



TenStep Supplemental Paper

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Total Quality Management Focuses on the Customer

Many organizations have been implementing the Total Quality Management (TQM) methodology to ensure that their products meet quality standards. The TQM method focuses on the customer, and impacts all the processes in an organization that interact with the customer. TQM also encourages employees to take the initiative to help the organization steadily improve. Employee participation should be cross-functional and extend beyond hierarchical limits.

The success of TQM is dependent on the ability of your organization to solve problems and make decisions throughout all the hierarchical levels of the organization. Everyone who works on the product should be able to immediately adopt corrective measures when necessary. This helps the organization respond to customer needs quickly and efficiently.

There are different methods for applying TQM within organizations. Japanese organizations tend to focus specifically on customer satisfaction when applying TQM programs. Americans, on the other hand, usually focus on cost efficiency and on meeting established process requirements. The thought is that the established processes are designed to meet customer needs. If you follow the processes, the customer needs will be fulfilled. This might or might not be the case. If the processes do not fully meet customer expectations, or if they did at one time but no longer do, then your organization may not be as effective as it should be.

What do Customers Want?

The main goal of TQM is to satisfy the customers. However, it is difficult to know what the customer expects and to measure these expectations. Customer wants are broadly divided into three classes:

- **Verbalized or expressed wants.** Verbalized wants are expressed in terms of product specifications.
- **Un-expressed wants.** Certain customer expectations are not verbalized. This is because customers feel that these expectations are obvious and will be built into the product by default. For instance, one such expectation involves product safety. The customer is greatly dissatisfied if these expectations are not met, but incorporating these expectations into the product does not cause significant satisfaction. Another example involves companies that do not try to find out what the customer does with the product or how he intends to use it. This can result in improperly designing the product. The customer may purchase the product, but then be dissatisfied when it does not perform well during actual use.
- **Exciting quality wants.** These include customer's expectations for additional features in the product. They are features that the customer does not expressly ask for, but they are appreciated once they are understood. Customers do not always know what all of the potential design features could be, and so they don't always express



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every requirement that they might like to see. For instance, a car with an electrical system that turns off the headlights whenever the ignition is turned off would be desirable. The customer may not specifically ask for this feature, but it provides a greater level of satisfaction to the customer.

Achieving Customer Satisfaction in the Service Sector

Producing a high quality product is not enough to fully satisfy the customer. The customer also derives a great deal of satisfaction from the services that come along with the product. Of course, many companies only offer a service without a tangible product involved. In that case, the service is the product. Customer satisfaction in the service sector is based on the following criteria:

- The customer's perception of how well the service met their expectations
- How well the service is delivered.
- The effective handling of problems.

An organization must monitor, evaluate, and control its employees' behavior to meet customer's service expectations. In the restaurant business, for example, the way the waiters and waitresses treat the customers might determine if the restaurant is a success or a failure. Therefore, an organization has to develop certain standards and provide training and support that will help employees provide better service. Your organization also needs a quality assurance process to make sure that you are meeting customer expectations, as well as a process improvement program to continually become better.

Process Improvement and Quality Assurance Programs

Quality assurance is made up of all activities that help the organization meet its standards more efficiently. It also ensures that you are creating a good quality product or service by measuring the product against process and performance specifications (assuming that these specifications are set correctly).

Process improvement, on the other hand, is focused on increasing the effectiveness and efficiency of processes. This includes a better understanding of the market, innovations in products and processes, managing and distributing material and finished products, and providing good customer service. For process improvement to be successful, every member of the organization should understand the customer needs. To maintain this understanding, there must be constant communication with the customer so that the product can be continually measured against their expectations.

A quality assurance program is vital to ensure that you are meeting the current customer expectations. However, your company cannot rest at that point. Customer expectations are always rising. The level of quality that was acceptable ten years ago is not acceptable today. Therefore, you must always look for opportunities to improve processes, increase quality and reduce costs. You must also continue to revalidate customer requirements so that you can continue to meet their expectations in the future.