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The Shingo Prize for Operational Excellence Becomes the Shingo Institute

Huntsman Post

The Shingo Prize for Operational Excellence Becomes the Shingo Institute

Shingo Institute Press Release

By Cory Keate

LOGAN, Utah— Twenty-five years ago, Utah State University organized an awards program designed to promote and recognize excellent manufacturing organizations throughout the United States. Known as The Shigeo Shingo Prizes for Excellence in Manufacturing, the awards were named for Japanese industrial engineer Shigeo Shingo. The same year the awards were created, Shingo received an honorary doctorate from Utah State University for having distinguished himself as one of the world's thought leaders in operational excellence.

By 1994, the awards program expanded beyond the United States with Ford Electronics in Canada becoming the first non-United States-based site to receive recognition. That same year, an award was created that recognized exceptional publications that added to or expounded upon the existing knowledge around manufacturing excellence. Jim Womack's "The Machine that Changed the World" was the first publication to receive the new award.

In 2000, Business Week magazine referred to The Shingo Prize as the "Nobel Prize for manufacturing" ("Business Week" May 15, 2000, p.38B). As the award's prestige and recognition grew, more and more organizations throughout North America began to "challenge" or apply to receive it. In 2009, two European companies received Shingo awards accelerating the global reach of The Shingo Prize.

In 2008, the organization's name changed to reflect the broader audience to which the award applied. With growing interest in the healthcare and financial industries, the organization shifted from The Shingo Prize for Excellence in Manufacturing to The Shingo Prize for Operational Excellence.

Also in 2008, the executives of The Shingo Prize for Operational Excellence revamped the standard to which organizations were assessed when challenging for The Shingo Prize. Robert Miller, executive director at the Shingo Institute, describes what happened that year:

The Shingo standard is, by design, the most rigorous in the world... Our standard has not always been so high. For 18 years The Shingo Prize evaluated organizations by noting their application of lean tools, the quality of their lean program deployment and, to some degree, the engagement of their management teams. This process consistently resulted in eight to ten organizations receiving The Shingo Prize each year. All was fine until we realized that it wasn't.

We began to see small signs of fracture along the edges. Critics of our selection process began to emerge in blogs and websites and eventually began to confront us directly. There is an adage that states, "Your best friends are the ones that tell you the truth, even when it is hard to hear." Fortunately, we had very good friends in the Association for Manufacturing Excellence (AME) and the Society of Manufacturing Engineers (SME). They told us they were beginning to lose confidence in recommending, carte blanche, our recipients as benchmarking sites for their members. As much as this hurt, it forced us to begin a deep and earnest assessment of our past recipients—specifically, which ones had sustained their improvements and which ones had lost ground. Our findings were alarming!

We learned that even the best of the best had an extremely difficult time sustaining the gains we had observed during their assessments. Furthermore, we discovered that our assessment criteria had two major flaws: (1) our standard for what excellence looked like was based too much on outward appearance and not enough on the deeply embedded culture of the organization, and (2) we did not know how to accurately evaluate and measure the truth regarding an organization's culture.

Our insights sparked a yearlong study to determine what did and did not work in sustaining improvement efforts and to understand the reasons behind success or failure. At the same time, we began to dig back through all of Dr. Shingo's books to see if we could discover what it was that we were missing. To our surprise and delight, working from either end and toward the middle, we arrived at a unanimous conclusion. The difference between successful and unsuccessful efforts was always in the organizations' ability to get past the tools, events and programs and to align management systems with principles. When such alignment took place, ideal behaviors followed and perpetuated a deep culture of operational excellence.

Based on our findings, we developed the Shingo model that consists of an organized collection of guiding principles (the House) and a transformation process (the Diamond). Together, this framework has become the basis for everything we do.

After the creation of the Shingo model, the organization began to offer several educational experiences to aid in teaching leaders and continuous improvement managers how to build cultures that sustained improvement efforts. With these offerings, the organization began to naturally evolve into more than a recognition platform.

As a result of this evolution, the organization became the Shingo Institute in October 2013.

As the Shingo Institute, the organization is continuing to develop its educational offerings. The content of these offerings is flowing from new research that a growing network of academicians and business professionals are performing throughout the world. Furthermore, the Shingo Institute is reaching out to consultants and corporations to form a network of facilitators that can take the Shingo message and model more efficiently to all areas of the globe.

"The intention behind the name change is to clarify and distinguish the organization that administers The Shingo Prize from the award itself," said Shaun Barker, associate director of assessment. "We will also continue to administer the Shingo Silver Medallion, Shingo Bronze Medallion and the Research and Professional Publication Awards. Recognition and assessment remain an important part of what we do."

Those interested in more information about the Shingo Institute may visit www.shingo.org.