



Book I Know It When I See It

A Modern Fable About Quality

John Guaspari
AMACOM, 1991

Recommendation

John Guaspari's instructive and amusing fable about "Quality" has been a favorite in the business world since it was first published in 1985. As it points out what to do and what not to do in the pursuit of quality and market share, the book illustrates the ups and downs of Punctuation, Inc., the mythical company founded by the inventor of punctuation. This thought-provoking and entertaining little book takes only an hour or two to read, but the author intends for its message to stick with you for a lifetime. *BooksInShort* recommends this book to executives, managers, customer-service employees and those who run their own businesses.

Take-Aways

- Quality is everything.
- "I know it when I see it" is the common consumer definition of Quality.
- Quality is less expensive to provide than the alternatives.
- Quality is everyone's job, but it's management's responsibility.
- Most Quality problems are built into "The System."
- The first step toward improving the system is to get good data about what really needs to be fixed.
- The second step is moving from an inspection mind-set to a prevention mind-set.
- Rewards and punishments in the workplace don't boost morale or improve Quality.
- A customer will perceive a product as having Quality if it does what the customer expects it to do.
- Customers ultimately determine if you have a Quality product - not you.

Summary

Prologue

Once upon a time the English language was boring and dull. It had no zing until a man named Rufus Punctum wrote the following sentence late one night when he couldn't sleep: "Why must the language be so inadequate for communicating true feeling and emotion?" What made this sentence most unusual was the curving mark at its end. No marks like that had ever been written before. Rufus Punctum stopped and read his sentence again and smiled. He had just invented punctuation.

The Corporate Story Begins

Punctuation Inc., was an extremely successful company, since any time people wanted to "do anything more daring than capitalizing the beginning of a sentence, they needed punctuation." The company offered a wide variety of products, including commas, apostrophes, periods, question marks, exclamation points, dashes, parentheses, brackets, semicolons, colons and "even luxury items like ellipses." The company also had a variety of markets. Consumers bought a lot of exclamation points to put after words like "Wow!" Lawyers bought tons of commas to use after all those "whereas" clauses in their millions of contracts. Doctors bought a special line of punctuation marks. Comic-strip artists used a lot of asterisks in place of the profanity they weren't allowed to use in newspapers. Business people bought far more semicolons than colons. The list of Punctuation, Inc. customers was endless. Competing companies came along, offering the same kinds of products, but they "all could trace their origins directly to Punctuation's door."

“In a closed system, the number of mistakes made expands to fill the inspection capacity available.”

None of the company's competitors could ever "hold a candle to the sheer power, genius and innovation" that had come from Rufus Punctum and "his descendents in commerce." The company was hailed for its revolutionary impact on society. Because of the exclamation mark, thousands if not millions of lives had been saved over the years since it had become possible to replace the statement "Fire" with the urgent cry "Fire!!!" Radio operators using Morse code during both world wars had Punctuation, Inc. to thank for all those dots and dashes. It was clear that the company had literally changed the course of history.

The Competition

Plenty of competitors tried to outdo Punctuation, Inc. First, Excite, Inc. came along specializing in exclamation points. They thrived for awhile, but the U.S. Occupational Safety and Health Administration closed down the company because of the excruciating noise level in their factory. Creating exclamation points is rarely a quiet matter, and Excite's production process just didn't have the finesse that Punctuation, Inc. brought to its work.

“Management has no other job but to fix the system.”

Disappear, Inc., a disreputable company that produced punctuation that would disappear within minutes, catered to those who wanted to "lie, dissemble and renege on deals." The courts caught up to Disappear, Inc. and put them out of business. Many competitors tried to compete with Punctuation, Inc. Each one would get the public's attention with a gimmick or a cut-rate product, but soon enough each company would flounder. Punctuation, Inc., remained the place to go for punctuation. It was known for its reputation, innovation and broad product line.

Process, Inc.

Then one day, "The Boss" looked at sales reports and a new name caught his attention, Process, Inc. The company was in second place, right behind Punctuation, Inc. The Boss's right hand man informed him that Process, Inc. had been number two for four straight quarters, but that there was no need to worry. "After all, somebody has to be number two. It might as well be Process, Inc." They both figured that the company would go belly-up, just like all of their other competitors.

“Apparently the issue was Quality. That's what people wanted - even though they weren't sure what it was.”

But, Process, Inc. wasn't showing any signs of going under. Soon it was in second place for six straight quarters and had gained market share for ten straight quarters, at Punctuation, Inc.'s expense, of course. Nothing like that had ever happened before. Worried, The Boss called in his left hand man. The man reassured him that Process, Inc. was no threat since they had never had an original idea of their own and only produced cheap knock-offs of Punctuation's stellar products. The Boss was not consoled because

the company was losing customers to this competitor. His left hand man reassured him that the customers would come back.

“Rewards and threats won’t work. Those are motivators. But the workers don’t need motivation. They need leadership. And it’s our job to provide it!”

The Boss wasn’t going to take anything for granted. He went out on his own to do some market research. He went to a stationery store and waited in the punctuation department. He’d wait until people bought punctuation from Process, Inc.’s product line and ask them why. The first customer he saw walked right by Punctuation, Inc.’s products and directly to those of Process, Inc. She chose two "Family Packs" - a dozen each of commas, periods, question marks and exclamation points. Just the basics. When he asked her why she bought Process, Inc.’s products, and not Punctuation Inc.’s, she said that she’d tried Punctuation Inc.’s offerings but that "the Quality just wasn’t as good." When he asked her to define 'Quality,' the woman shrugged and said, "I guess I’d just have to say that I know it when I see it." The Boss was frustrated by this, and further exasperated when it happened over and over, all day. Many customers bought from Process, Inc. instead of Punctuation, Inc. and they all had the same reason. They shrugged and said, "I know it when I see it."

The Quest for Quality

At least now The Boss had something to go on. Punctuation, Inc. was losing customers to Process, Inc. because of Quality, even though customers weren’t really sure what Quality was. The Boss decided that giving his customers Quality shouldn’t be a big problem. Doing higher Quality work, he thought, just meant that his staff and workers would try harder and do better. After all, he’d always done high Quality work - that’s how he became The Boss. And he still focused on Quality, so focusing even more, with everyone trying even harder should be the answer, he thought. Surely, that would make Quality improve and win back customers.

“There were plenty of imitators too, plenty of competitors who offered the same kinds of products. But they all could trace their origins directly to Punctuation’s door.”

He told his workers that the answer to the competition problem with Process, Inc. was higher Quality. Starting today, he told them over the company’s PA system, Punctuation, Inc. "will produce higher Quality products than anyone else!" The workers were ecstatic and cheered The Boss. Then, he told them that the secret to higher Quality was "Try Harder! Do Better!" The workers didn’t make a sound. They were in shock. Didn’t The Boss think they were already trying their hardest? The workers all echoed each other. Then one said, "Do better? At what? At getting shipments out on time? Or at making sure a product works? Do better at what?" The Boss was confused by their response. Well, he figured, even if his big pep talk hadn’t gone over well, at least it hadn’t hurt. He would find out how wrong he was.

“Every day, it seemed, a new challenger would appear on the scene. First there had been Excite, Inc., which specialized in exclamation points. (They did very well for a while. But then OSHA closed them down because of the noise level in their factory.)”

As a result of The Boss’s so-called pep talk, sales fell and so did market share, profits and employee morale. One long-time worker even left Punctuation, Inc. to go to work for Process. On her last day at Punctuation, the worker said to The Boss, "I had wanted to help you solve the problems that Process, Inc. was causing us. Then you came on the PA system and as much as told me that I was part of the problem!"

“Punctuation, Inc. was the place to go for punctuation. They had the reputation. The innovation. The broad product line. The lead (by a wide margin) in market share. They were the one constant. Or so they thought.”

The Boss knew that he’d taken a bad situation and just made it worse. He also knew that this was leadership at its lowest point. He met with his left-hand man and his right-hand man, and told them that the workers were upset and had every right to be. He said that the "Try Harder! Do Better!" motto wouldn’t work because they already had good people who were doing their best. Rewards and threats wouldn’t work either, he said, because those are merely motivators and the workers didn’t need motivation. What they needed was leadership. Customers said that Quality - whatever that is - is the key. The Boss said that perhaps the key to Quality was in catching whatever mistakes might occur. The way to do that would be with inspections. He decided to double the workforce to create a huge inspection team. Each inspector would inspect everything that the workers did immediately after they did it. The Boss decided that he wouldn’t hire inspectors to watch over his right-hand man and his left-hand man. Instead, he would let the two of

them inspect each other.

Changing the System

One month later, with the new inspection process underway, things were even worse than ever. Profits, market share and morale were down. So was The Boss. Contrary to what he expected, the company was now making more mistakes than they had ever made. He asked his right-hand man and left-hand man for their feedback, but the two of them were too busy arguing over their inspections of each other. It was a mess. The Boss's two top people didn't even know what their jobs were anymore, and like the rest of the workers, they had no initiative anymore since they figured that any mistakes they made would be taken care of automatically. With a system like that, why bother to think?

“She was choosing one product over the other - passing up the original at that - all because of Quality. But when he asked her what Quality meant to her, all she could say was, 'I know it when I see it.'”

The Boss was more upset than ever. What was the answer to providing Quality? It wasn't the motto "Try Harder! Do Better!" It wasn't more inspection. He realized that "In a closed system, the number of mistakes made expands to fill the inspection capacity available."

He met with his right-hand man and his left-hand man, and the three of them decided that the only way to stop this from happening was to change "The System." He wasn't sure how yet, but he said, "One thing I am sure of is that it's our job to figure it out. Management has no other job but to fix The System." This time, The Boss was right.

“Here were his two most trusted workers. Neither knew what his job was anymore. Neither one had responsibility anymore - each just assumed the other, acting as inspector, would catch his mistakes.”

They decided that in their new System, they would focus on preventing mistakes from happening in the first place. When they changed from an inspection mind-set to a prevention mind-set, Quality went up, and so did morale, productivity and profitability. But market share only leveled off. At least it stopped falling. The Boss believed it was only a matter of time before it began to rise and they put Process, Inc. out of business.

“No wonder people weren't performing as well on their jobs. The Boss had made it impossible for people to know where their jobs left off and the next person's job began. What was The Boss to do?”

One day a customer came in to see The Boss. The customer had a complaint about Quality. The vertical piece of a plus sign the man had bought had fallen off, leaving him with a minus sign on an important document. It had fallen off in the mail and led to great problems for the man. The man also had comments about exclamation points melting when he got angry while shouting. They had to figure out whether these were design problems or manufacturing problems, and they promised the customer they'd get to the bottom of it.

The Real Experts

But, he still couldn't figure out the answer to their Quality problem. Then it hit him, even if a customer couldn't exactly define Quality, except to say "I know it when I see it," Quality was always going to be determined by the customer because it was based on only one thing: The customer would ask himself, "Did the product do what I expected it to do." If the answer is yes, it's a Quality product. If the answer is no, then it isn't. The Boss then realized that the company had had things backward by thinking that its people were the experts. The customers are actually the experts when it comes to determining Quality. He listed his thoughts:

- Quality is a matter of survival, and it is everyone's job.
- Quality may not be free, but it's a lot less expensive than the alternatives.
- Most Quality problems are built into The System.
- The first step toward improving The System is to get good data about what needs fixing.
- The second step toward improving The System is moving from an inspection mind-set to a prevention mind-set.

“By now The Boss had arrived at several conclusions. Above all, he had decided that Quality was nothing less than a

matter of survival.”

And with that insight, The Boss brought Punctuation, Inc. back to its former glory.

About the Author

John Guaspari is vice president of Rath & Strong, Inc. and is the author of *of The Customer Connection* and *Theory Why*. His ideas have been translated into three widely used video training programs for the American Management Association: : *I Know It When I See It*, *Why Quality?* and *The Quality Connection*.
