



**Columbia Business School**

The Deming Center for Quality, Productivity,  
and Competitiveness



5<sup>TH</sup> ANNIVERSARY

# DEMING CUP SUMMARY

2014



*“Ellen Kullman has provided impressive leadership as Chairman and CEO of DuPont and has contributed to DuPont’s global supremacy in several markets.*

*I have had the privilege of knowing Ellen for a few years and have greatly admired her quiet leadership while maintaining the highest levels of ethics and values. The honor of the coveted Deming Cup is rightly bestowed on Ellen Kullman, whom I congratulate on this great occasion. I wish Ellen continued success and recognition in the years ahead.”*

**Ratan N. Tata, October 2014**

*“I was happy to hear that Stef is receiving the Deming Cup award. My admiration for him is unlimited. He is a hero for what he has done for his fellow men.”*

**Warren E. Buffett, October 2014**

# Deming Cup Award Ceremony 2014

Honorees: Ellen Kullman and Stef Wertheimer

*Dear Friends,*

The Deming Center celebrated the award of the Deming Cup on October 28, 2014 in the Rotunda of Low Library. The recipients were, **Ellen Kullman**, Chairman and CEO of DuPont, and **Stef Wertheimer**, Founder and Honorary Chairman of ISCAR, Ltd.

This year—the 5<sup>th</sup> anniversary of the award—also marks the beginning of new partnerships that we believe will enhance the impact of our work, not only on Columbia University’s campus and in New York City, but also around the world. As Ellen Kullman commented in her acceptance speech, “When you review Deming’s principles, one thing that strikes you is the staying power of his ideas. If they were published for the first time in today’s economic and industrial environment, they would be just as timely, germane and revolutionary as they were in the 1940s and 1950s.”



We could not accomplish the many projects and initiatives we undertake each year without the steadfast support of our friends. In particular, this event could not take place without the leadership of the co-chairs, **Terry Lundgren**, Chairman, President and CEO, Macy’s, **Sergio Marchionne**, CEO, Fiat Chrysler Automobiles N.V., and **Paul H. O’Neill**, 72<sup>nd</sup> Secretary of the U.S. Treasury.

A key strength of the Deming Cup initiative is the dedicated involvement of our Judging Committee members and past recipients.

Terry Lundgren opened the evening with a reflection upon the significance of the prize.



H. Fisk Johnson, Chairman and CEO of S.C. Johnson & Son, Inc., and past recipient, returned to present the cups. DuPont and S.C. Johnson both sponsored the attendance of engineering students .



Many Judging Committee members served as key speakers, coordinators and table hosts. We are especially grateful for the attendance and support of Bruno Di Leo, Awi Federgruen, Beth Ford, Lynne Green, Fisk Johnson, Shelly Lazarus, Terry Lundgren, David Niles, Paul O’Neill, and Quentin Roach. Their leadership continues to be our most valuable asset.



Special thanks is due to members of the Deming community that attended and supported our event this year: **Omar Besbes**, Advisory Board member and Associate Professor, Columbia Business School; **Mary Boyce**, Dean of Engineering and Morris A. and Alma Schapiro Professor at Columbia University’s Fu Foundation School of Engineering and Applied Science; **Roland Caputo**, Advisory Board member and EVP Print Products and Services Group, The New York Times; **Eduardo Garrido**,



Director of Santander Universites in USA; **David Niles '98**, Advisory Board member and President, SSA & Company; **Kristin Peck '99**, Advisory Board member and EVP and Group President at Zoetis; **James Peterson**, Advisory Board member and Director of Corporate Initiatives, GE; **Kathy Phillips**, Senior Vice Dean of Columbia Business School; **Medini Singh**, Advisory Board member and Senior Lecturer in the Discipline in Business, Columbia Business School; **Andrew Wallach '00**, Advisory Board member and President of Central National Gottesman; **Garrett van Ryzin**, Advisory Board member and Paul M. Montrone Professor of Private Enterprise, Columbia Business School; **Eitan Wertheimer**, CEO of ISCAR; **Scott Wharton**, Advisory Board member and Managing Director and Global CPO, Citibank and **Gabriel Weintraub**, Advisory Board member and Associate Professor, Columbia Business School.

The following pages summarize the evening in words and pictures. Please consider nominating candidates for 2015 who can continue the tradition of leadership and excellence that we have experienced over the past five years.





*"We were looking for continuous improvement on every piece of the business... that's ultimately what creates shareholder value when you think about it."*

*–Terry Lundgren*

Prior to the dinner, guests were greeted by **Meyer Feldberg** '65, former Dean of Columbia Business School, whose legacy includes transforming the school into a global powerhouse. He also had the foresight to help W. Edwards Deming establish the Deming Center during his tenure.

**Terry Lundgren**, Chairman, President and CEO of Macy's, and **Mary Boyce**, Dean of Fu Foundation School of Engineering and Applied Science made welcoming remarks. Lundgren recognized the award's increasing scope. He noted that it is a "competition that is worldwide, for all industries and all categories." Discussing the Judging Committee he said, "I've been honored to help look at the tremendously talented organizations that were considered for this award and to ultimately grant the final selections. We were looking for continuous improvement on every piece of the business... that's ultimately what creates shareholder value when you think about it."

Boyce, who shares a mechanical engineering background with Kullman, spoke about the engineering renaissance occurring worldwide, bringing about a period of great research, innovation and creativity, resulting in an abundance of practical solutions.

Boyce highlighted Kullman's combination of engineering thinking and management leadership, and applauded Wertheimer's entrepreneurial efforts, where, as she put it, "nanoscience and nanoengineering really meet reality." Tellingly, she recognized both Kullman and Wertheimer for addressing basic challenges and for fostering "innovation, creativity and impact through practice."

*"And as our faculty maintains close contact with the major challenges that face industries today, the continued vitality of its research and its teaching is ensured."*

*-Mary Boyce*



Master of Ceremonies was Columbia alumna **Shelly Lazarus '70**, who also serves on Columbia Business School's Board of Overseers, and is Chairman Emeritus of Ogilvy and Mather.

Lazarus introduced Kullman, and shared prepared remarks on behalf of John Dillon, Managing Director of Evercore Partners, who served on the Board of Directors of DuPont, but who was unable to attend. Dillon described Kullman as strong, smart and passionate, and said she was fearless when she saw a way to do things better. Lazarus echoed this appraisal and praised her for strength, courage and strong convictions.

Ellen Kullman's remarks prove that she gives priority to people and that making transformation "everybody's job" is a Deming principle she has embraced.

In accepting, she acknowledged this, saying, "The only way you can lead a company is with a diverse team that you trust, that can tug and

*"DuPont, as you would expect, was an analytical company but, in the Deming spirit, Ellen turned data into a powerful, competitive tool."*

*-John Dillon*

pull at ideas, can agree to disagree, can persuade and provoke. We are a whole that is greater than the sum of its parts."

Defining the role of people and transformation in her success at DuPont, Kullman referred to her own role in transforming DuPont as CEO, to the challenges of creating change in the midst of the global economic crisis, and to motivating every employee to live by DuPont's core values of safety and health, environmental stewardship, highest ethical behavior and respect for people.



After explaining the transformations that she introduced, Kullman focused on the specific and unique characteristics that have made DuPont a leader in research and science products around the world. She highlighted DuPont's research and development, their focus on meeting market opportunities and their operational excellence in the midst of a dynamically changing business environment. She briefly mentioned DuPont's three strategic areas for future growth and closed by saying, "We are confident that in each of these areas, our science-powered innovation will provide answers to many of the world's most complex problems now and in the future. I believe execution and innovation are not two separate levers. They are connected. Innovation is how we use science to create change. Execution enables us to bring that innovation to the marketplace."

Fisk Johnson assisted in awarding the prize to Ellen Kullman. During dinner **Kathy Phillips**, Senior Vice Dean of Columbia Business School, welcomed guests on behalf of the Business School and discussed the important role of the Deming Center in bridging theory and practice.



*"Every employee had a role to play... we proposed a set of behaviors that we must bring to our everyday tasks.*

*They will come as no surprise to anyone familiar with the Deming Principles: accountability, speed, transparency, collaboration and agility."*

*-Ellen Kullman*

Following dinner, **Awi Federgruen** reviewed Stef Wertheimer's background and business life. Federgruen noted that Wertheimer's contributions extend far beyond his industrial successes as Founder and Chairman of ISCAR. Citing the founding of industrial parks he asserted that "Stef has proven that such humanitarian social concerns to do not have to come at the expense of the bottom line."

**Yossi Beilin**, President of Beilink, introduced Stef Wertheimer. Beilin described Wertheimer as someone who acts deliberately to enact his plans, even when faced with resistance, and

*"There are many similarities between Dr. W. Edwards Deming and Stef Wertheimer... to learn the needs of the market and to adapt to them, as well as making sure that the range of error in your products is much lower than that of your competitors."*

*-Yossi Beilin*

drew comparisons between Wertheimer and Deming. He said that they shared a focus on industry as important to a country's growth, on learning the needs of the market and on reducing error in your products. Beilin explained how the Deming principles brought about success for ISCAR.

For Wertheimer, "it was work, belief in the visions, and tenacity which made [them] a reality."

When describing Wertheimer's fitness for the Deming Cup, Beilin cited a quality commonly applied to him, "Stef admires work, not as a means to get other things, but as an aim in itself. Stef appreciates tangible products. If possible, industry. If possible, metal... Stef is generally frank, open-minded, patriotic and a strong believer in the strange idea that all people are equal. He is wise and he has a good sense of humor and he is available. The furthest from smug as one could be. And he is an eternal optimist. Now what I am saying of eternal optimism is not that Stef believes that things will be better. Don't worry. Stef believes that you can do better, that you can change the world only if you are really doing the right things. That is his optimism."



Stef Wertheimer's receipt of this year's Deming Cup was inspired by his commitment to quality and his respect for the people that helped him make ISCAR into a prominent metalworking company. In accepting the award, Wertheimer said that the story of ISCAR "is the story of believing in and working with good people, and of sticking with the same people for a long time." He talked about his company in terms of its place within its community. He noted that its success has often been deeply tied to its location.

For Wertheimer, the cultural history of his particular region can be a barrier to the industrial and economic needs of the people that live there. He spoke about the need for people in developing nations to develop competencies and to make skills a policy priority. In considering his personal story and the aspiration that led him to create his industrial parks, he also talked about his vision of a peaceful Middle East.

*"Copy the German system... half practice and half theory. If you make both, you will have success in many more ways and create much more jobs and make much more people happy."*

*-Stef Wertheimer*



In conclusion, **Bruno Di Leo**, Senior Vice President of IBM Sales and Distribution, congratulated the honorees once more and reminded us of the importance of exceptional leaders who 'seize the moment.' Di Leo also noted that during unsettled times, when business models change, the type of leaders that the Deming Cup honors can truly make a difference.

The evening was inspiring and enlightening. More material, including video footage is available on the Deming Cup website at: [www.gsb.columbia.edu/deming](http://www.gsb.columbia.edu/deming)

Photos from the event are on the following pages. Please pay particular attention to the sponsors who made this event remarkable, and whose generosity has sustained the Deming Center initiatives. Thanks to the funds raised for this special anniversary event, it will be possible to provide more doctoral fellowships, develop new articles for cutting-edge curriculum and broaden faculty members' exposure to practical industry issues.

Along with a November faculty trip to SC Johnson's headquarters in Racine, Wisconsin, we are looking ahead to opportunities for faculty members and doctoral students to visit the facilities of this year's recipients in Delaware (DuPont) and Israel (ISCAR).

We want to especially welcome our new partner, Citi, with whom we have begun a collection of innovative research projects. We hope that through this partnership, we can further propagate the Deming principles, foster operational excellence practices and cultivate new insights that can be integrated into our curriculum.

If you would like your organization to join the activities of the Deming Center, please contact me to discuss opportunities .

We anticipate reporting many more new and fruitful partnerships in the years to come and look forward to seeing you at the next Deming Cup, on October 27, 2015.

Warm regards,

A handwritten signature in black ink that reads "Nelson Fraiman". The signature is written in a cursive style with a long, sweeping underline.

## Photo highlights from the 2014 Deming Cup Award Ceremony



Ellen Kullman receives the award with Shelly Lazarus and Fisk Johnson,  
Deming Cup winner 2013



Stef Wertheimer receives the award. From left to right: Shelly Lazarus,  
Awi Federgruen, Yossi Beilin, Stef Wertheimer and Fisk Johnson



Awi Federgruen, Nelson Fraiman, Yossi Beilin and Meyer Feldberg



Scott Wharton, Jim Moreno and Michel Valentini from Citi



Jose Zubizarreta, Gabriel Weintraub, Jacob Leshno, Omar Besbes, Alireza Tahbaz-Salehi and John Donaldson



David Niles (center) and his guests



Ellen Kullman, Rb Harrison, Kristin Peck, Meyer Feldberg, Terry Lundgren ,  
Stef Wertheimer and Mary Boyce



Amir Ziv, Audrey Stern and Oscar Garfein



Eitan Wertheimer and Gabriel Weintraub





Shelly Lazarus, Master of Ceremonies, and Kathy Phillips, Senior Vice Dean of Columbia Business School



Awi Federgruen introducing Stef Wertheimer and Bruno Di Leo giving his concluding remarks



Stef's family: Irit Strauss, Stef Wertheimer, Lynn Holstein, Anna Curtis, Ben Holstein, Ariella Wertheimer and Eitan Wertheimer



Fisk Johnson (first in front) with his team from SC Johnson



Kristin Peck (third from the left) with some of Zoetis' guests



Don Opici, Jeff Wylde, Dina Opici Wallach and Andrew Wallach



Stef Wertheimer and Mary Boyce



Kristin Peck, Lynne Greene and Paul O'Neill



Nelson Fraiman and Santander attendees. Alberto Sanchez, Salvador Medina, Patricia Olangua, Maria Teresa Fernandez de la Vega and Eduardo Garrido



Kurt Goodwin and Jim Peterson from GE



Kathy Phillips and Dan Kaplan



Dan Amiran, Nachum Sicherman and Amir Ziv



George and Shelly Lazarus



Nelson Fraiman, Ellen Kullman and Meyer Feldberg



Roland Caputo (second from the left) and his team from The New York Times



Omar Besbes and Beth Ford



Daniela Saban, Paula Pontiliano and Medini Singh



Garrett van Ryzin, Nelson Fraiman and Lynne Winter



Engineering students who attended the ceremony



Meyer Feldberg giving his welcoming remarks



## Judging Committee

### **César Alierta Izuel '70**

*Chairman and CEO, Telefónica*

### **Rob Amen '73**

*Columbia Business School*

### **Lucien Arkas**

*Chairman, Arkas Group*

### **Wolfgang Bernhard '88**

*Member of the Board of Management,  
Daimler AG*

### **Román Blanco**

*President and CEO, Santander Bank and  
Santander Holding USA*

### **Ivony Brochmann Ioschpe**

*Chairman, Ioschpe-Maxion S.A.*

### **John Church**

*SVP, Supply Chain, General Mills*

### **John Coatsworth**

*Provost, Columbia University*

### **Bruno Di Leo**

*SVP for Sales and Distribution,  
IBM Corporation*

### **Ali Dođramaci**

*Chair, Board of Trustees, Bilkent University*

### **Awi Federgruen**

*Columbia Business School*

### **Beth Ford '95**

*Chief Supply Chain & Operations Officer,  
Land O'Lakes, Inc.*

### **Nelson Fraiman '71**

*Columbia Business School*

### **Peter Gibbons**

*EVP, Global Operations, Mattel*

### **Lynne Greene**

*President of Clinique, Origins, & Ojon,  
Estée Lauder*

### **Thomas Groos '80**

*Partner, City Light Capital*

### **Richard Jaffe '92**

*Managing Director, Stifel, Nicolaus & Co*

### **H. Fisk Johnson**

*Chairman and CEO, S. C. Johnson & Son, Inc*





**Klaus Kleinfeld**

*Chairman and CEO, Alcoa*

**Shelly Lazarus '70**

*Chairman Emeritus, Ogilvy & Mather*

**Sang Wan Lee**

*Executive Advisor to CEO, Samsung Electronics*

**Nicolás Loaiza '11**

*Co-founder and CEO, Bodytech*

**Terry Lundgren**

*Chairman, President and CEO, Macy's, Inc.*

**Sergio Marchionne**

*Chief Executive Officer,  
Fiat Chrysler Automobiles N.V.*

**Jorge Morán**

*Senior Fellow at Harvard University*

**David Niles '98**

*President, SSA & Co*

**Bennett Nussbaum '71**

*Executive Vice President and CFO,  
DFC Global Corporation*

**Paul O'Neill**

*72nd Secretary of the U.S. Treasury*

**Quentin Roach**

*Senior Vice President & Chief Procurement  
Officer, Merck & Co., Inc.*

**Paolo Rocca**

*Chairman and CEO, Tenaris S.A.*

**R. Seshasayee**

*Executive Vice Chairman, Ashok Leyland Ltd.*

**Keith Sherin '91**

*Vice Chairman, GE; Chairman and CEO, GE  
Capital*

**Charles Sorenson**

*President and CEO, Intermountain Healthcare*

**George Stalk**

*Senior Advisor and BCG Fellow, BCG*

**Ratan Tata**

*Chairman Emeritus, Tata Sons Limited*

**David Thurm**

*COO, The Art Institute of Chicago*

**Hans van Alebeek**

*EVP, Supply Chain Operations, Nike*

**Garrett van Ryzin**

*Columbia Business School*

# Save the Date & Call for Nominations

**Next Deming Cup on October 27, 2015**  
**To nominate an individual or to learn more, please visit:**  
**[www.gsb.columbia.edu/deming](http://www.gsb.columbia.edu/deming)**  
**or send an email to [deming@columbia.edu](mailto:deming@columbia.edu)**



**Additional thanks to the following organizers and volunteers:**

Angela Quintero, Allie Surina, Javier de la Cruz, Maria Yuraszeck, Nadia Nicolai.

**We are also very grateful to those who collaborated with us to make this event possible:**

Deanna Kowal, Jing Li, Liane Runco, Leslye Smith, Domingo Tapia, Lynne Winter, Angel Yau, Vicky Zabriskie.

**Our final gratitude goes to the PhD students who gave their time to welcome our guests:**

Vashist Avadhanula, Juan Manuel Chaneton, Yaarit Even, Yunru Han, Wenqi Hu, Cinar Kilcioglu, Zhe Liu, Daniela Saban, Gowtham Tangirala and Kai Yuan.

# Thank you to all our sponsors

## Deming Benefactor



The New York Times

## Lead Underwriter



FIAT CHRYSLER AUTOMOBILES



A FAMILY COMPANY



## Table Sponsors



Dina and Andrew Wallach



## Operational Excellence Sponsors



**Bennett Nussbaum '71**  
Senior Advisor,  
Executive Vice President and CFO,  
DFC Global Corporation

**Paul H. O'Neill**  
72nd Secretary of the  
U.S. Treasury

**Sang Wan Lee**  
Executive Advisor to CEO  
Samsung Electronics

## Deming Contributors



**Oscar Garfein '97**  
MD, St. Luke's Roosevelt Hospital

**Daniel R. Kaplan**  
Senior Counsel, Dorf & Nelson LLP

**The W. Edwards Deming Center for Quality, Productivity, and Competitiveness  
Columbia Business School**

Uris Hall  
3022 Broadway, Room 400  
New York, NY 10027  
Telephone: 212 854 1122

[deming@columbia.edu](mailto:deming@columbia.edu)  
[www.gsb.columbia.edu/deming](http://www.gsb.columbia.edu/deming)