



Published each month by:

PROCESS QUALITY ASSOCIATES INC.

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"We engineer the quality of your success"

VOL. 96 No. T

Circulated to people interested in improving their products and processes

Supplier-Customer Relationships:

Develop A System Of Measurement

One of the most important steps in the supplier quality management cycle is measurement and feedback. Supplier measurement should contain all critical variables such as quality, delivery, and price. Any price measurement should include the cost of nonconformance traceable to the product.

The cost of an item should reflect the initial purchase price plus the added costs resulting from items such as scrap, rework, delays, field failures, and poor supplier quality. These costs might greatly exceed the savings achieved by buying from the lowest bidder.

Measurements provide evaluation of suppliers and customers in addition to other valuable information.

Purchasing managers generally agree that buying decisions should be based on all costs, not only the purchase price. Many times, however, they lack information on the added quality-related costs.

It is highly effective to develop customer measurements along with supplier measurements for major material purchases. The purpose of both measures is to gain information. Such information is intended to work both ways: while the customer is sending the supplier this information, the supplier should provide the customer with information on how conformance will be attained.

Survey:

Companies that have satisfied people serving thier customers typically have more satisfied customers

Research shows that employees' job satisfaction is directly related to customer satisfaction. Job satisfaction stems from employees' assessment of how much the company values them and treats them with respect and dignity. When managers produce high levels of job satisfaction, employees in turn produce high levels of customer satisfaction. An effective organization has capable, satisfied, and dedicated employees.

If employees, however, are not happy, this will be reflected to the customers. If an employee is rude or not helpful, the customer will think negatively about the entire company.

Companies need to recognize that frontline employees shape and create the customer's impression of them as a company and can make the difference in building or undermining customer relationships. Many customers can be lost after only one purchase because they had a bad experience with an untrained or uninterested employee.

Overall, employees who work in an environment where they are valued and treated with respect, who believe they are doing a good job and provide a valuable service to customers, tend to enjoy what they are doing, are more productive, stay with the company longer, have lower rates of absenteeism, and have a higher satisfaction with themselves, their colleagues, and their employer.

Positive Reinforcement:

Reinforce Progress

Historically, people have celebrated excellence. Progress, however, tends to be overlooked. There is nothing wrong with reinforcing excellence because whatever gets reinforced gets repeated. But few people start out being excellent; most have to improve to reach that level.

Unfortunately, when someone makes an effort and starts to improve, too many people say to themselves, "He's finally heading in the right direction." Few reinforce his progress in a timely and specific manner. Because that person's effort is ignored, it is reduced and so is his rate of improvement.

Thus, to encourage people to strive for excellence, improvement must be reinforced even more than excellence. This doesn't mean excellence should be ignored; it, too, should be reinforced, just as it has been in the past. But by focusing on reinforcing improvements, the behaviours of making improvements is strengthened.