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BUILDING A CUSTOMER DRIVEN ORGANIZATION

BY

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1.0 INTRODUCTION

Developing a customer focus is an absolute necessity for any organization that wants to be successful, be it a Federal, State or Local government, company X or one of the many federal departments or agencies. The importance of recognizing customers' desires, needs, and expectations in planning for the future cannot be overemphasized. Each of the best-in-class partners has recognized this and has taken active, even aggressive, steps to make sure that the customers are heard^[1]. The belief that long term strategic advantage via 'marketing orientation' comes principally from custom traits: listening, common courtesy, slavish devotion to adding value to and differentiating the most mundane of commodities and superior service. These traits are simply not 'technique driven' neither are they 'marketing'. They are about customers. Therefore, customer orientation should be preferred to market orientation since markets do not buy goods but customers do^[2]. Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business and is part of the four perspectives of a balanced scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.^[1] There is a substantial body of empirical literature that establishes the benefits of customer satisfaction for firms. For the purposes of this study, a "customer-driven organization" is defined as one that "maintains a focus on the needs and expectations, both spoken and unspoken, of customers, both present and future, in the creation and/or improvement of the product or service provided." At the same time, being customer-driven does not mean blindly taking action based upon the results of customer input; it does mean, however, taking into consideration the needs and expectations of customers, both present and future. It means looking at what customers do - not just what they say - in determining their needs. In a practical sense, companies often cannot actually ask the customers what would satisfy their needs because the customers may not know what their needs really are or because the customers to be satisfied do not yet exist. This paper shall therefore seek to establish the means, ways, and tools needed to build a customer driven organization. Total quality management techniques shall be examined to see how this technique can be used to build a customer driven organization.

2.0 TOTAL QUALITY MANAGEMENT.

Total quality management is a structured system for managing the quality of products, processes, and resources of an organization in order to satisfy its internal and external customers, as well as its suppliers. Its main objective is sustained customer satisfaction through continuous improvement, which is accomplished by systematic methods

for problem solving, breakthrough achievement, and sustenance of good results (standardization)^[3].

There is no standard or hard-line procedure for implementing total quality management. Every company can practice total quality management in a manner it sees best for its organization. However, a company's total quality management program must always be structured and internally standardized, i.e., everyone within an organization must practice total quality management in the structured manner set forth by management.

Most companies today have chosen to adopt a total quality management program that's patterned after an already established total quality management model, e.g., the Deming Application Prize, the Malcolm Baldrige Criteria for Performance Excellence, the ISO Series of Standards, etc.

2.1 Total Quality Management Models

Total quality management may be considered as a collection of principles and processes that have been proven to be effective in business quality management over time.

A very simple model of total quality management consists of the following steps:

- 1) the company reviews the needs of its customers and if these are being delivered by the company;
- 2) the company plans the activities needed (both day-to-day and long-term activities) to meet these customer needs;
- 3) the company establishes and stabilizes the processes required to deliver the products and services needed by the customer;
- 4) the company implements systems to further improve its processes, products, and services.

Note that Steps 1-4 above constitute a cycle, and may be iterated indefinitely for continuous improvement.

2.1.1 The Standardize-Do-Check-Act (SDCA)

The Standardize-Do-Check-Act (SDCA) cycle is a popular model for establishing and stabilizing a process. A process needs to be stabilized through standardization to make it more measurable, predictable, and controllable. Improvements cannot and must not be made to a process unless it is stable.

As its name indicates, it has 4 distinct steps:

- 1) standardization, which refers to the definition and documentation of operating procedures, process requirements, and other process specifications to ensure that the process is always executed in a standard and repeatable manner;
- 2) doing, which refers to conformance to the defined standards;
- 3) checking, which is the act of verifying if conformance to the standards results in process stability ; and
- 4) action, which is the response appropriate for the observed effects of the standards.

In step 4, if the process has become stable with implementation of the standards, then the standards are made permanent and even deployed more widely. If the effects on process stability are negligible or even negative, the cycle is repeated using a different set of standard specifications.

2.1.2 The Plan-Do-Check-Act (PDCA)

The Plan-Do-Check-Act (PDCA) cycle, also known as the Shewhart Cycle or the Deming Cycle, is a popular model for continuous improvement. As the name indicates, it consists of 4 distinct steps:

- 1) planning, which refers to the act of identifying opportunities for improvement and identifying ways of achieving these improvements;
- 2) doing, which refers to the actual implementation of the actions needed to effect the change;
- 3) checking, which refers to the act of verifying whether the implemented changes resulted in the desired improvements; and
- 4) action, which is what one does in response to the effects observed.

In step 4, if the effects observed are the desired improvements, then the actions implemented are made permanent and even deployed more widely. If the effects are negligible or even negative, the cycle is repeated using a different plan of action.

2.2 Principles of Total Quality Management

The following are some basic principles of total quality management.

- 1) Quality can and must be managed.
- 2) Everyone has a customer to delight.
- 3) Processes, not the people, are the problem.
- 4) Every employee is responsible for quality.
- 5) Problems must be prevented (proactive approach), not just fixed.
- 6) Quality must be measured so it can be controlled.
- 7) Quality improvements must be continuous.
- 8) Quality goals must be based on customer requirements.

3.0 ORGANIZATION

The Microsoft Encarta Dictionary^[4] defines an organization a group of people identified by a shared interest or purpose, e.g. a business. Meanwhile a "customer-driven organization" as seen earlier is defined as one that "maintains a focus on the needs and expectations, both spoken and unspoken, of customers, both present and future, in the creation and/or improvement of the product or service provided."^[1] It will be useful to define specific terms used in this definition:

- focus means that the organization actively seeks to examine its products, services, and processes through the eyes of the customer;

- **needs and expectations** means that customers' preferences and requirements, as well as their standards for performance, timeliness, and cost, are all input to the planning for the products and services of the organization;
- **spoken and unspoken** means that not only must the expressed needs and expectations of the customers be listened to, but also that information developed independently "about" customers and their preferences, standards, and industry will be used as input to the organizational planning; and
- **present and future** recognizes that customers drive planning and operations, both to serve current customers and those who will be customers in the future.

Organizations make use of inputs (people, capital technology, raw materials and information) to produce outputs (goods and services) as results which can either satisfy or disappoint their customers. To achieve customer satisfaction, organizations must develop competitive advantage which involves use of a core competency that clearly sets it apart from competitors and gives it an advantage over them in the marketplace. Companies may achieve competitive advantage in many ways, including: products, pricing, customer service, cost efficiency and quality.

3.1 CUSTOMER

A customer is a person or company that buys goods or services^[4]. There are two types of customers namely: **external** - are those that purchase the organization's goods or services utilize them and **internal** customers - persons and groups within the organization who depend on the results of others work to do their jobs. It's a well known fact that no business can exist without customers. In every business, it's important to work closely with your customers to make sure the goods you produce/services provided are as close to their requirements as you can manage. What follows are a selection of tips that will make your clients feel valued, wanted and loved.^[5]

3.1.1 TIPS FOR RUNNING AN EFFECTIVE CUSTOMER-DRIVEN ORGANIZATION (CDO)

1. Encourage Face-to-Face Dealings

This is the most daunting and downright scary part of interacting with a customer. If you're not used to this sort of thing it can be a pretty nerve-wracking experience. Rest assured, though, it does get easier over time. It's important to meet your customers face to face at least once or even twice during the course of a project.

My experience has shown that a client finds it easier to relate to and work with someone they've actually met in person, rather than a voice on the phone or someone typing into an email or messenger program. When you do meet them, be

calm, confident and above all, take time to ask them what they need. I believe that if a potential client spends over half the meeting doing the talking, you're well on your way to a sale.

2. Respond to Messages Promptly & Keep Your Clients Informed

This goes without saying really. We all know how annoying it is to wait days for a response to an email or phone call. It might not always be practical to deal with all customers' queries within the space of a few hours, but at least email or call them back and let them know you've received their message and you'll contact them about it as soon as possible. Even if you're not able to solve a problem right away, let the customer know you're working on it.

3. Be Friendly and Approachable

It's very important to be friendly, courteous and to make your clients feel like you're their friend and you're there to help them out. There will be times when you want to beat your clients over the head repeatedly with a blunt object - it happens to all of us. It's vital that you keep a clear head, respond to your clients' wishes as best you can, and at all times remain polite and courteous.

4. Have a Clearly-Defined Customer Service Policy

This may not be too important when you're just starting out, but a clearly defined customer service policy is going to save you a lot of time and effort in the long run. If a customer has a problem, what should they do? If the first option doesn't work, then what? If they're not satisfied with any aspect of your customer service, who should they tell?

There's nothing more annoying for a client than being passed from person to person, or not knowing who to turn to. Making sure they know exactly what to do at each stage of their enquiry should be of utmost importance. So make sure your customer service policy is present on your site -- and anywhere else it may be useful.

5. Attention to Detail (also known as 'The Little Niceties')

Have you ever received a Happy Birthday email or card from a company you were a client of? Have you ever had a personalised sign-up confirmation email for a service

that you could tell was typed from scratch? These little niceties can be time consuming and aren't always cost effective, but remember to do them.

Even if it's as small as sending a Happy Holidays email to all your customers, it's something. It shows you care; it shows there are real people on the other end of that screen or telephone; and most importantly, it makes the customer feel welcomed, wanted and valued.

6. Anticipate Your Client's Needs & Go Out Of Your Way to Help Them Out

Sometimes this is easier said than done! However, achieving this supreme level of understanding with your clients will do wonders for your working relationship.

7. Honour Your Promises

It's possible this is the most important point in this write-up. The simple message: when you promise something, deliver. The most common example here is project delivery dates.

Clients don't like to be disappointed. Sometimes, something may not get done, or you might miss a deadline through no fault of your own. Projects can be late, technology can fail and sub-contractors don't always deliver on time. In this case a quick apology and assurance it'll be ready as soon as possible.

3.1.2 CHARACTERISTICS OF A CUSTOMER-DRIVEN ORGANIZATION (CDO)

A customer driven organization (CDO) should possess the following characteristics:

- Treat customers right
- Make prompt delivery of its goods/services
- Be quality conscious
- Protect the quality of its products
- Maintain a good customer/public relations
- Have a competitive edge over other competitors in the market be proactive in problem solving
- It should also be environmentally conscious

3.1.3 BENEFITS OF CUSTOMER DRIVEN ORGANIZATION

The organization gains the following benefits: loyalty of Customers, higher profits, focus on value add, service as a differentiator and market information.¹⁷¹

Loyalty of customers

- Customers will stay where they feel they are being valued
- Customers will receive what they require
- Customers will trust the organization
- Business will be protected from the competitors

Focus on value add

- The organization will focus its resources on the activities which add value for the **customer**.
- **Customer driven** operations focus on what the **customer** wants
- Core competencies can be identified and developed so as to deliver what the **customer** values

Service as a differentiator

- Quality of product or service is taken as a prerequisite for doing business
- service is what differentiates **customer driven** organizations
- Service will increase loyalty
- Service becomes a cultural aspect as well as a functional aspect of the organization

Market Information

- Having excellent links with customers provides an organization with access to information on the market growth rate
- Competitor activity
- Customer buying trends
- Requirements for new products and services

4.0 CONCLUSION

Customer service, like any aspect of business, is a practiced art that takes time and effort to master.^[5] All you need to do to achieve this is to stop and switch roles with the customer. What would you want from your business if you were the client? How would you want to be treated? Treat your customers like your friends and they'll always come back. Creating a truly customer focused and driven environment is not easy. It takes time, training, dedication, sincerity, faithfulness and commitment. Employees need to trust that management will stand behind them and not fault them for making a wrong decision. To truly create an empowering customer driven culture, employees should not be cited for making the wrong decisions. Incidents must be used as positive teaching examples to help all employees learn how to make the best decisions to create MOMENTS OF MAGIC for their customers.

Achieving competitive advantage is essential to survive and grow in the 21st Century, therefore, total quality management (TQM) should be considered a must.

Customers are stakeholders on whom the organizational sustainability depends and growth/profitability of an organization indicates good patronage/satisfaction. Again, feedback is a necessary tool for improvement/quality. Finally, all stakeholders (internal/external) are vital to the growth and sustainability of every organization.

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