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Positive Reinforcement:

Be Specific

Positive reinforcement should be used to support, strengthen, and enhance quality. The only way to do that is to make it specific. You need to let people know exactly what they are doing well and how their actions contribute to the quality effort.

Here's an example of specific reinforcement: "Nancy, I noticed 3 of your programmers in the boardroom working on plant scheduling to keep our suppliers up to date on our needs. That's exactly the type of teamwork that is critical to our quality efforts. Keep up the good work."

Communicating the relationship between her behaviour & continuous quality improvement accomplishes 3 objectives:

- It provides Nancy with evidence that what she does counts.
- It provides motivation by linking present behaviours with future quality results.
- It shows Nancy that communication can be positive, thus increasing the probability of more communication in the future.

While a warm, fuzzy, "Nancy, you're doing a great job" might make her feel good, she has no way of knowing what she's doing right except by guessing (and she might guess wrong).

Be specific to those who report to you, with those you report to, with inside and outside suppliers, and with inside and outside customers.

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 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 ranked it satisfactory, neutral, or unsatisfactory. These people were also five times more likely to buy another financial service than those who ranked 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 service.

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

Supplier-Customer Relationships:

Be Serious About Conformance

For customers to adopt and realize a specific quality performance standard, their suppliers must do likewise. The suppliers must be told immediately that quality is non-negotiable.

Customers and suppliers must agree completely on quality performance standards. Concurrence requires the following steps:

- Make certain the supplier understands every detail involved in delivery of the product. This includes specifications, technical data, delivery, and billing procedures.
- Establish two-way communications. The customer must be ready and willing to explain the reason for requirements. Suppliers should be willing to explain their processes.
- Establish precise methods for accepting materials. The supplier's and customer's test equipment must correlate.