

## Why...

Just about 25 years ago, I started a business publication—*Boardroom Reports* (now titled *Bottom Line/Business*)—to provide *useful and practical information* for business managers on all levels—in large, medium and smallish companies—information I had come to realize they didn't get in business schools.

They didn't get truly useful information in publications either. These focused on business gossip, Wall Street rumors and executive personalities.

During those 25 years my editors and I talked to hundreds of important and successful management consultants, business-school professors, business executives and Wall Street analysts in the US. We searched consistently for specific advice on running companies more productively, more creatively and more profitably.

Our business thrived. A \$30,000 investment grew into a healthy, multimillion-dollar business. For many years I

was comfortably confident that we were able to provide a valuable service. And from the evidence of Boardroom's financial statements, I knew we were making money doing so.

Then, about eight years ago, I began to feel uneasy. It was becoming very evident that there were major flaws in the ways American managers were handling their businesses. And as a major advice-giver to America's managers, that meant there were flaws in the advice we were seeking out and publishing.

American companies had once seemed so invincible. We had the ability to innovate, to transfer these ideas by means of efficient mass production, to control fast-growing, increasingly complex organizations by scientific management. Most of all, we had the ability to provide our workers with higher and higher standards of living.

Suddenly we appeared to be fragile. Bedrock American businesses—the auto industry, farm equipment, machine tools—were in trouble. As layoffs increased, families became more and more anxious about job security and their ability to afford adequate health care, pay for their children's college education and guarantee themselves a satisfactory retirement income. Retail business slumped. Even such high-tech American industries as computers, semiconductors and medical equipment were hurting.

My first impulse was one I shared with many of my fellow citizens: I wanted to blame the Japanese. They protected their own industries while taking advantage of the wide-open American market. Though this reaction was emotionally satisfying at first, I quickly recognized that there was nothing in it to rebuild the strength and vitality of American businesses.

Then, as I read more about how Japanese companies operated and I talked with the growing number of experts who were familiar with them, I came across ideas that *could* be used to strengthen American businesses, ideas that were

far more important than whether the trading practices of Japanese firms are fair or unfair.

First, American management “experts” and American managers had been following a false trail for decades. In fact, they had diverged sharply from the trail that leads to competitive success internationally.

Second, the *right* trail—the one the Japanese had taken toward outstanding international success and truly modern management—was yet another example of American inventiveness.

The right track had been developed in the US during the 1920s. Its techniques had been crucial in building key elements of the American war machine during the 1940s. But its advocates were narrow specialists who were overwhelmed within their companies during the enormous postwar expansion of American business with its emphasis on marketing rather than production excellence.

But these specialists, including W. Edwards Deming, had been brought to Japan right after World War II by the US Army to help Japan rebuild its production capacity. And the Japanese took the advice seriously. They spent the next decade working to implement them into the fabric of business management.

You can get your company back on the right track again—the track so many American businesses went off just as the Japanese got on. That right track—the management technique you can use to succeed not only in today’s global marketplace but in nonprofit work, in your family life and for your personal goals—is the subject of this book.

Anyone can apply it—in large and small operations, from the top or at the bottom.

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