

Delivering World Class Service

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Delivering Professional Services

A *Service* is an activity performed for another person or organization. It is essentially an experience that is largely intangible in nature.

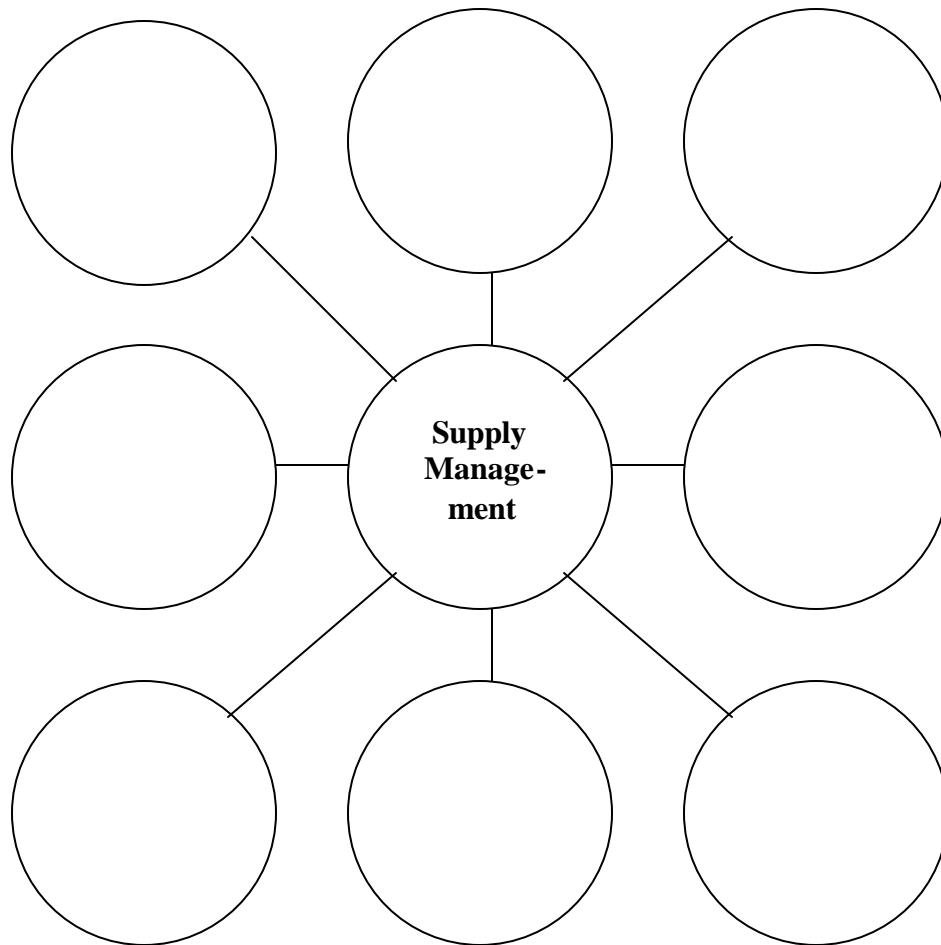
Professionals are highly trained individuals who are committed to delivering excellent service to their customers.

Customers are other employees who depend on a professional's performance for the success of their own efforts.

Supply management professionals deliver a variety of services to a broad range of internal customers. These customers expect performance levels that may be spelled out in service level agreements. To succeed in their efforts, supply management professionals must:

- identify their customers,
- understand their needs, and
- deliver world class service that meets or exceeds customer expectations.

Supply Management's Customers

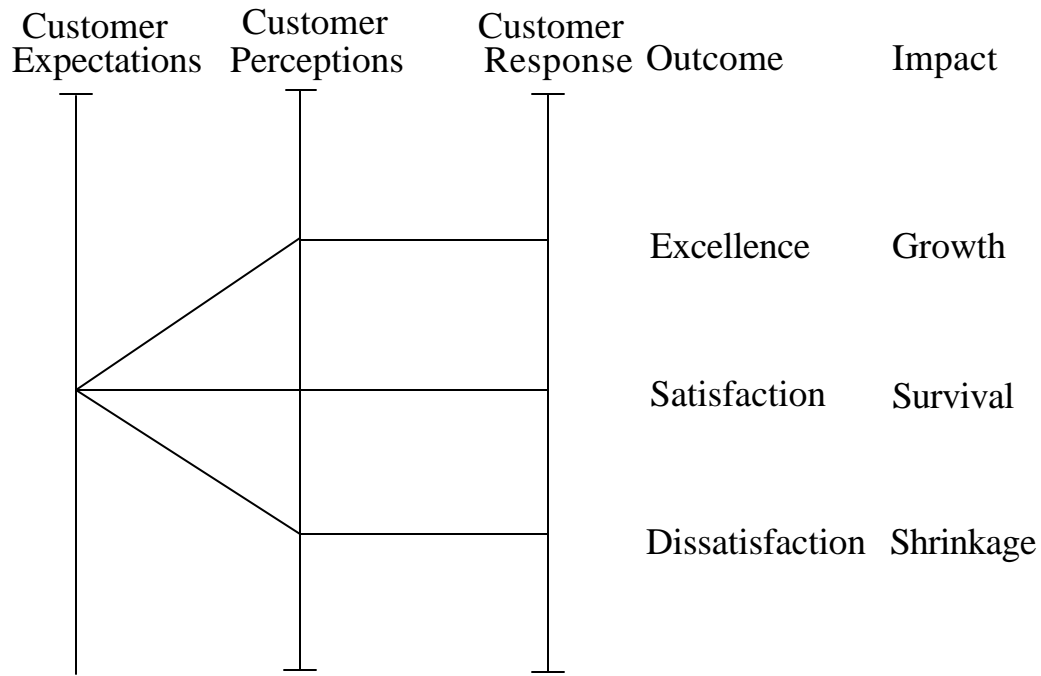


Understanding Customers

To understand and meet their internal customers' expectations, supply management organizations should follow a four-step process:

1. Identify customers
2. Obtain customer input
 - Requirements/expectations
 - Relative importance (weights)
 - Perceived performance
 - Service quality gaps
3. Take improvement action
4. Obtain customer feedback
 - Performance ratings
 - Improvement opportunities

Factors Driving Customer Behavior



Customer Expectations refer to the performance levels they anticipate receiving from suppliers.

Customer Perceptions are supplier performance assessments from the customers' perspective.

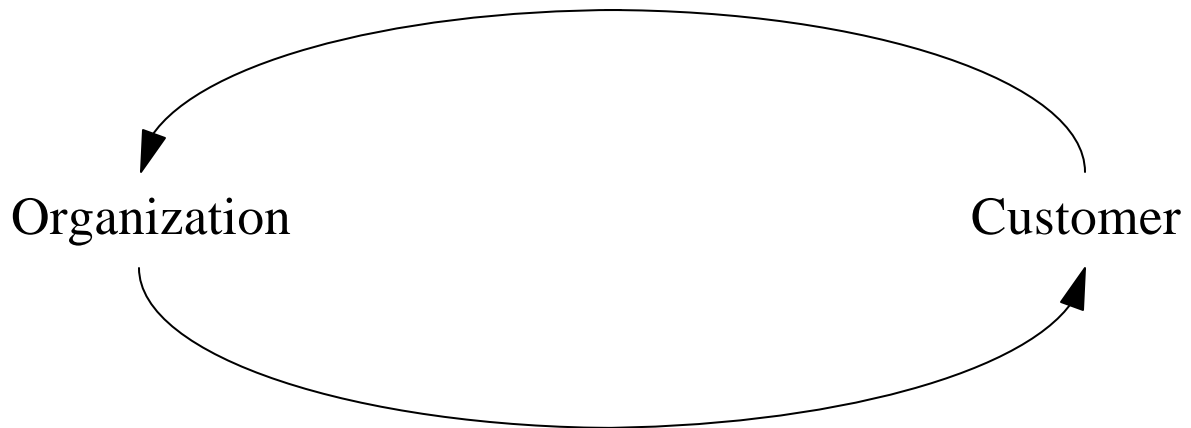
Customer Response is the behavior customers carry out as a result of their comparison of expectations and perceptions.

Expectation Levels



Customer Dialog

Closed-Loop Communication



- Focus Groups* -- Roundtable discussions with small customer groups
- Surveys* -- Questionnaire studies of a large number of customers
- Critical Incident Reports* -- Specific experiences told in customers' own words
- Advisory Panels* -- Representative group of customers offering advice

Defining Service Quality

Service Quality means *meeting* customer expectations or requirements. Customers compare perceived performance with their expectations to determine whether they have received quality service.

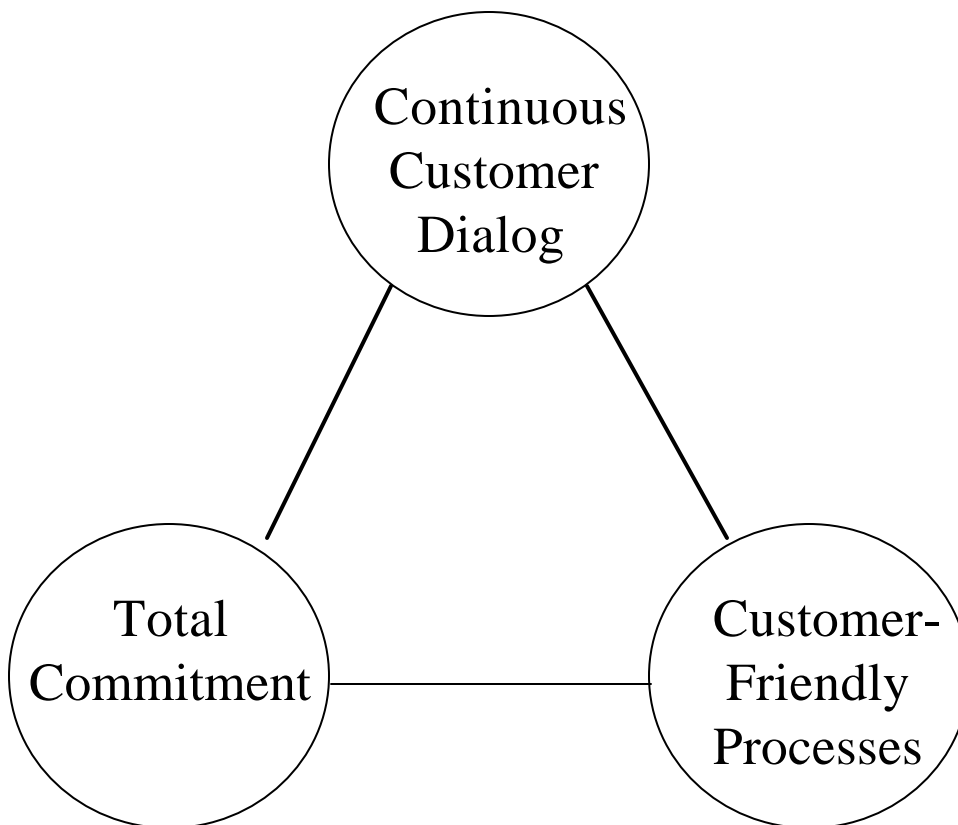
Two perspectives of *service quality*:

- *Internally focused* - Organization sets performance standards without customer input. If these standards are met, it has achieved *Quality in Fact*.
- *Customer focused* - Performance standards are based on customer expectations or requirements. If these standards are met, *Quality in Perception* has been achieved.

Delivering Service Excellence

Excellence relates to both *process* and *outcomes*. Customer complaints should be encouraged and welcomed to help improve perceived performance.

The Excellence Triad



Self-Assessment Questionnaire

1. Have we identified our organization's services?
2. Do we research our customers' perceptions of our services?
3. Do we also research their expectations?
4. Do we analyze complaints to identify service problems?
5. Have we created customer panels who meet with us regularly and give us feedback on our service?
6. Do we meet regularly with our customers?
7. Have we established a baseline for customer satisfaction?
8. Do we regularly interview groups of customers to get their input and feedback?
9. Do we question customers in detail about their experiences with our services?
10. Do we measure the effectiveness of our services?
11. Do these measures reflect what our customers *really* want?
12. Are the effectiveness measures widely known and understood?
13. Have we set process *and* outcome objectives?
14. Do we translate customer expectations into service objectives?
15. Can we meet our customers' expectations with our current organization and team?
16. Have the service objectives been communicated to all team members?

17. Have broad service objectives been translated into specific objectives for every team member?
18. Is service commitment to the customer rewarded in our organization?
19. Are adequate resources available to achieve service quality objectives?
20. Have we analyzed our customer-provider workflow to determine where the process is breaking down?
21. Are we committed to improving the design of our service delivery system?
22. Do team members know what is expected of them?
23. Do we permit flexibility in the application of our policies and procedures?
24. Can all team members decide on their own when to make exceptions?
25. Are all team members adequately trained to render excellent service?
26. Are our team members evaluated with regard to both service and productivity objectives?
27. Do our members participate in cross-functional teams?
28. Do different units of our organization communicate and cooperate easily and well?
29. Are our team members satisfied with the way they are treated in our organization?
30. Are all team members asked to contribute to decisions that affect their work?
31. Are team members encouraged to present and discuss new ideas?
32. Do our customers receive a consistent high level of service from all team members?
33. Do team members ever meet external customers?

Delivering World Class Service

World Class Service is exceptional professional service that matches or surpasses the level of service rendered by other organizations.

World class service:

- requires service excellence
- consistently exceeds customer expectations
- involves frequent dialog with customers
- is characterized by continuous improvement
- uses benchmarking to foster superior service
- surprises and delights customers

Satisfaction Guarantees

A Guarantee is an enforceable promise that reduces a customer's perceived risk and ensures a desired outcome.

A good guarantee is:

- (1) unconditional
- (2) easy to understand and communicate
- (3) meaningful
- (4) easy (and painless) to invoke

A guarantee:

- forces you to focus on customers
- sets clear standards
- generates feedback
- helps identify and correct failure points

World Class Service Strategies

Hire the right people

Train, motivate, and empower them to deliver outstanding service

Remove barriers to empowerment

Give and inspire trust

Develop and communicate a service mission and vision

Build and reward self-directed cross-functional high-performance teams

Manage moments of truth to become valued, relationship-building experiences

Reengineer service processes to significantly reduce cycle time

Offer internal service guarantees

Recognize, reward, and celebrate exceptional performance

World Class Service Delivers a Triple Crown

Win 1: Team members are excited because they are

- challenged,
 - supported, and
 - able to live up to their potential,
- receiving appropriate recognition and rewards.

Win 2: Internal customers are delighted because

- their needs are met, and
 - their expectations exceeded
- by valued support for and contributions to their own performance.

Win 3: The company wins because its employees in a variety of functions

- are cooperating creatively, and
 - involving supplier resources
- to enhance its competitiveness and bottom-line performance.