Red Pen and Blue Pen Companies
Notes on the "Starter" Exercise
Prepared by Bill Bellows

Background: In the late 1960's, Frank Pipp, an assembly plant manager at Ford, instructed the plant to purchase a competitor's cars. His plan was to have the final assembly team disassemble these cars and learn first hand how well they were made. At that time frame in Ford, if two connecting parts could be assembled without the use of a handy rubber mallet, then these parts were known as "snap fit". The remaining parts might well require hammers to assemble. To Frank Pipp's amazement, one of the purchased cars was 100% "snap fit". Pipp did not believe the results and instructed the team to repeat the assembly operation. They did and found again that the Toyota pick up truck was 100% snap fit. The time frame was the late 1960's. In an office environment, "snap fit" implies that everything is where it should be. As such, the flow of paper or info through an office would be synchronous. My terminology for such a company it that is a "Blue Pen Company". A "Red Pen Company" represents the antithesis of a "Blue Pen Company". It is also known by Deming's expression as the "prevailing style of management".

Starter Exercise: As part of an ongoing discussion in the Enterprise Thinking seminar, I ask the attendees to imagine that they have just returned from visiting two companies – the Red Pen Company and the Blue Pen Company. For starters, my description of them follows;

> *"The Red Pen Company is the place I go to every week to buy one red pen. They only make red pens and it is the only place to buy them. Likewise, the Blue Pen Company is the sole source for blue pens and I buy one there every week as well. Both pens cost $1. "*

With this brief description, I then instruct everyone to take a blank sheet of paper and draw on it a large square, which is then subdivided into four quadrants (see figures 1 and 2). I explain that the notes of their visit to both companies will be added to these four quadrants. I then add a label to both columns, "Blue Pen Company" on the left and "Red Pen Company" on the right. Next, I explain that data about "people" will go in the bottom two quadrants. I add the label "People" above these cells. I conclude the quadrant design by adding the word "Physical" above the top two cells.

The explanation for the data to be added to these cells follows…

> *"Consider that you have recently visited both companies for a week each. While there, you collected data about the people in both companies as well as the physical characteristics of both. I would like you to spend the next five minutes, once I give you the last piece of data, recording the highlights of these observations in these four cells.*

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> *As for the physical characteristics of both companies, while you were touring there were 2-3 days in which all employees were on vacation or holiday. The "physical" data I want you to record in the bottom two cells is data you recorded during this time period, during which no one was present other than you."*

The final piece of data I provide them with follows;

> *"The cap and body of the blue pen are easy to separate and the red pen cap and body can only be assembled with a hammer and disassembled with pliers. The term I use for the easy to separate blue pen body and cap is that they are "snap fit". By comparison, the red pen body and cap are a struggle to separate."*

Results: here are typical results for the exercise:

Blue Pen Company - physical characteristics:

> neat, clean, organized, control charts in use, open environment, R&D department developing red pens, windows, signs of collaboration, etc

Blue Pen Company - people characteristics:

> having fun, enthusiastic, friendly, inventive, involved, engaged, curious, energetic, thoughtful, use blue pens

Red Pen Company - physical characteristics:

> chaotic, disorganized, dirty, dark, no windows, clutter everywhere, policies on everything

Red Pen Company - people characteristics:

> fearful, anxious, heads down, prone to spread rumors, disengaged, use blue pens

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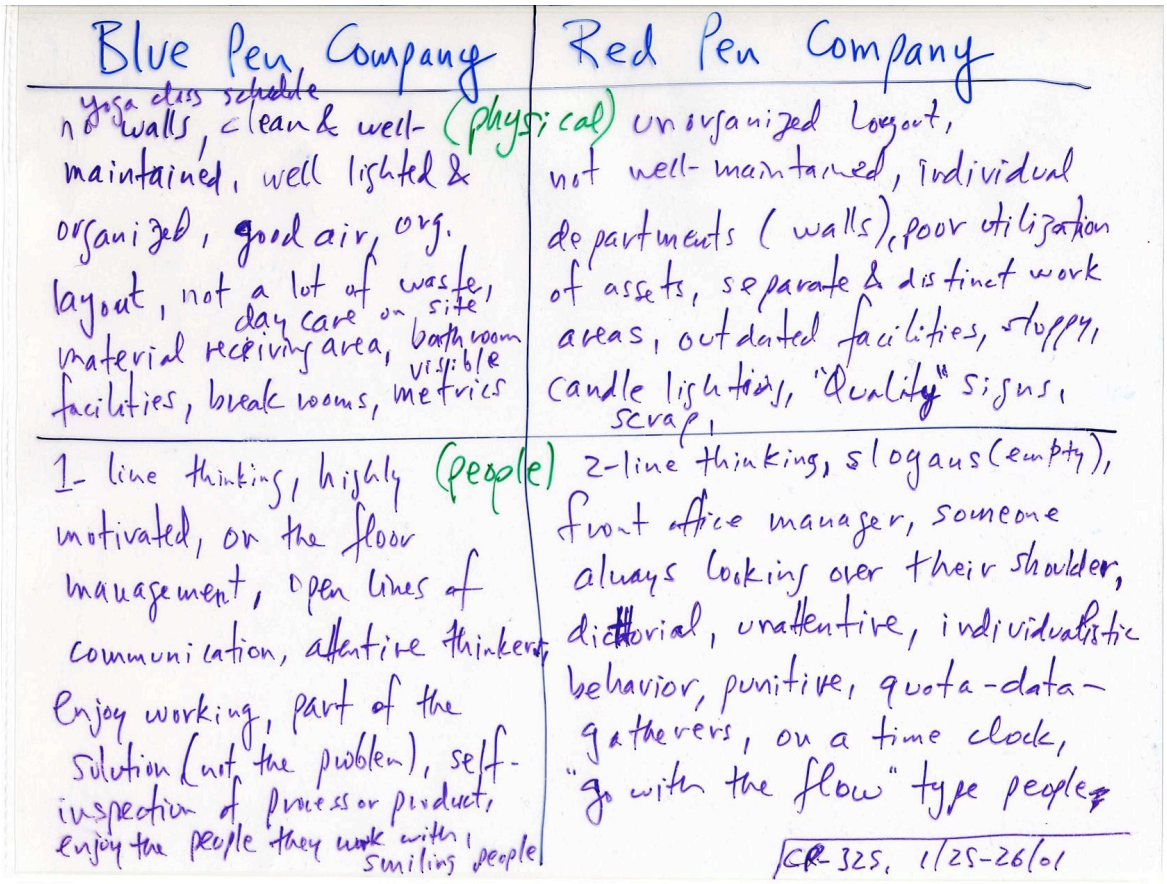

Figure 1 – completed cells from an Enterprise Thinking class within Rocketdyne – Canoga Park on January 25-26, 2001

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Figure 2 – completed cells from an Enterprise Thinking class overview outside of Rocketdyne – Date unknown

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More on Red and Blue Pen Companies can be found in the web site listed below. This site was created following a presentation I gave at Cal Poly Pomona in 1999. I subscribe to most, but not all, of the content. All in all, it offers a pretty good foundation. Better yet, I did not spend any time developing it. In fact, I found it by accident when searching the net for what someone might find if they "Googled" for something as odd as a Red Pen or Blue Pen Company. To my amazement, this is what I found...

http://www.csupomona.edu/~rosenkrantz/ime499/coll3w99.htm

While I don't prescribe to every aspect of this explanation, it should prove helpful in adding to your initial appreciation of Red and Blue Pen Companies. You are welcome to contact me to further explore the many dimensions of this exercise. Also, please send me the results of your efforts to conduct the "Red Pen and Blue Pen Company Exercise". I'll add them to my records and use them in classes. Thanks.

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