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Interview with Kent Sterett

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Kent Sterett

(Interviewed on 29 October 1991, Atlanta, GA)

Video Rolls #17-19

Q: Your name and spelling.

STERETT: Kent K-E-N-T. Sterett. S-T-E-R-E-T-T.
Executive Vice President, Southern Pacific Transportation
Company.

Got an offer I couldn't refuse and left UP.

Q: What brought you into contact with him?

STERETT: Well, the first contact I had with Dr. Juran was in about 1974. We were in the process at Florida Power and Light of installing a quality effort focused on our nuclear power plants, and looked around the country for some outstanding guidance to help us setting up the initial criteria, broadening beyond the nuclear requirements.

And Dr. Juran agreed to come down and give a seminar to the key leadership of Florida Power and Light. That would have been in about the Fall of 1974.

Q~' How was he identified as being one of the people you'd like to talk to?

STERETT: At that time? Dr. Juran came to our attention. Obviously, he had been in the quality effort for some time. We did have some knowledge of -- let me start that one over

again. First I've got to think what the answer is.

Dr. Juran came to our attention at that point -- I'll start again.

We selected Dr. Juran as the individual who we really wanted to look to for the guidance in moving the quality effort beyond the nuclear required areas and into the other areas of the company. Primarily because of his stature in the United States.

And our impression was driven by the handbook that he had offered and coordinated and edited. And we were also, at that point, aware of the contribution that the Japanese thought that he had made to their quality efforts.

Those two together were the deciding factor.

Q: The first time. What was it like?

STERETT: Well, my first exposure to Dr. Juran was when he came to Florida Power and Light, and I was in charge of the non-nuclear efforts for Florida Power and Light at that time. I need to hesitate a little more each time so I can think it through -- 'cause this is 20 years of history.

My first exposure to Dr. Juran, on his trip to Florida Power and Light, was when we went to the airport to pick him up. I had never met the gentleman at that point, and only had a small picture to recognize him with. He came off of the airplane, and that point was the first time I met him. I didn't really know what to expect.

As we were lining this major seminar up for our top executives. We had gathered all of the top officers of the company in the Miami Lakes Conference Center. And I wasn't real sure how this was going to go. Most of the people in the room did not have a real good idea exactly why they were there or what to expect.

We had attracted the attention of the chairman -- we had attracted the attention of the president of the company to the idea that this was a good idea, and had sent out the

invitations. But I, at that point, did not have a good perception as to how well this was going to go.

Dr. Juran came in the morning, went up to the front of the room -- we had one of these overhead projectors that had two reels on it, that you could run the view graph material across it. And he began to make a presentation that began quite generally.

And it was for the first hour -- in the first hour or so, I was not real sure exactly whether or not this was going to hit the button of these primarily cost and managerial focused individuals.

By the end of the day, the impact was extremely clear.

Q: How did it swing around to accomplish what you hoped it would?

STERETT: The thing that Dr. Juran did that worked extremely well with that group of -- shall we say -- uninitiated top executives of a company was that he spent the first hour or so laying a groundwork. Laying out items or ideas that there was a good agreement on. Relating to where they were coming from.

And then, based on that foundation that he had laid, he began to build upon that and develop the concepts and the ideas that he spent the rest of the day explaining.

Q: What was it like working with a leader in the field?

STERETT: My initial impressions with -- my initial impressions of working with Dr. Juran were ones of relief. As we had begun to try and do some of these things in our company, the needs were very apparent. The impacts and the benefits of making improvements were extremely clear.

But the answers to the questions -- the questions such as: how do you go about doing this, what'll work -- were things that were completely beyond the comprehension of many of

us at that time.

The ability to ask a question and immediately get an answer that made sense, that was practical, that played well to our top executives, was a tremendous relief to those of us who were trying to struggle through the process.

Q: Did you spend much time in his presence?

STERETT: Well, in the first trip to Florida Power and Light, I was at a second-tier level. More of the administrator, the arranger, the facilitator -- if you will -- of the process. At that point, I did not have the opportunity to spend a great deal of time in one-on-one conversations. And so in the beginning, no.

But as time went on, as Dr. Juran came to Florida Power and Light several times over the years after that, I was -- I had the opportunity to spend a good deal of time, one-on-one, with Dr. Juran, discussing where we were, where we ought to be going.

And, in that process, which spans the better part of two decades, we had the opportunity, at each major juncture, to bounce the ideas off of Dr. Juran, receive the benefit of his experience in a lot wider range of companies than we had ever been or would ever be exposed to, and receive the benefit of his guidance in developing the plans that ultimately in us winning the Japanese Deming Prize.

Q: What is Dr. Juran really like?

STERETT: Dr. Juran is a wonderful person to spend time with. If you compare -- I won't get into that -- I was about to compare him to others.

Dr. Juran is a very warm and friendly individual; someone that you can relate to immediately upon first getting to know them. You can go to dinner with the man and immediately begin a conversation and have it responded to as though you'd

known him for 20 years.

Q: What's he like in the flesh?

STERETT: Dr. Juran, one-an-one, is not anything like he comes across in the books; or particularly like he comes across in the videotapes. One-an-one, he's a great -- he is very, very easy to relate to, very easy to carry on a discussion with.

And I don't mean a discussion just on the subject of quality. World affairs, what's happening in Europe -- those kinds of things are well within his grasp and the active -- and active interest.

Q: Why should people know or even care about Dr. Juran?

STERETT: I had an interesting experience when I went to Japan, I've been to Japan some 18 times; studying their quality efforts, and what are the things that have enabled many of their companies to dominate in their markets worldwide.

One of the things that becomes very, very apparent if you do that is the gratitude and the recognition that they give to the tools, techniques, and advice that they've received from Dr. Juran.

For example, I went into a store in downtown Tokyo, just the equivalent of a local grocery store. And they sell these magnetic cards that have credit that goes against the telephones -- you put them in the telephone and you can make telephone calls. Believe it or not, on the face of that card, written in Japanese, is a picture of Dr. Juran.

By the way, I still carry that card. I think I can produce that. Before we get finished today I'll give it to you.

Q: But to 98% here, he's a total unknown.

STERETT: Okay, the reason that -- and interest in what he has done and what he has contributed would be useful to the American public, I think, is that if you take the tools and technique, the processes, and, in effect, the management system that he espouses, the difference that a company or the American economy can make in its competitive advantage -- not only nationally but internationally -- the measures could well be as fundamental as the balance of trade.

Q: What's better because of Dr. Juran?

STERETT: Today, we're at the Juran IM:PRO. Let me start over again.

Today, we're at the Juran IMPRO in Atlanta, Georgia. There are roughly 800 people here today, from all kinds of compames.

Every type of company that you can imagine, from the service to the small business to the major industrial giants of the United States are here today to share and to learn about the tools and techniques that will enable them to improve their competitive position, vis-a-vis their competition -- nationally or internationally.

They are not here because they think that is a possibility. They are not here because they think that is something that might be possibly useful.

They are here because they know others, and in their own company, have demonstrated that these tools and techniques, processes and teachingsd, do indeed work, and are indeed measurable in terms of bottom-line results on the financial sheets of their company.

By the way, the continuation your questions helped me focus a great deal, so just keep on doing it.

Q: Why should my wife care about Dr. Juran?

STERETT: As you watch the -- as all of us have done,

we've read the press, from the New York Times to the Wall Street Journal to our local newspaper. There is not a major newspaper or communication device in the United States that, in the last six months, has not carried some subject on the -- let me start over again.

Every major communication device or publication in the United States has, at some point in the last three to six months, run an article on the subject of quality. They've run it from just about every angle that you can think of.

From the impact on the consumer to the impact on the international competitiveness of our major corporations. On job security, to the long-term benefits to the federal government, to the impacts on our tax bases.

All of those things, when taken in conjunction, impact everybody in the United States, whether it be the children in the elementary school through the curriculum that's being discussed in many arenas, to the housewife as a basic consumer, to the executive of the largest companies in the country.

Q: Why should anyone care that Dr. Juran has lived on this earth for 87 years?

STERETT: The challenge that is before us, as a country and as a society, is a challenge of maintaining and improving our competitive position in a manner that will guarantee that our children and our children's children maintain a standard of living that is as good as, or hopefully better, than the one that we enjoy.

The investment in that --

(END OF TAPE 17, START TAPE 18)

Q: What's it like to really know Dr. Juran?

STERETT: To be on familiar terms with Dr. Juran is a

real opportunity -- some would say a privilege. But, from my viewpoint, an opportunity. An opportunity to have a sounding board. An opportunity to inter-relate with a real human being. An opportunity to be able to try out ideas at the major junctures, not in the company that you're working for, but in your career.

To have as a sounding board somebody who, by the depth and breadth of his experience, really has something valuable to share with you.

Q: How is he different from anyone else?

STERETT: Dr. Juran has a disarming ability. An ability to sit and, in an a very, very short period of time, put you at ease; to communicate his ideas and thoughts, in a way that relates very, very well to where you're coming from and what your experience and background is.

He does that with executives, he does that with individuals who are struggling through the trials and tribulations of trying to implement a quality effort. He does it in the social setting. Not very many people have the capability of doing that quite so well.

And I think that skill is basically his ability to put himself in your shoes and then relate from that viewpoint -- as opposed to relating from where he is to you.

Q: What would quality be like if companies had not listened to him?

STERETT: If you think about the alternatives -- I'm toying with which of several ways to "" this.

Over the last 15 years, the economy of the United States has changed from a regional economy to a national economy. And then to participation in the international economy.

What has happened in that process is local companies have, been exposed to national competition. National companies

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have been exposed to foreign competition. In that process, as it has matured, many companies have fallen by the wayside.

The ones that have fallen are those that cannot compete in the more stringent competitive environment that has produced.

The companies that have, have been those that have been able to rise and to improve their productivity and their competitive position, their understanding of their customers, their understanding of their marketplace, understanding of their employees, most rapidly.

The tools and techniques and processes and management systems that Dr. Juran talks about are the tools and techniques that have enabled those companies to make those journeys.

Whether they call them exactly the same terms as Dr. Juran does, or not, is not the important thing. The important thing is that they have been able to improve, they have been able to maintain their competitive stature and, through that, they've been able to survive.

If you look at some of the major fundamental industries in the United States today, some of them have suffered quite heavily at the hands of foreign competition. But then have been able to move back into their -- into a competitive posture through the application of these tools and techniques.

If he had not -- if he and others had not been in the forefront of making those available, the fall-out in the fundamental industries of the United States would be even more radical than it is today .. And that would be directly measurable in terms of the standard of living in the United States.

Q: What are the greatest tools and techniques he has created?

STERETT: Fundamentally, I think, the thing that Dr. Juran has contributed to the mindset, to the education, to the implementation in the United States, is not the tools and techniques. It is the focus on management; that it is

management's job to lead, in fact, champion the improvement efforts in their companies.

(OFF CAMERA DISCUSSION)

Q: How do you bring him and quality together?

STERETT: I personally believe that the reason that Dr. Juran and quality are so inseparable in the minds of many in the United States and overseas goes back 20 or 30 years, perhaps. As the various tools and techniques began to evolve in the United States, they evolved as independent things done by independent companies, locations, or individuals.

Dr. Juran was the first to recognize these as components of a larger system -- a management system -- and to bring those together in the form of a handbook. And if you look through that handbook, what you'll see is chapters written by the leading experts in each of those fields, put together between two covers, and, for the first time, explained as a system.

That contribution to understanding -- that contribution to integration -- at the early date that was generated, I believe puts Dr. Juran at the forefront of making these things visible to American management.

Q: He came to your attention because of his work in Japan.

STERETT: Partially. The handbook ...

Q: What did Deming and Juran do in Japan?

STERETT: The contribution that the Japanese credit Dr. Juran with is the understanding that these tools approaches were, in effect, a management system.

I had the opportunity of spending an evening with Dr.

Ishikawa. And in that time, asked the question: what was Dr. Juran's -- let me start that over. Ask the question one more time.

Q: There's a Deming Prize, no Juran prize?

STERETT: Off the record, you can buy immortality with \$3,000 worth of contributed fees to the final prize, if the client doesn't have the money to pay you, is the understanding I have of the situation.

Q: Is that how Deming got the prize?

STERETT: I'd rather not have this on tape. But my understanding is that the prize was funded originally by the purchase of the medals. It was funded by the forgiveness of speaking fees at a time when they didn't have the money then. So he bought immortality with basically that.

Q: What did Deming -- what did Juran do over there?

STERETT: Let's talk about Dr. Juran. A number of years ago, I had an opportunity to spend an evening with Dr. Ishikawa in Tokyo. In that time period, I took the opportunity to ask him about the contributions of the various American gurus who had come to Japan, and what he would credit each one of them as having done.

In that discussion, he pointed out that, in his feeling, Dr. Juran was the one that had contributed the understanding to the Japanese that what we were really dealing with was a management system, a process, and not a series of unrelated tools and techniques. A process that could be focused through the top management of a company.

And that inspiration was the genesis of the Japanese seminar for upper management that they teach every year in Hakone (?) I think.

Q: *Joseph M. Juran is the man who -- ?*

STERETT: I can't finish the sentence in only one Iiae, ~ Dr. Juran is the man who looked at the tools and ~ Dr. "Juran is the one individual who could best be credited with recognizing that the improvement tools and techniques that were in place in the late '30's and '40's, in reality could be pieced together in a way that could affect, not just the productivity or not just the defect rate in individual components, but saw in them the possibility, in fact the challenge to the management system that could fundamentally affect, not only the bottom line of a company, but it's overall competitiveness in the internationally market.

jQ: What was it like -- 18 or 19 years until somebody really picked up on this?

STERETT: I think Dr. Juran -- if I were in Dr. Juran's shoes, during the early stages of his efforts to convert the American industrial management -- if you will -- I would have been quite frustrated.

I would have looked back on the success in educating Japanese executives, and what they had done, the accomplishments that they had made, and then looked at the successes or lack thereof in the United States, and wondered how long -- how long it would take American executives to waken to the challenge that was before them, and then do something about it.

Q: *Have you ever asked if he was frustrated?*

STERETT: I never asked the question exactly that way. Particularly in the last five or six years, Dr. Juran has become much more positive.

I did not notice the dis -- the concern in the earlier years, but as I think back on the things that he has said over the last

four or five years, about the clouds clearing, about the opportunities that are before us, the things that are happening in the United States today, he obviously takes a great deal of satisfaction and pride in what the country, what the major companies in the United States are doing.

And I think, quite justifiably, feels a sense of accomplishment in that.

Q: What is his greatest single achievement?

STERETT: A number of years ago, Dr. Juran was more or less an individual contributor with some associates. And would publish views and consolidations of other's works, and wander around a little bit like the lost missionary in the desert.

He was one of the first to recognize the need to assemble the thoughts and tools -- the thoughts -- let me start over again on that.

In the earlier years, before there was a great deal of receptivity to the quality issue in the United States, Dr. Juran and a very, very limited number of -- shall we say -- prophets, wandered the American desert in search of those to convert.

In the later years -- we'll say in the late '70's -- Dr. Juran was one of a few that took the time to actually record the tools, the thoughts, the processes, the concepts, the systems that were necessary to bring these things to American management.

In that, I think he was the leader. It was packaged in the handbook; later in tapes; later in other documents. As an example, the book on breakthrough and things of that nature.

Q: So his greatest single achievement?

STERETT: Dr. Juran's greatest single achievement in the recognition that all of these things that others had been

preaching were, in effect, parts of a management system. Was an opening the door to the executive offices of the major companies in the United States.

Opening it with a line of reasoning and a focus and a way of explaining it that was understandable to the executives of the major companies, as opposed to just those on the shop floor.

Q: What role did he have at Florida Power and Light, and decision to take their success story public?

STERETT: Dr. Juran came to Florida Power and Light in a number of different --

Dr. Juran came to Florida Power and Light in a number of different roles. First, as a teacher. Second, as a confidant, a critique-er of the plans, a contributor to the concepts.

As we began to become more successful, in a dinner that Al Endres and I had with him -- I don't remember where it was.

In a dinner that I had with Dr. Juran, he encouraged us to begin to tell the story that We had to tell to American industry. Encouraged us on the basis of what others could learn from what we were doing and the measurable results that we had.

And that had a great deal of influence.

My first question was, why should we do this. Not so much from the standpoint of what would it do for the company. But more from the standpoint: would others listen to a utility in Florida?

(END OF TAPE 18, START TAPE 19)

Q: Why did Florida Power and Light share this information?

STERETT: One evening I had an opportunity to have dinner with just Dr. Juran and another member of his staff. And, out of the blue, he encouraged us to begin to make more public the story of our success. The impact it was having on the bottom line. The fundamental improvements it was having in our operating capability.

It took me somewhat by surprise. And I asked, why? Why would we do this, and would others listen? And his answer is that -- his answer was that you're in a different position than most American companies. Fundamentally it is not a competitive advantage because you're not in a position where you compete with other major companies in the same technology.

So you have less to lose, and, from that standpoint, should be less reluctant to share.

In addition, you are one of the leaders in viewing this as a management structure and a management process, by which you can actually manage the company in it's totality.

This example gets at the fundamental barrier to why it's had implementation of improvement techniques in the United States.

Q: You were a colleague on the --

STERETT: Are you referring to my encroaching senility or what? Much more comfortable in the present, better memory.

Q: What has been his role in the creation of the National Quality Awards?

STERETT: Dr. Juran has been very active from the earliest concepts of the National Quality Award. When the ideas were initially beginning to circulate that led to the passing of the law, it was apparent that Dr. Juran had had some involvement and some thought on these subjects,

predating that by perhaps decades -- at least one decade.

Dr. Juran was, in the early stages of the development of the concept, a sounding board. When it came to make the presentations at the ... Let me start over again.

When the idea of a National Quality Award surfaced in the context that ultimately led to the passing of the current legislation, it became apparent that Dr. Juran had been active and had thought on some of these concepts as much as a decade, and perhaps longer, prior to that time.

In the early stages of the development of the concepts, Dr. Juran was a sounding board. As we approached the hearings in congress, Dr. Juran appeared as one of the major testifiers . . . as to the value, as to the concepts, as to the ideas that ought to be embodied in a National Quality Award for the United States.

He's obviously been involved in the Board of Overseers, and, in that role, has been one of the major -- major guiding lights of exactly which direction do we go, how do we evolve it, what should the criteria be.

Q: Can you say: these are his specific contributions to the National Quality Award? How it's conceived, how it's organized, how it's run, how the winners are selected.

STERETT: I'm not sure that it would be as easy to point at one issue as the major item of Dr. Juran's contribution to the National Quality Award, as it would be to see the thread of his thoughts and ideas through the entire criterion process.

In the criteria, for example, if you would look through those, and then open the Juran material beside them, it would be very difficult to escape the traceability -- if you will -- between the two.

Q: What are the chief inhibitors today in corporations for quality improvement?

STERETT: The major inhibitors in the United States today to plunging ahead on the subject of improving a company's competitive position I believe are top management leadership.

Top management leadership, not only from a personal standpoint, but from an understanding. An understanding that, indeed, to improve rapidly you need a process, you need a focus, you need a method of going about it.

Q: So we'll kill all top management.

STERETT: The answer to that, I believe, is not the replacement of top management, it's the education of top management. And that, I think, is the contribution that Dr. Juran has made that distinguishes him from others.

The focus on top management, the focus on a management system as being the necessity -- in fact, the absolute difference between being able to improve rapidly and not being able to.

Q: What impact has he had on your life?

STERETT: My personal belief is that if Dr. Juran had not been there at several times in my career as a sounding board or as an inspiration, even in his absence, or as a source of knowledge and techniques -- either directly or through the material he has written -- I don't think that I would have been able to have been viewed as successful by those I work for or the organization that I worked in.

And that lack of success probably would have resulted in me still being a middle level manager in the medium sized utility in southern Florida, as opposed to a member of the executive committee of a much larger corporation.

Q: What have I not asked you?

STERETT: Probably a couple of things.

One is the things that he has done, if no one had been there to do them, with the honest focus that he has had as opposed to the somewhat parochial interest of others, whether that the parochial interest be --

I don't want to tape this part -- but the parochial interest of others in terms of profitability or religious intoxication with their own issues.

A good deal less would have been accomplished that would have been measure able in terms of the balance of trade.

You see, there are not very many -- perhaps only one -- who stayed back away from the fray to the point of being, in effect, the honest broker of all these things, during the period -- let's say -- of 1975 through the National Quality Award. And I think there's only one.

Q: Howland, is there anything we haven't covered?

: A couple of things.

Q: What are some of the other things?

STERETT: Building on that I think that the focus on management, the opening of the door to the executive offices, that contribution, is actually traceable to the gross national product and the balance of trade.

I don't know how to explain that, but if you look at the companies that are downstairs today.

I'm going to wander for a minute, and then we're going to have to come back and say it in a way that fits. If you look at the companies that are downstairs today, at the companies that come to the public conferences that Juran gives, that buy the material.

And then you just make a list of the names and you look at what's happened, what they've actually been able to do. I think that that recognition that has occurred in Japan, of the traceability between that understanding as a management

system, that Ishakawa mentioned, and their competitive position in the international market that they have so clearly in their mind.

I think that same traceability is here to the same individual, but not nearly as well recognized.

Q: Make that point strongly.

STERETT: That's a real tough question. You're wandering through things that I have really have never articulated before.

Q: Here's a chance.

STERETT: Well, only for me and not for the world, that's for sure. I'm going to take a shot at it.

This evening I had an opportunity -- I'm going to try and string several of these thoughts together and then you cut it apart if you wish later. I'm trying to remember when.

In 1985 or '86, I had an opportunity to spend an evening with Dr. Ishakawa in Tokyo, Japan. In talking to Dr. Ishakawa, I had the opportunity to ask what he thought were the contributions of the Americans who had come to Japan. The one that he immediately began to talk about was Dr. Juran.

And I asked him: . what was the contribution? And his answer was: for the first time, we saw the processes and the teachings as not just a series of ideas or thoughts to be used on the shop floor, to be used on the products. But began to visualize the process of management as being the subject of application.

By improving the process of management -- not just on the shop floor -- we've been able to make a major impact on Japan's competitive position in the international marketplace. , In thinking back on that discussion, it's my personal belief that Dr. Juran has had that same impact here in the United

States. And now, as I explore that, it appears to me that he is the first that has been able to relate these ideas in terms and approaches that are meaningful to the top executives of American corporations.

, He's the first of the major quality experts who's been able, in fact, to open the door to the executive offices.

To help the top executives who are companies view the competitive position as a subject for the application of these tools to the improvement of their organizations. To open the subject of management process and the improvement of the management process as a vehicle for improving their competitive position, their profitability, and their positioning in the marketplace.

Q: What portion of what he is and does is the result of synthesizing other information, and what's the result of his original thinking?

STERETT: If you look back on quality discipline, you can look back 3,000 years. In fact, Dr. Juran has written a series of articles 'on quality from the perspective of various countries, including, for example, the Chinese 1,000 years before Christ.

Many of these ideas are not individually new, but an evolution of one improvement or integration upon another, for perhaps thousands of years.

- Seldom does an individual come along and make a major breakthrough in the thinking. I think Dr. Juran has made a major contribution that is a breakthrough, beyond the contributions that are traceable back 1,000 years before Christ.

And that is the jump from the processes to the idea that this is a management system. Not just for the use on hardware and products and service, but to the idea that this is a way of thinking, a way of improving the company, a way -- in effect -- of managing the company, that goes far beyond

just the products it produces.

Q: Thank you. You can breathe now.

(END OF TAPE 19)

