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## Customer Satisfaction Not Enough Anymore

Why are your customers saying they are satisfied when 15% to 40% of them are defecting from your company each year?

It may be because customer satisfaction is not enough anymore. Most customers now have high standards for routine transactions. They expect to be treated in a courteous and professional manner and they expect their needs to be met and problems solved.

Since customers *expect* to be satisfied, a satisfied customer is just as likely to defect as one who is dissatisfied. With the array of choices customers have today, companies must go beyond satisfaction to win customers' loyalty.

*Completely satisfied* or "delighted" customers are much more loyal than *satisfied* customers. Any drop in total satisfaction results in a major drop in loyalty.

In one study, people who rated a bank as outstanding were four times less likely to leave the bank than those who rated it satisfactory, neutral, or unsatisfactory. These people were also five times more likely to buy another financial service than those who rated it satisfactory, neutral, or unsatisfactory.

Since there is such a large percentage of customers who are at risk of going to a competitor, companies need to be committed to amazing and delighting their customers with unexpected quality and services.

In future issues of *Process Quality News*, we will be discussing some of the ways companies can move beyond customer satisfaction toward customer loyalty.

## Empowering Employees

Employees and positions are empowered by three ingredients: information, support, and resources.

Employees must know and understand quality goals and how to achieve them. They also need the power and motivation to produce the results.

Employees need feedback on the results of their work. Without feedback, self-correction is impossible. Too often feedback comes in the form of failure data (e.g., scrap and rework figures) with a tone of "Here's how bad your department did last week." People need feedback on performance without a burden of blame.

Support is a crucial item for sustaining employees' motivation and dedication. It is achieved by encouraging employees, acknowledging their efforts, and rewarding significant accomplishments.

Encouragement is the most neglected aspect of empowering employees. It is also the least expensive.

## ISO/QS-9000 More Than Just A Quality Manual

ISO/QS-9000 is more than a framework for quality, or the ability to measure, or the ability to identify areas for improvement and to take corrective action. ISO/QS-9000 can also help achieve other critical goals, such as:

- Educating your employees about the benefits of follow-up procedures
- Instilling pride in your company's service and products
- Ensuring information is correct before passing it on
- Creating a commitment to quality
- Helping to ensure your employees are properly equipped to do their job
- Facilitate communications both internally within your company, and externally with your customers and suppliers
- Rewarding your employees and suppliers through recognition
- Getting buy-in from your employees to your company's quality improvement policy
- Ensuring that everyone in your company has the information required to do the job
- Documenting lead times and average variances with your suppliers, based on your information -- not the suppliers'
- Providing data and understanding about your company's delivery performance relative to your customer's expectations
- Increasing the confidence of your customers in your company and its products and services
- Providing the information needed to determine the true impact of decisions

## A company's Vision, Operating Policies, Systems & Processes, must be consistent with and complimentary to each other

The vision answers the question "what business are we in?" Operating policies describe "how we conduct our business." Systems and processes are the sequence of activities by which all work gets done.

When these work at cross purposes, the result is waste and frustration: engineers design a product that production can't make, purchasing buys materials that production can't use, sales makes promises that can't be kept.

Each step of a process must match perfectly with what came before; as well as the steps that will follow.