

**AGREEMENT OF INTENTIONS: RESEARCH WORK No.**

Month / Date / Year

This agreement is considering a product of the shipbuilding industry¹ in the new economical conditions through the topics of the socio-cultural systems emerging at the present time. These topics are the following:

- quality paradigm
- tools of the quality paradigm
- quality concepts
- quality concept value
- quality management styles
- systems thinking
- systems dynamics
- human factor

XXX, registration number XXXX, XXXX Street, City, Country, zip code, President/ Business Owner: NAME XXXX (hereafter- ORGANIZATION) on one side, and The Centre for Innovational Development (CID), 24 Brentwood Drive, Avon, Connecticut, USA, Executive Director: Tatyana Ishutkina (hereafter - CENTRE) from the other side (called- SIDES), taking into account the following conditions and concepts of the product of the shipbuilding industry and the shipbuilding industry itself, specifically:

1. Cost of the product - is under strong influence of the key economical factors². From the proposed five factors, the following two factors are chosen for a future consideration through a research:
 - long slow growth and
 - a maturity of the market and strategic stagnation.
2. Shipbuilding industry - is used by a number of countries for improving economical conditions in the country
3. Product of the shipbuilding industry and its quality is in the process of the emergence of a new

1 NOTE. Shipbuilding as a conglomerate of the national industry advances

2 1. In accordance to Kenichi Ohmae, it is important to understand the economic environment for the company, industry, country, world. The key economical factors which influence business strategy are:

- Long slow growth;
- A maturity of the market and strategic stagnation;
- Non-uniform distribution of resources;
- Complication of the international relations;
- Inflation (Ohmae, 1982).



quality paradigm

4. Product of the shipbuilding industry, its quality aspects as a cost element influences a selection of the strategy for the product development.³
5. Product of the shipbuilding industry and a new quality paradigm require development of new tools. These new tools are the result of developing the energetics of the product in the shipbuilding industry through emergence of understanding of quality as a cost element (with its re-thinking), quality concepts and their values with the correspondent styles of quality management.⁴ A new stage of a new quality paradigm requires new relationship: quality concepts should be transferred/correlated to the other areas of socio-cultural environment of the organization, industry, society.
6. Product of the shipbuilding industry with the new quality paradigm tools will provide an opportunity to have a new vision for its product through selection of the quality concepts with the correspondent styles of quality management.
 - The quality concept - conformity to the latent requirements. Conformity to the latent requirements means satisfaction of the consumer needs before they realizes these needs.
 - Quality management - special area of administrative activity connected with the decision of certain quality management tasks. Reexamining of old generalizations and assumptions in the existing quality management styles⁵ will formulate new styles of quality management⁶ in the shipbuilding industry to satisfy cost

3 "If upgrading quality is too expensive, then maintaining the current level is an important strategy"

4 Driven by need, both of the individual and the environment, new technologies and new tools are brought into being to address these needs.

Living every day surrounded by the fruits of technology it is unrealistic to expect us to dispense with the technology of every day life.

As the earth shifts into a new state, with new ways of thinking and feeling, this has brought forth tools for the paradigm of the new energy, where we can address the state of the "intangible" vibrations that surround us every day.

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- American quality management style;
- English (British) quality management style;
- German quality management style;
- European quality style of management;
- etc.

- 6 With each passing day, fewer and fewer people there are who can dispute the importance of the state of the energy in our personal spaces and work environment.

We are all aware of contamination on the material level (air, water & earth), but few are aware of contamination on the intangible "energy" level.

Such contamination can still be perceived in a number of ways:

- Feeling that a place or space is "stagnant", where the air feels heavy and difficult to breathe.
- Feeling pressure in our heads or the eyes feels heavy and burning.
- Finding it difficult to concentrate for very long.



requirements of the product dictated by the economy ⁷.
agree to cooperate based on the following plan-strategy.

Plan-strategy of the activities for ORGANIZATION and CENTRE
(presented in incremental re-producible dynamics)

- 1) Phase 1: Mission: Aspects of formation and development of mission of the industrial organization in the area of quality (see Attachment 1 for a mission formation strategy): performed by the CENTRE
- 2) Phase 2: Formation of a topic (s) of the research in the organization: (Attachment 2 “Outcome from the Ship Production Symposium (SPS), on Nov. 16-18, 2011”, Attachment 3, and Attachment 4 “Power Point Presentation Slides with Notes and Comments for the Ship Production Symposium (SPS)” are comfortable as recommendations for the formation of the topic of the research):
defined by the ORGANIZATION
- 3) Phase 3: Conducting surveys/interviews in the organization in the framework of the mission formation and development. (Attachment 5 “List of Concepts from “A Story” Model” will be used for developing questionnaires for the surveys/interviews):
developed by the CENTRE.
- 4) Phase 4: Development of the map based on the surveys/interviews performed by the CENTRE in the framework of the mission formation and development (see Attachment 6 with the example A STORY: “Is Systems Thinking Critical in the Engineering Community in the U.S. Shipbuilding Industry and if yes, in What Category of Employees”):
developed by the CENTRE

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- Some individuals can experience pain or pressure in their joints.
 - Mouth feels dry.
 - Feeling prematurely tired, despite adequate rest.
 - (of course, an individual could experience these conditions for reasons other than the energy in their space)

⁷ Today, the European concepts of quality through management style and its preparedness for competitive challenges comprise three types (the first is the command-administrative style, the second, the ritual style, and the third, the innovative matrix style).

Classification of quality management types does, on the one hand, precede the analysis and the identification of factors that are important for classification, but on the other hand, it is based on various combinations of these factors for different types of quality management. This allows one to evaluate the possibility of both theoretical and practical development of a specific type of quality management through the development of certain factors on which it is based. Also, the use of this classification enables a quality manager, in solving practical problems, to choose the quality management type that is most appropriate in conditions of a particular type of problem. It is possible in this way to dramatically reduce the time spent in search the most suitable methods of quality management, increasing its efficiency. There are many differences in quality concepts through quality management style and its preparedness for competitive challenges between countries - participants of the global economic process.



- 5) Phase 5: Development of the model(s) in the framework of the mission formation and development (see Attachment 7 with the example):
developed by the CENTRE
- 6) Phase 6: Development of the recommendations based on the model(s) for a strategy(s) in the quality concepts and their values with the correspondent styles of quality management in the framework of the mission formation and development:
developed by the CENTRE
- 7) Phase 7: CENTRE's attitude: introduction and development of new quality tools with the help of systems thinking and system dynamics, stressing human factor in the socio-cultural environment in the industry. The context of work -working with the government and the consumer in the framework of the mission formation and development in the organization:
developed by the CENTRE
- 8) Phase 8: ORGANIZATION and CENTRE agree to cooperate in the formation of a topic (s) of the research in the organization (Phase 2) as following:
 - formulating the postulates
 - establishing the strategy
 - determination/analysis of the results
 - development of new understanding of quality concepts for the ORGANIZATION's product(s) in relationship to the other industries and establishing new style of quality management with the further application in those industries
 - emergence of research work directions in the practice of communication between the government, industry and the consumer
 - analysis of research work directions in the shipbuilding industry through complex approach and modeling in the aspects of the selected concepts of quality and quality management style:
developed by the CENTRE

NOTE 1. Project time frame: to be determined after completion work in Phase 1 & Phase 2 (three (3) months is an estimation for Phase 1 & Phase 2)

NOTE 2. Project financing: initial financing for Phase 1 & Phase 2 has to be in place for starting a project in the organization (see Attachment 8 for a financial part):
provided by the CENTRE

In addition SIDES commit to cooperate in ORGANIZATION's and CENTRE's undertakings (student projects, workshops, seminars and others), and exchange information on planned and realized activities.

From ORGANIZATION's side, control and realization of the agreement rests with the director



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responsible for quality activities Name XXX (Phone +XXX, e-mail XXX@XXXX).

From CENTRE's side control and realization of the agreement rests with CENTRE Executive Director Tatyana Ishutkina (Phone +1 (860) 404-1781, e-mail tishutkina@schwipar.com).

Agreement is two-sided, with both sides being equal partners.

This agreement may become a part of another agreement, and could become the basis of other agreements.

All questions and disagreements related of this agreement's realization, the SIDES will resolve in negotiations.

Agreement comes into force with the both SIDES signing it, and is in force for an indefinite time period from this date. Agreement could be terminated by one SIDE informing the other SIDE in writing 30 (thirty) days before such date of termination.

ORGANIZATION:
(NAME)

CENTRE:
(Tatyana Ishutkina)

Organization Name
Reg.No. XXX
Address

The Centre for Innovational Development
24 Brentwood Dr.
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Enclosure.

Attachment 1. Mission: Aspects of Formation and Development of Mission of the Industrial Organization in the Area of Quality (Draft)

Attachment 2. Outcome from the Ship Production Symposium (SPS), on Nov. 16-18, 2011, Houston, TX

Attachment 3. Ishutkina, T. (2011), Examination of Quality Concepts and Their Value: Developing the Ground for a Better Convergence between Quality Management and Systems Thinking in the U.S. Shipbuilding, Ship Production Symposium (SPS), Nov. 16-18, 2011, Houston, TX

Attachment 4. Examination of Quality Concepts and Their Value: Developing the Ground for a Better Convergence between Quality Management and Systems Thinking



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in the U.S. Shipbuilding, Power Point Presentation Slides with Notes and Comments for the Ship Production Symposium (SPS)

Attachment 5. List of Concepts from the Model “A Story: Is Systems Thinking Critical in the Engineering Community in the U.S. Shipbuilding Industry and if yes, in What Category of Employees”

Attachment 6. Model A STORY: “Is Systems Thinking Critical in the Engineering Community in the U.S. Shipbuilding Industry and if yes, in What Category of Employees”, Example

Attachment 7. System Dynamics Model: Example

Attachment 8. Financial Part