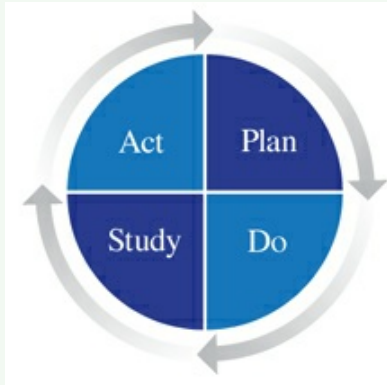


The System of Profound Knowledge (SoPK)



The SoPK is an effective theory of management that provides a framework of thought and action for any leader wishing to transform and create a thriving organization. By appropriately applying the principles and practices of SoPK, a business can reduce costs through reducing waste, rework, staff attrition and litigation, while increasing quality, customer loyalty, worker satisfaction and, profitability (ultimately).

<https://www.deming.org/theman/theories/pdsacycle>

1. Appreciation of a System:

Dr. Deming viewed an organization as a system. He defined a system as a network of interdependent components that work together to try to accomplish the aim of the system. The aim for any system should be that everybody gains, not one part of the system at the expense of any other. In a business context this includes shareholders, customers, suppliers, employees, the community and the environment.

Taking a systems approach enables management to view its organization in terms of many internal and external interrelated connections and interactions, as opposed to discrete and independent departments or processes governed by various chains of command. When all the connections and interactions are working together to accomplish a shared aim, a business can achieve tremendous results—from improving the quality of its products and services, to raising the entire esprit de corps of a company.

2. Knowledge of Variation

3. Theory of Knowledge

To help management continually gain more and better knowledge, particularly about its processes and products, Dr. Deming championed the Plan-Do-Study-Act (PDSA) cycle, which was first introduced to him by Walter Shewhart. Also known as the Deming Wheel or Deming Cycle, PDSA is a systematic and dynamic process covering theory and application that yields valuable knowledge, not simply data or information. It is a means for achieving a never-ending cycle of valuable learning for the continual improvement of a process or product..

4. Psychology

People are different and Management needs to be aware of the differences to optimize the use of everyone's abilities and talents. People are primarily motivated by intrinsic needs, including taking pride in workmanship and working with others to achieve common goals, in contrast to simply being motivated by monetary reward, which is a shortsighted external form of motivation. Management must foster an environment of trust, interdependence, relationships and pride of workmanship.

In any business, there are always variations, between people, in output, in service and in product. There are two types of variations within a system— **common cause and special cause**.

■ **Common cause variations** are problems built right into the system, such as defects, errors, mistakes, waste and rework. In a stable system, common cause variation will be predictable within certain limits.

■ **Special cause variations** are unique outside events such as a natural disaster, or an unexpected strike by public transportation workers.

“Why did something go wrong?” “Why are results so poor?” “How can we repeat this success?” The job of management is to not only ask these and other important performance-related questions, but also to find the right answers and take the right course of action, through knowledge of variation.

Distinguishing the difference between variation, understanding its causes and predicting behavior, is key to management’s ability to properly remove problems or barriers in the system. Without knowledge of variation, management might with the best intention take action(s) that makes things worse. Through knowledge of variation, management can realize that attributing a problem to an individual(s), instead of the system, is misguided and misleading.



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