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### Service Quality

Quality has been associated with the USA manufacturing process since the early 1980's, when efforts to improve manufacturing quality began to take center stage. Quality concepts, such as Total Quality Management and Deming's principles, began to be used religiously throughout the manufacturing industry. This trend led to a transformation in products and processes. Now companies need to go beyond, taking these quality ideals to other vital areas.

In addition to manufacturing, there is an even greater number of people that are in the service industry. In fact, even manufacturing companies have many people that work in service or administrative functions. These functions could serve either an external or internal customer, and they employ more people than the actual manufacturing functions do. In the US, for instance, about 75 % of people were employed in non-manufacturing jobs. However, not much thought has gone into introducing quality to these service functions

Many mistake Service Quality for customer service. Many others mistake it for customer relations. Though these form a part of Service Quality, it has other aspects as well. All three do have a common objective - providing the customer total satisfaction. To accomplish this, more than manufacturing quality must be provided. While manufacturing quality tends to be based on internal products and processes, Service Quality must be based on the external customer. This will require a fundamental change in the culture of the organization.

Interestingly, Service Quality is often measured by the amount of satisfaction, or dissatisfaction, expressed by the customer. Customer complaints are not a reliable indicator of Service Quality. Think of your experiences as a customer. Did you file a formal complaint every time you were dissatisfied with the service level? In fact, you probably make a formal complaint in only a small percentage of the cases when you experience poor service. This implies that a company could be quite satisfied with its service level, even though their customers may be unhappy.

How, then, should organizations realistically measure Service Quality? Once service quality is measured, what methods should the organization use to make improvements? These questions can be addressed by following the five steps.

- 1. Demystify Service.** When asked to define service, the answer often seems to imply that service is an abstract action or activity performed to help or assist someone. This definition makes service seem like a reaction rather than something to be initiated. It also limits service to an activity, making it essentially intangible. As long as service is viewed as an activity, the organization will remain focused on the process and seek to make improvements there. These activities are often influenced by internal interests, such as improving cost efficiency / reducing manpower. These are worthy goals, but they are not the focal points of service.

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Service should not merely be an activity that is to be performed, but a tangible item that has to be delivered. Making service a deliverable gives it an objective purpose. The company must identify what it wants to deliver to the customer through its service. This prevents service from remaining abstract and intangible, making it concrete and measurable.

- 2. Know the real customer:** Customers should be the real focus of any organization. The question, of course, is who is the customer? You may have many stakeholders who have an interest in what you are doing. However, there should always be a primary customer you are trying to serve. The customer may, in fact, not be a single entity. They may differ in importance, influence, requirements, and functions. Your company should understand the various needs of your customers and satisfy each of their expectations in a mutually beneficial manner?

One possible way to categorize customers is by whether they are internal or external. The relationship with the internal customer improves internal cooperation and teamwork. However, it does not really add to the bottom line of the company. Profitable customers are essentially external. Companies cater to three kinds of external customers: the middlemen, the value adders, and the end users.

Middlemen are those who act as a medium to extend your service to the end user. One good example is a life insurance agent who acts as a middleman between the insurance company and the policyholder. The value adders, on the other hand, add some value to the service or product before it is delivered to the end user.

As tempting as it can be to focus on middlemen and value-adders, organizations need to be committed to the needs of the end users. The end users are the real customers you are trying to satisfy. Companies should be able to differentiate the interests of the value adders and middlemen from those of the end users. If not, they may end up serving the interests of the in-between entities while neglecting the end users. Entire value chains have collapsed merely because of mistakes like this. An important aspect of service quality is to know the real customer.

- 3. Listen To The Customer And Measure The Right Attributes:** Service is about meeting the customer's requirements. Customers, for their part, have certain expectations about the service being provided. Companies that take the trouble to listen to the customer will realize that there are two types of expectations: one addresses what is to be delivered, and the other is related to the customer's perception of what will be delivered. Organizations should base their idea of service quality on both of these customer values.

The customer's perception of service can be better explained by looking at a product's packaging. Though the performance of two products may be similar, the way they are packaged can make a difference in the way the customer perceives them. Similarly, in services, organizations should keep in mind that the way the customer perceives the service will affect their image of the organization.

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- 4. Find Solutions - Out Of The Box:** Organizations may actually identify the performance and the perception attributes that customers are expecting. They may also find ways of meeting those expectations. Over a period of time they may even try to better meet those expectations by fine-tuning already identified measures. However, the real answer to Total Customer Satisfaction lies beyond fine-tuning. It lies in developing new and creative solutions to meet customer expectations.

Consider the service of training. A particular product manufacturer was offering training by providing a manual along with the equipment they supplied. The manufacturer decided to improve the training being provided through the manual. As expected, the manufacturer focused on making the presentation of the manual more attractive and simple.

When a consultant was approached for help, he led the organization in a different direction. The ultimate aim of the training manual was to enable the customer to use the equipment comfortably and as soon as possible. When asked if he had considered other mediums, such as audiocassettes, to provide training, the manufacturer admitted they had not. However, considering the profile of the customers using the equipment, he realized that listening to instructions in a Walkman would probably be more effective than reading from the manual. The manufacturer had hit upon a creative solution to provide a superior form of training. The key to creative solutions lies in looking at the ultimate purpose of the service.

- 5. Work out the Process:** Process plays a key role in service delivery. Even if you deliver a good service, the process still may not be customer focused. Consider the service a bank provides its customer. One of the services it provides is the exchange of money for a check. Previously, banks used a lengthy process to complete this transaction. The process was focused on bank scrutiny and security – not the needs of the customer.

The banks became aware that the customer expected not just a secure transaction, but also a quick response time. To accomplish this, banks attempted to speed up their currently utilized manual process. What the bank failed to realize was that this process meant nothing to the customer. The customer only wants to withdraw some of his own money. The only process that is meaningful to the customer is presenting a check and receiving cash. Banks that have realized this have modified their process. The whole process is now based on what is actually meaningful to the customer. There is a single window for the check submission and the payment of cash. Only one person scrutinizes the signature, ensures the availability of funds, and pays the money. Thus, banks have been able to drastically reduce the processing time experienced by the customer.

Generally, companies try to meet the customers' expectations while keeping their processes intact. However, companies that are able to focus their processes on what is actually meaningful to the customer will find ways of working out the meaningless activities.



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### Summary

Service companies that want to provide quality will have to consider five important aspects of service. They have to demystify quality, making it a deliverable rather than an activity. They need to understand who the real customer is. They must listen to these customers and understand what they actually see as service quality. They have to think creatively - out of the box, to deliver to customer expectations. Finally, they need to revise processes that aren't meaningful to the customer. Companies able to accomplish this in their service will find themselves doing the seemingly impossible - providing Total Customer Satisfaction.