

# Quality Management

## Creating a Customer Focus

# Creating a Customer Focus

- Nothing focuses the mind better than the constant sight of a competitor who wants to wipe you off the map.
  - Wayne Calloway, CEO Pepsico

# Creating a Customer Focus

- There is no resting place for an enterprise in a competitive economy.
  - Alfred P.Sloan
    - President General Motors

# Creating a Customer Focus

- **1 Leadership**
  - **2 Strategic Planning**
  - **3 Customer and Market Focus**
  - **4 Measurement, Analysis, and Knowledge Management**
  - **5 Workforce Focus**
  - **6 Process Management**
  - **7 Results**
- 'leadership triad'**
- 'results triad'**
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# Creating a Customer Focus

- 3.0 Customer and Market Focus
  - 3.1 Customer and Market Knowledge
    - How do you use customer and market knowledge?
      - Describe how your organization determines requirements, needs, expectations, and preferences of customers and markets to ensure the continuing relevance of your products and services and to develop new opportunities.

# Creating a Customer Focus

- 3.0 Customer and Market Knowledge
  - 3.2 Customer Relationships and Satisfaction
    - How do you build relationships and grow customer satisfaction and loyalty?
      - Describe how your organization builds relationships to acquire, satisfy, and retain customers and to increase customer loyalty.
      - Describe also how your organization determines customer satisfaction.

# Creating a Customer Focus

- How do we ensure that our strategic plans and our leadership focuses on what is important to the customer and the market?
- How do we create an unwavering focus on the customer?

# Creating a Customer Focus

- *Effective organizations talk to customers, translate what their customers said into appropriate actions, and align their key business processes to support what their customers want.*



# Creating a Customer Focus

- Why bother?
  - Business environment is extremely competitive
  - Today's consumers demand quality more than ever before
  - Consumers are more willing to switch from company to company and not just to get a better price. They will switch for better service: reliability, accessibility, courtesy, and so on.

# Creating a Customer Focus

- Why bother?
  - It is significantly cheaper to retain existing customers than to attract new ones.
  - Our competitors are gaining and it's not getting any easier.

# Creating a Customer Focus

- How do Customers Define Quality?
  - *Quality is a customer determination which is based on the customer's actual experience with the product or service, measured against his or her requirements--stated or unstated, conscious or merely sensed, technically operational or entirely subjective--and always representing a moving target in a competitive market.*

# Creating a Customer Focus

- How do Customers define value?
  - Value is the attributed or relative worth or usefulness of a product or service.
    - Consumers experience value when they benefit from an exchange.

# Creating a Customer Focus

- What is the difference between satisfaction and perceived value?
  - Perceived value is the customer's viewpoint of the benefits they receive when buying a product or service.
    - Concentrates on future transactions
  - Customer satisfaction centers on how the customer felt the last time he/she bought a product or service from an organization.

# Creating a Customer Focus

- Value:
  - What was the customer looking for in a product or service?
  - What was their actual experience with the product or service?
  - How much money did they invest/spend?
    - Customers base their future decisions on the answers to these questions

# Creating a Customer Focus

- We value our customers.
  - How do we measure what the customer values?

# Creating a Customer Focus

- Effective organizations achieve a competitive advantage by carefully and constantly analyzing customers' needs and by organizing and operating to meet these needs the first time and every time.



# Creating a Customer Focus

- How will we know what the customer wants?

–Ask them.

# Creating a Customer Focus

- How will we know what the customer wants?
  - Ask them with the awareness of Feigenbaum's definition of Quality.

# Creating a Customer Focus

- Answer these questions from the customers' point of view:
  - What business are we really in?
  - What are our principle strengths and weaknesses for competing in this business?
  - What do we wish to become in the future?

# Creating a Customer Focus

- Capture the voice of the customer
- Use the voice of the customer to drive changes in the way you do business.
  - Quality Function Deployment

# Creating a Customer Focus

- How?
  - We need an accurate understanding of what our customers need and expect.
  - We also need to see the gap between our performance and what the customer requires if we are going to properly target improvement activities.
  - We need to stay close to customer perceptions.

# Creating a Customer Focus

- How?
  - Effective organizations take a look at their processes from the customer's point of view. They recognize the need to ensure that the process the customer sees is seamless, flawless, and easy to negotiate.

# Creating a Customer Focus

- How do we translate customer needs into something we can use to improve the way we do business?
  - Identify all the reasons why a customer may contact or visit your company
  - Conduct research with customers to determine what they need and expect from each contact or visit.
  - Determine what changes are needed in order to meet the needs of customers when they enter our world.

# Creating a Customer Focus

- How do we get from fluff
  - The customer is first!
- To Fact:
  - A change in corporate behavior and the actions of our employees in order to support our focus on the customer?



# Creating a Customer Focus

- Creating an organization that has at its core the ability to sustain an unwavering focus on the customer is not a task for a single department within the organization.
  - Involve everyone!

# Creating a Customer Focus

- How?
  - Leadership
    - Are our leaders willing to support the focus through their actions?
      - *Convert policies to actions.*
    - Are leaders holding people accountable for actions which support the focus?

# Creating a Customer Focus

- How?
  - Strategic Planning
    - Have we created and implemented a plan which supports our company's focus?

# Creating a Customer Focus

- How?
  - Customer and Market Focus
    - Do we know what the customer's perceptions are?
    - Have we shared this information?
    - How will this information be used?

# Creating a Customer Focus

- How?
  - Measurement, Analysis, and Knowledge Management
    - Are we gathering, analyzing, disseminating and encouraging the use of information related to the customer?
    - What does our customer value?
    - How do we measure what our customers value

# Creating a Customer Focus

- How?
  - Workforce Focus
    - Does our reward systems reinforce behavior customer-focused behavior?
    - How do we ensure that our employees ‘own’ the quality of their work?

# Creating a Customer Focus

- How?
  - Process Management
    - Have the key processes supporting a customer focus been identified and improved?
    - Have we selected improvement projects that support the needs of the customer?
      - Focus on the pain: why is the situation undesirable from the customer's point of view?

# Creating a Customer Focus

- How?
  - Results
    - Are we using our business results to measure the gap between what we said we would do and what we actually did?