



Second Announcement
January 2017
The Deming Prize Committee

On revision of Deming Prize Evaluation Criteria

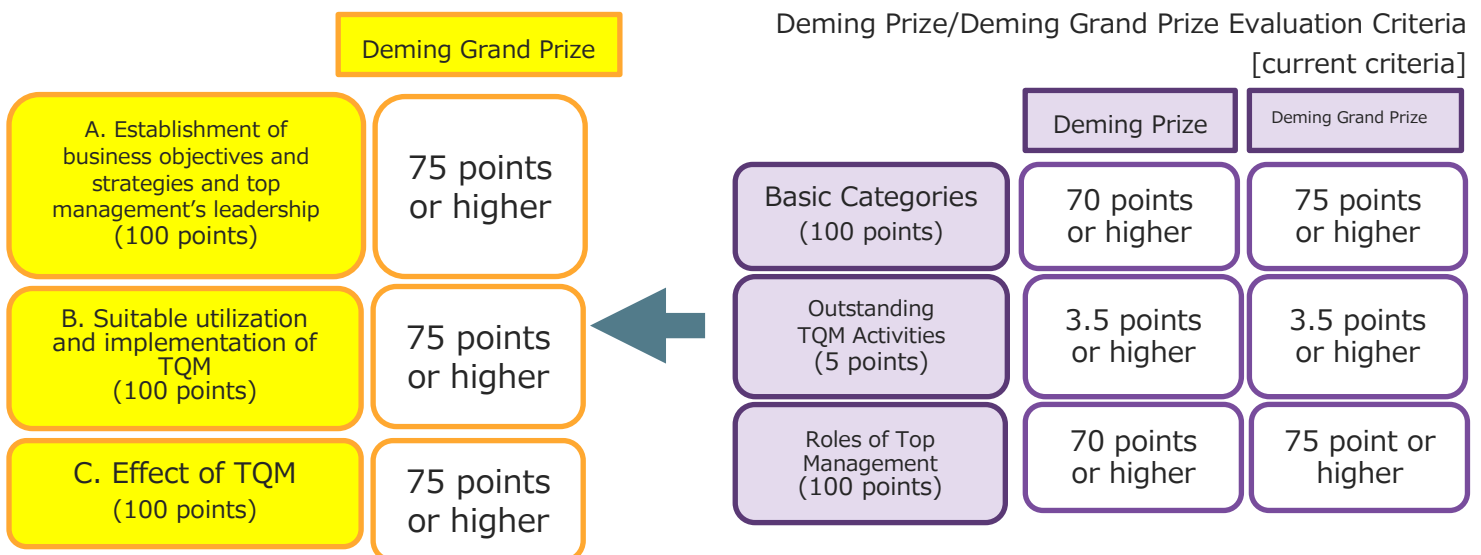
Applicable from FY 2018

- Deming Grand Prize Passing Point Determined
- Official Announcement of Evaluation Items

• Deming Grand Prize Passing Point Determined

Deming Grand Prize Evaluation Criteria has been reviewed along with the revision of Deming Prize Examination Criteria onward from 2018 as announced by the Deming Prize Committee in October, 2016. After the review, it was decided to apply the following Evaluation Criteria from 2018.

Deming Grand Prize Evaluation Criteria [from 2018]



• Evaluation Items Determined

As announced by the Deming Prize Committee in October 2016 regarding the revision of Deming Prize Examination Criteria onward from 2018, its details have been determined as in the following page. It should be noted that this revision of the evaluation criteria will be notified to make it widely known by one and all until December 2017 but we plan to implement them in TQM diagnosis in advance to try out the proposed revised evaluation criteria from FY2018. It may be noted that based on the results of such diagnosis, the final wording of the evaluation criteria may undergo some further revision.

The Deming Prize : Evaluation Criteria [FY2018~(Proposed)]

A. Establishment of business objectives and strategies and top management's leadership

Evaluation Items	Points	Passing points
I. Establishment of proactive customer-oriented business objectives and strategies	100	Above 70
Under clear management belief, proactive customer-oriented business objectives and strategies has been established according to the management philosophy, type of industry, business scale and business environment, taking into account social responsibility of the organization. And the aspirations and future plans of the organization have been clearly spelt out.		
II. Role of top management and its fulfillment	100	Above 70
Top management is exhibiting leadership in formulation of proactive customer-oriented business objectives and strategies and implementation of TQM. It has insight concerning business objectives, strategies and environmental change and understands the importance of enhancement of organizational capabilities, human resource development and corporate social responsibility. It has understanding of and enthusiasm towards TQM.		

B. Suitable utilization and implementation of TQM

Evaluation Items	Points	Passing points
III. Suitable utilization and implementation of TQM for the realization of business objectives and strategies	100	Above 70
TQM is being suitably utilized and implemented as a management tool for the realization of business objectives and strategies. And scientific methods (statistics, etc.) methods and IT are being utilized suitably in the process.		
1. Organizational deployment of business objectives and strategies	(15)	Above 70
Business objectives and strategies are being deployed throughout the organization and implemented in a united way based on total employee involvement, and close cooperation between departments and related organizations.		
2. Creation of new values based on understanding of customer and social needs and innovation of technology and business model.	(15)	Above 70
Development of new businesses, products and services and/or innovation of work processes are being carried out proactively and effectively, aimed at creation of new value based on understanding of customer and social needs and innovation of technology and business model.		
3. Management and improvement of quality of products and services and/or work process	(15)	Above 70
a. Daily Management: There are few troubles in day-to-day operations through standardization and education & training and major operations in each department have been stabilized. b. Continuous improvement : Improvements in quality of products and services and/or work processes are being carried out in a planned and continual manner and claims and defects in the market and/or next-processes are decreasing or are being maintained at an extremely low level. Customer satisfaction level has improved or is being maintained at an extremely high level.		
4. Establishment and operation of cross-functional management systems such as quality, quantity, delivery, cost, safety, environment, etc. across the supply chain	(15)	Above 70
Cross-functional management systems necessary for the organization are being established and operated suitably across the supply chain headed to customers including partners and related organizations and are effective in achieving the objectives in the changing business environment in a rapid and reliable manner.		

5. Collection and analysis of information and accumulation and utilization of knowledge	(15)	
Collection and analysis of Information from the market and within the organization and accumulation and use of knowledge necessary for operations is being carried out in an organized manner. In addition, such information is useful in creation of new values, management and improvement of products, services and/or operational quality and establishment and operation of cross-functional management systems.		
6. Development and active utilization of human resource and organizational capability	(15)	
Development of human resource and organizational capabilities is being carried out in a planned manner and it is useful in realization of business objectives and strategies and implementation of TQM, and activation of people and organization that supports them.		
7. Initiatives for social responsibility of the organization	(10)	
The organization is aware of its role and responsibilities as a member of the society and has established specific indicators in this regard and is adopting initiatives proactively (for instance, environmental conservation, regional contribution, fair operating practices, respect for human rights, information security, etc.) according to its management philosophy, type of industry, business scale and business environment.		

C. Effects of TQM

Evaluation Items	Points	Passing points
IV. Effects obtained regarding business objectives and strategies through utilization and implementation of TQM	100	Above 70
The organization has obtained good effects regarding business objectives and strategies through suitable utilization and implementation of TQM.		
V. Outstanding activities and acquisition of organizational capabilities		
The organization has obtained effects in the core areas for the realization of business objectives and strategies based on outstanding activities regarding content and/or application of TQM and has acquired organizational capabilities necessary for its future sustainable growth.		

Note) Here, items and points of “III. Suitable utilization and implementation of TQM for the realization of business objectives and strategies” is a criterion for examination. During the examination, they may be changed by the Deming Prize Committee depending on the management philosophy, type of industry, business scale and business environment of applicant organization as well as the business objectives and strategies formulated by based on them by the applicant organization.

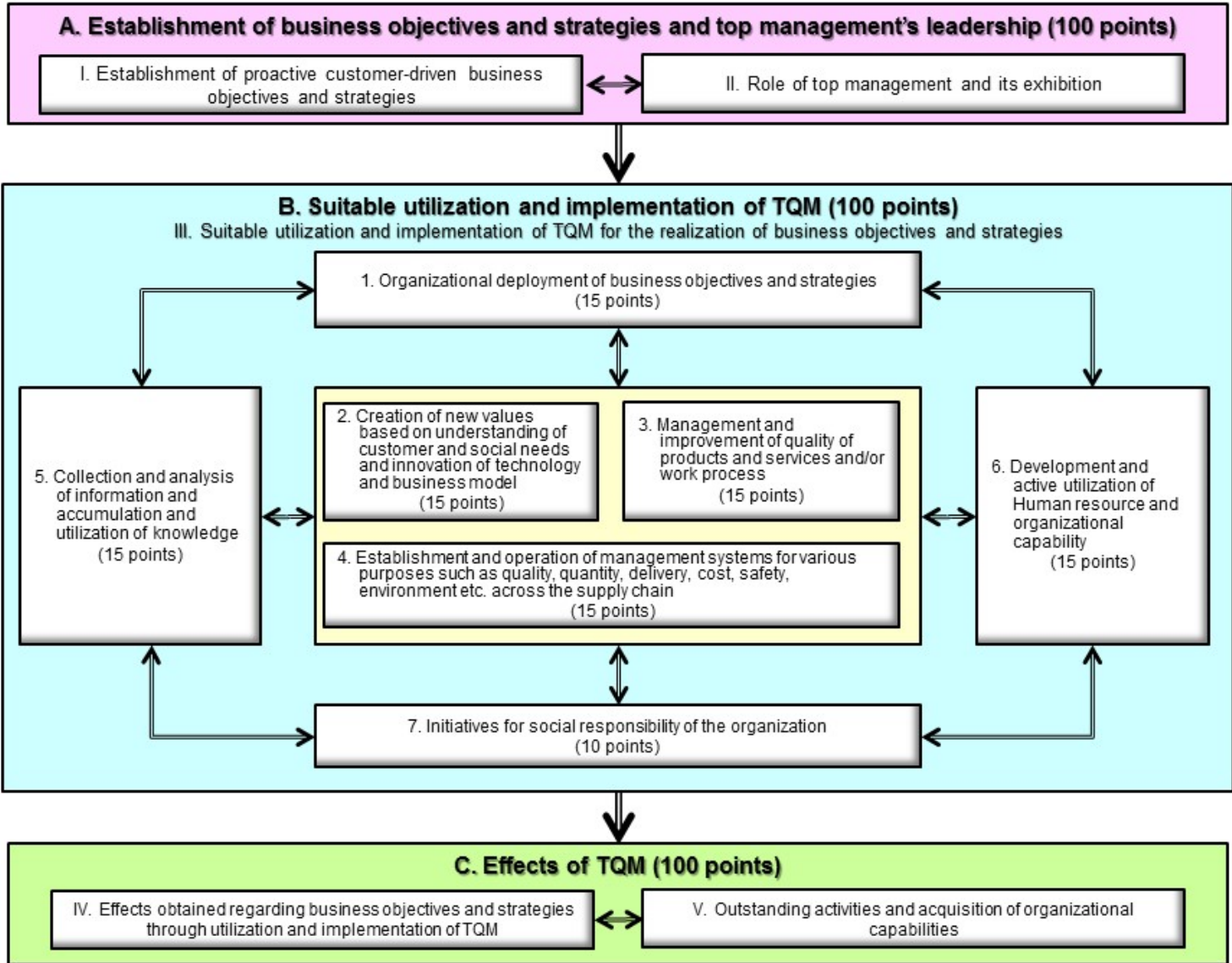
<Organizations Qualified for Receiving the Prize>


The Deming Prize is given to applicant organizations that realize the following three particulars by means of TQM.

- A) Under clear management policies that reflect its management principles, industry, business, scope and business environment, the company has established proactive customer driven business objectives and strategies based on social responsibility of the organization. And the top management exhibits leadership in their formulation.
- B) TQM is being suitably utilized and implemented for the realization of business objectives and strategies mentioned under A) above.
- C) As a result of B), along with achieving effect regarding business objectives and strategies of A) above, organizational ability required for future growth has been secured.

※Until now, evaluation criteria consisted of 3 categories namely, 'Basic Categories,' 'Outstanding TQM Activities' and 'Roles of top management' but this time we have organized the criteria in line with A-C of 'Organizations Qualified for Receiving the Prize.' Formerly, 'Roles of top management' was positioned in Evaluation Items A, 'Basic Categories' in Evaluation Items B and 'Outstanding TQM Activities' in Evaluation Items C as the core elements

Evaluation criteria





This revised evaluation criteria will be applied for the examination of organizations that challenge the Deming Prize and the Deming Grand Prize from FY2018.

It should be noted that this revision of the evaluation criteria will be notified to make it widely known by one and all until December 2017 but we plan to implement them in TQM diagnosis in advance to try out the proposed revised evaluation criteria from FY2018.

It may be noted that based on the results of such diagnosis, the final wording of the evaluation criteria may undergo some further revision.

Further information on the evaluation criteria will be successively made available on our website.

And we shall send the latest information to the organizations that are considering challenging the Deming Prize and the Deming Grand Prize after FY2018.

※ The contents of this pamphlet are as on January 2017.

Contact Information

All inquiries about the Deming Prize should be directed to the Secretariat for the Deming Prize Committee as follows:

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