant for examination will be treated as confidential with utmost care.

## APPLICATION FORM FOR THE DEMING PRIZE

Date: \_\_\_\_\_  
(month / day / year)

To: The Chairman of the Deming Prize Committee

- Name of the Organization: \_\_\_\_\_

- Address of the Organization: \_\_\_\_\_  
\_\_\_\_\_

- Name of Principal Representative:

\_\_\_\_\_  
(First Name) / (Last Name) (Affiliation)

\_\_\_\_\_  
(Signature)

We would like to apply for the \_\_\_\_\_ Deming Prize.  
(Year)

- Reason for Applying: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### [Declaration for Application]

Does your organization satisfy the following conditions? (Tick appropriate response)

- a) The organization provides or is involved in providing the products and the services that are socially and economically significant.  
( )Yes ( )No
- b) The organization is responsible for the entire or the important part (planning, design and development, manufacturing, distribution, sales, services etc.) of the function that is necessary to perform the integrated quality assurance system for products and services mentioned in Item a) above.  
( )Yes ( )No
- c) The organization has the responsibility and the authority to manage people, materials, and financial resources that are necessary to perform the function mentioned in Item b) above.  
( )Yes ( )No

If you have anything to supplement regarding the above a) ~c), kindly elaborate below.

\_\_\_\_\_

- Principal Contact Person

Name: \_\_\_\_\_  
(First / Last)

Affiliation (Department): \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

We have transferred the amount JPY \_\_\_\_\_ (amount) \_\_\_\_\_ as application fee on  
(date) \_\_\_\_\_.



Use "Terminology Glossary" as title of this cover page, for "Terminology Glossary"

No description is required here for "Terminology glossary"

Please mark what you applied for.

Year:	
<input type="checkbox"/>	The Deming Grand Prize
<input type="checkbox"/>	The Deming Prize
<input type="checkbox"/>	TQM Diagnosis
※	

\* Please note that copies need to be sequentially numbered from No.1 up to the number of appointed examiners plus 2. (refer to clause 9. Submittal of the Description of TQM Practices)

## DESCRIPTION OF TQM PRACTICES

**Xxxxx General (or Xxxxx Departmental)**

Date of Writing (day/month/year)		
Name of the applicant organization	Name of the organization as approved by the committee	
Address		
Name of the diagnosis/examination unit	When there is more than one examination unit, please indicate the name and the address of each unit respectively in the separate column.	
Address of the diagnosis/examination unit	In case of one unit, this space does not need to be filled.	
Principal Contact Person	Name	
	Position	
	Tel	
	Fax	
	Email	

This is a sample cover of the Description of TQM Practices.  
Please use this format for each bound copy.

