

Unknown and Unknowable, but Nonetheless Important!

A visitor to my website did not agree with parts of one of my blogs titled, "I ain't gonna teach it! Is the Cpk merely a substitute for spec's?" That blog presents the insights of the late Dr. David Chambers, who warned that the process capability index (Cpk) will have the same effect as specifications; i.e., they'll define "good enough" in people's minds and prove to be a barrier to continuous improvement. After reading the blog, the visitor to my website wrote,

"As Lord Kelvin stated 'If you cannot measure it you can't manage it.' Too many improvements are made without knowing where you are and what the customer needs. Cp/Cpk are the perfect measure to define where you are and where you need to go. Shewhart who created this beautiful stuff defined that your process must be stable before you start beating the drum about capability. Why is this important?"

I replied,

I hope you're not suggesting that it's not important whether or not a process is stable before determining (or measuring) capability. If a process isn't stable, it's not a process. How can one calculate the capability or the process capability index (Cpk) of a process that's not a process?

Regarding "If you can't measure it, you can't manage it," Baron Kelvin was wrong. Dr. W. Edwards Deming noted that the most important measures facing American management are "unknown and unknowable." They can't be measured, but they nonetheless must be managed.

Deming once posed the rhetorical question, "If something's unknown and unknowable, how can you know that it's important?" In his lectures, he would answer the question with some very simple examples. He asked, "What is the multiplying effect of the happy customer?" How much business does a happy customer generate for a company? What is the value of the multiplying effect of the happy customer? Let's agree it's priceless; but it's unknown and unknowable. It can't be measured, but it must be managed.

What is the multiplying effect of the unhappy customer? How much business does a dissatisfied customer drive away? Deming noted, "He does his best to protect his friends!" What is the cost of the multiplying effect of the dissatisfied customer? Let's agree that it's staggering; but it's unknown and unknowable. You can't measure it; but you must manage it!

Many managers claim to be concerned about costs and profits. Fine. Let's talk about costs. What is the bottom-line, budget-sucking cost of the untrained employee, working in fear? Let's agree that cost is staggering; but it's unknown and unknowable. It can't be measured; it must be managed.

Decades ago, a survey conducted by the Canadian Management Association found that only 14% of Canadian customers who quit buy a company's product did so due to poor quality. 68% quit buying because of a "perceived attitude of indifference by supplier employees." Give me the micrometer, give me the gage, give me a scale to put a precise measure – to the fourth decimal

point – of a “perceived attitude of indifference.” It can’t be measured; but if in 68% of cases it is why Canadian customers quit buying, clearly it must be managed.

I sometimes ponder, how much business is driven away in American industry every year by telephone answering machines? You call into a company; you know 5,000 people work there; it’s normal work hours; and you get a machine. What do you do? Many people hang up and call another company. Others leave a message; but they do so seething in frustration.

Apparently, some manager with an alleged interest in costs and profits decided, “For forty bucks I can buy an answering machine. Then I can get rid of that clerical support person, and I won’t have to pay salary, benefits and health insurance costs. What a bargain!” But how much business is that \$40.00 answering machine driving away? Has it even been considered? Is anyone really interested in profit?

This is all the more reason we must get spec's and Cpk's out of people's way and eliminated as barriers to continuous improvement. Many factors affecting customer satisfaction have nothing to do with product specifications, nor can they be reduced to a Cpk. Among those factors are delivery performance, lead times, sales attentiveness, claims handling procedures, response time, after-sale service, market intelligence, pricing and a host of other issues that may please or displease the customer – not to mention such unknown and unknowable factors as customers’ perception of indifference on the part of your employees.

If you’re going to use the Cpk, measure if you must, report if you must -- just keep it out of people's way!