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Centre for Innovational Development

From: Tatyana Ishutkina
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To: Joe Lieberman
U.S. Senator
Washington DC Office
706 Hart Office Building
Washington, DC 20510

Letter Number: SCID-102412-009

Date: October 24, 2012

Re: Meeting Request

Dear Senator Lieberman,

On August 29, 2012 we contacted your office to request a GAO record on behalf of SCHWIPAR Centre for Innovational Development (See Attachment 1).

On October 23, 2012 an answer from your office was received (see Attachment 2).

Thank you very much for providing a system of basic assumptions that you use to formulate your opinion, in this particular case in a scope of the issue that is a subject of our communication.

From the time of Liberty ships Navy formed an opinion that reports do not necessary carry working directions with them. "...one more report in a pile on a desk that nobody reads" (Elizabeth Madden, Navy Department, Program Executive Office for Ships).

A list of four reports was provided along with mentioning one report that is in work at the present time.

I could also provide a list of reports. The purpose I asked the senator's office to do this task was to find out what is a system of basic assumptions that Senators use when they formulate their opinion.

My system, that I am formulating my understanding on, is a "Management Functions" circle (see

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Figure 1) and many definitions of quality (see Table 1).

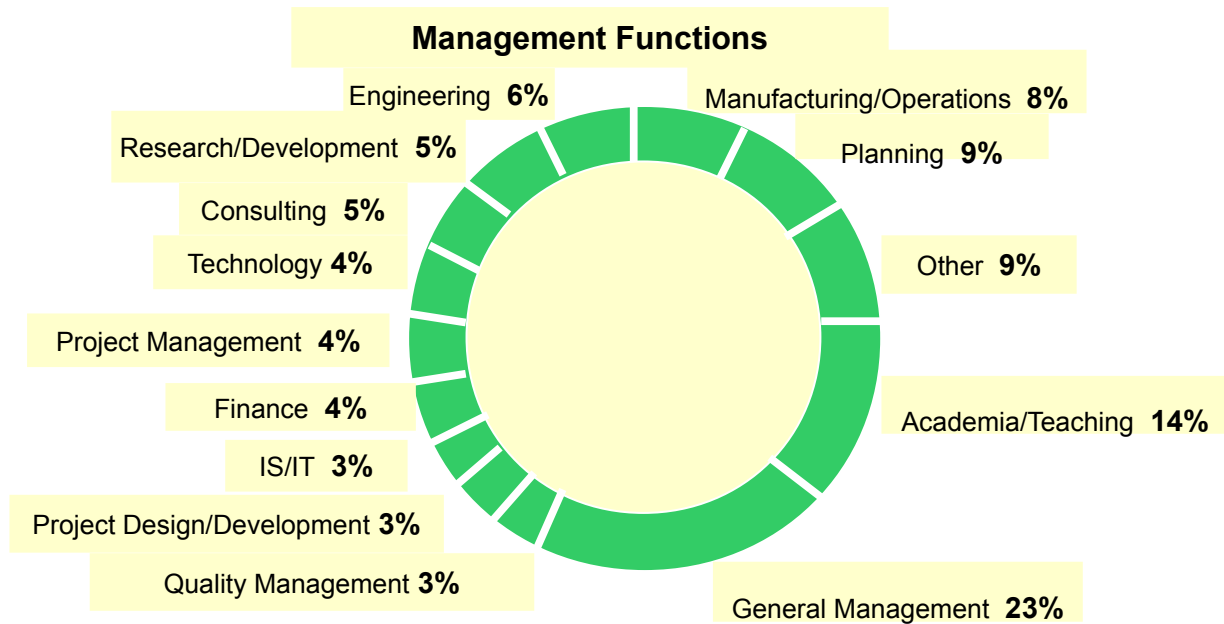


Figure 1. Management Functions (Sterman, 2010)

At the present time the “Management Functions” circle is broken (see http://schwipar.com/uploads/NewsCard_108_Rev4_Fragmentation.pdf).

Based on the fact that scientists have so many definitions of quality one can make a conclusion how maneuvering a work of people forming the reports on quality can be. They accumulated their experience since Liberty ships, when the vessels had defects but performed their role. However, that time was a time of war . The progress took place in the events when there were cracks in the vessels, but they performed their functions. Today we have a fire on a vessel and the vessel requires a costly estimate for her repair and then an extensive and expansive repair. This happened in a peaceful situation. A cost of repair is commensurable to the cost of building a new vessel. Another example is a grounded UK submarine accident in 2010. What defects did she acquired? This is an ecological question, because she is a nuclear submarine. This is a question for all vessels that the fleet has and that will be built in the future.

Table 1. Definitions of Quality (Ishutkina, 2011)

#	Name	Definition
1	Deming	Quality is a predictable degree of uniformity and dependability, at low cost and suited to the market

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2	Juran	Quality is fitness for use
3	Crosby	Quality is conformance to requirements
4	Taguchi	Quality is the (minimum) loss imparted by the product to society from the time the product is shipped
5	Feigenbaum	Quality is in its essence a way of managing the organization
6	Hoshin	Quality is correcting and preventing loss, not living with loss
7	British Standard Definition	Quality is the totality of features and characteristics of a product, service or process, which bear on its ability to satisfy a given need; from the customer's viewpoint
8	Flood	Quality means meeting customers' (agreed) requirements, formal and informal, at lowest cost, first time every time
9	Geneen, cited by Crosby	Quality is not only right, it is free. And it is not only free, it is the most profitable product we have
10	Logothetis	Quality is simply a way of managing a business organization
11	Persig	“A real understanding of Quality captures the System, tames it, and puts it to work for one’s own personal use, while leaving one completely free to fulfill his inner destiny”

One can make a conclusion that the reports written since Liberty ships are lacking effectiveness and they are not helping to address issues.

Is the main goal of these reports to provide a connection to any particular academic definition of quality? Do these reports prove a justification for one or another academic definition of quality, for example, if one particular definition is not applicable to the current situation and a new direction in this area has to be chosen. Then the goals of these reports could be formulated using a new direction.

The following algorithm can be seen and be ready for use: Reports – Goals of the reports- Time factor since Liberty ships – Connectivity to understanding of quality, that are the goals of the reports.

If we could review the type of defects produced by the industry, we could make a decision, that one particular direction of the industry development has no prospects, but the others have prospects for further development.

It is not clear if the goals in the relation to quality were present during the Cold War which took a significant length of time. The current condition of our economy placed all organizations into the position when the focus should be on a business strategy with an increased understanding of quality. A business strategy of the organization impacts every employee, their families and our society.

Incorporating the aspects of quality, cost effectiveness of the product/services the organization provides

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into the organization's strategic plan will bring a success to the organization in a long-run business performance.

Conclusion.

Since Liberty ships a chaos in understanding of quality, cost and defects has been taking place. The chaos is an element of progress. What strategy will be chosen? The report will form one strategy. My research “An Examination of Quality Concepts and Their Value: Developing a Better Convergence between Quality Management and Systems Thinking in the U.S. Shipbuilding” will provide another strategy. These strategies might be different one from another or will come to the same conclusion. In my research the following aspects will be included:

- round-table discussions (at the industry panels and symposiums)
- presenting engineering work through live media
- informational center in a close proximity to each shipbuilding organization
- academic center in a close proximity to each shipbuilding organization
- an opportunity for every employee to select a style of management
- defense of engineering work through academia work/research
- etc.

These will be the elements of the practical part of my work.

In the chain “Emergent Goals- Strategic issues – Strategic problems – Options” (Iden, Ackermann, 1998) maneuvering by understanding of the goals from stated above and considering other elements as “strategic issue – strategic problems – options” will provide a possibility to get different directions in the ways of reaching these goals. The umbrella of the upper system can be: either quality or cost effectiveness, or super-technologies.

A second algorithm was delineated, i.e. how the topic/subject/area for a report / research can be formulated.

I am open to perform my research “ 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”

If the U.S. Senate is open for supporting my proposal then it will have an opportunity to get a different framework for communication between the U.S. Senate, Navy and the Industry .

Please schedule a meeting to discuss a source of financing of my research.

Sincerely,

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T. Ishutkina

Tatyana Ishutkina
Executive Director

Enclosure.

Attachment 1. A request a GAO record on behalf of SCHWIPAR Centre for Innovational Development dated August 29, 2012

Attachment 2. An answer from your office dated October 23, 2012

References.

1. Iden, C., Ackermann, F., (1998), Making Strategy: The Journey of Strategic Management”, Sage Publication, London
2. 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, Proceedings of the The Society of Naval Architects and Marine Engineers (SNAME) Annual Meeting & Expo and Ship Production Symposium (SPS), Nov. 16-18, 2011, Houston, TX, USA
3. Serman, J. (2010). Management and Leadership Business Dynamics: MIT's Approach to Diagnosing and Solving Complex Business Problems
http://executive.mit.edu/openenrollment/program/business_dynamics_mits_approach_to_diagnosing_and_solving_complex_business_problems/5, accessed September 1, 2010