

Meeting customer requirements

- Do you work to standards to meet customer requirements?

- Do you have indicators that measure your performance?

- You can use standards and performance indicators to help you lead your team.

You and your team represent, or stand for, your organisation. You want to give customers the best impression you can. To do that you must understand what your organisation stands for. You need to understand your organisation's goals and your team's role in helping to achieve those goals.

You also need to understand the industry sector it is in. This could be in the manufacturing, retailing or financial services sector. Or it could be in education, the NHS or it could be a voluntary organisation, in the charity sector. Whatever the industry, by understanding how it relates to other organisations and where it stands in the market, you will understand how your customers perceive, or look at, you. This will help you understand their attitude and behaviour, and help you to give them better service.

Know your organisation

Why does your organisation exist? What are the organisation's goals? Knowing the answers to these questions will help you represent your organisation better to its customers. The goals of the organisation should be your team's goals too, which is why it's important to understand them.

Some organisations have a **mission statement**, which spells out the organisation's broad goals. For example, a company called the Newport Shipbuilding and Repair Company had a famous mission statement which read: "We will build good ships, at a profit if we can, at loss if we must, but we will build good ships." That tells you a lot about the kind of company it wants to be.

Your team should be working to support the organisation's mission, helping the organisation meet its goals. Your work tasks and goals help the organisation succeed. If you aren't sure how you fit into the "big picture," ask your manager. He or she can explain the organisation's goals and how you fit in.

Exercise

What is your organisation's mission? Do you know it? If not, find out what it is. Write it here.

- ❖ Think about what this means for you and your team.
- ❖ If the organisation has any specific objectives or targets, what is your team's role in helping to achieve these?
- ❖ What does this suggest to you about the service you give your customers? Is there any way this could be improved to help achieve these goals?
- ❖ Discuss these issues with your team.

It's also valuable to understand how your organisation is structured and the role of different departments or divisions within it. (There's more about this in the **BS2** session *How organisations are structured*) What part does your own department play in helping the organisation provide its service or products?

Think of a long chain, where each link represents a step in the process of supplying the organisation's goods or services. Where are you in the chain? What comes before your team and what comes after it? Look at the answers to these questions inside the organisation and also with the other organisations it relies on to satisfy its customers.

Know your industry

Every organisation is part of a specific **industry**. For example, a doctor's surgery is part of the national health service, one of the UK's largest industries. A factory is part of the manufacturing industry. If you understand how your organisation fits into that industry you will be able to see how it compares to other organisations doing the same sort of thing.

The sort of questions you should ask are:

- ❖ How long has the industry and the organisation been going? Is it a leading player in the industry or has it come into it recently?
- ❖ Which other organisations are leading players in the industry, the organisations that our customers are likely to know and compare us to?
- ❖ Are there any new or growing organisations that are likely to be significant in the future?
- ❖ How do we compare to the major players in the industry?

Read the case study on the next page to see how organisations' position in industries can change rapidly.

Case Study

The history of personal computers (PC) has been dominated by the different approaches of two organisations, Microsoft and Apple. Microsoft only produce software, the operating systems (Microsoft Windows) that make computers usable and the programmes that people use on them (like Microsoft Word for word processing). Microsoft software is designed to be used on computers made by other companies.

Apple make the computer and design the software to run on it. Although many people think their software is better, their computers tend to be more expensive and they haven't got anything like the share of the market that Microsoft has achieved.

A few years ago Apple announced a brand new product line, the iPod, and a brand new source of music, iTunes. The iPod is a personal music player, and uses a system for storing music files that is unique to Apple (just like their computer software). What is significant about this development is that the market for personal music players was originally created by Sony, with its Walkman. The Walkman originally played cassette tapes, then CDs and is now also available as an MP3 player (storing recordings from a computer).

What this case study shows you is that industries don't stand still. Companies can be dominant in the market one year and lose that position a little while later on. Companies can switch into a new industry and be very successful or fail completely. Others seem able to keep their position for a long time. You should know what industry your employer is in, who the dominant players are, and what changes are taking place.

This isn't just true for private sector companies. Private sector companies are those that buy and sell goods and services in order to make a profit. Team leaders in public sector organisations also need to be aware of what is going on in their industry and how it affects them and their teams. Are other hospitals or GP surgeries pioneering new ways of working? Are some schools achieving better results? Are other police forces clearing up burglaries more successfully?

This is also true in the voluntary sector. Many charities now carry out work for the Government and need to be able to show that they are better at doing the work than others. Many rely on donations and bequests from members of the public and need to see who is best at attracting the money they need to keep going.

Working to a Standard

Standards are the levels of performance that anybody works to in an organisation. They can also be the levels of quality in the products which are supplied to customer. Working to a standard means trying to achieve a particular level of service. This may be a high standard or it may be a low standard. It is up to you to agree standards for your team which **stretch** them. That means, the standards are at levels which are achievable but which they have to make an effort to reach. That ensures that the standards are as high as possible.

Standards can be straightforward ones like:

“We will always answer the ‘phone within three rings.”

Or they can be more complex:

“We will always answer customer enquiries straight away or arrange to call them back when we know the answer.”

There are three key features of well-set standards:

1. They are based on what **customers** think is important, rather than what **you** think is important.
2. They are **measurable** in some way, however rough the measurement is.
3. They are **achievable**, but not too easy (ie they **stretch** you and your team).

To make sure that the standards reflect what really customers think, you need to know who your customers are and what they require. That’s what the **BS2** session *Your customers’ requirements* taught you. Know who your customers are, and what they want. It doesn’t matter if your customers are the people in the next department, how well you meet their requirements determines how well they meet their customers’ requirements.

If your team know that they can’t achieve the standard they won’t even try to get near it. Achievable standards should stretch them but not break them. Agree standards with your team which they are comfortable with. Once you’ve shown that you can achieve them, **consistently**, then look at how you can raise them. Consistently means doing the same thing virtually every time. It shows that your team is in control of its performance.

Furthermore, by raising your standards by small amounts at regular intervals you will eventually bring about large increases in perform-

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ance. The Chief Executive of Ford, the car manufacturers, once said that it was better to have 1,000 increases in performance of only 1% than one increase of 1,000%.

Exercise

- ❖ What standards are your team expected to achieve?

Setting standards

Standards are 'the levels of performance that anybody works to in an organisation'. They should be based on what customers think is important, be measurable (so that you know if you are achieving them) and they must be achievable, but stretching.

Knowing what your customers require is the start. Sometimes what customers require is straightforward, but often it is very vague and, occasionally, impossible to do at a reasonable cost. That's why standards have to be based on what is achievable - it's no use setting standards that are impossible to achieve.

Here are some examples of ways that different organisations have set standards to meet customer requirements.

Customer requirements

Standards

Customers don't like waiting to be served.

Tesco will open more checkouts if there are more than three people waiting to be served.

Customers want to buy clothes that they are really happy with.

Marks and Spencer's Internet returns policy says: 'we're happy to refund or exchange your order either instore or by post, free of charge'.

Customers want to know that they have paid the lowest price for any item they purchase.

The John Lewis department store group says: 'Find the same item selling for less in any UK shop, and we will refund the difference.'

None of these standards guarantee that customers will get what they require. Tesco don't say you won't wait to be served, M&S don't say you will always be happy with their clothes, and John Lewis don't say they will always offer the lowest price in the UK. The standards reflect what they can do, consistently. The nearer they match what customers require, the more satisfied customers will be.

Standards like this (or policies, as they are often called) are easy to measure. Look at the checkouts in a Tesco store. Are there more than three people queuing? Are all the checkouts open? Take clothes back to Mark & Spencer. Do they refund the price paid? Find something available in a local store for less than you paid at John Lewis. Take a photo of the price tag and go to the store with it. Do they refund the difference?

As a team leader, you should be able to monitor your team's performance. Some standards may need to be measured or recorded in some way. The time taken to make a delivery, or the speed with which an item is produced. But many standards can be monitored by simply observing behaviour. Do customer-facing staff smile and greet customers? Do they use people's names once they have learnt them? Do they offer to help customers with bulky purchases? Are they polite? All customers require pleasant, polite and helpful service.

Exercise

Are there any standards that you think your team should work to, other than those already agreed?

Discuss your ideas with your team.

Measuring performance

Your team needs to measure its performance, but shouldn't spend any more effort on measurement than is absolutely necessary. There is an old saying 'you don't fatten a pig by weighing it'! Use a few, simple, quick measures. These are called **performance indicators**. Performance indicators tell you if things are going OK. If they suggest that something is wrong, you can explore it in more detail. The important thing is to know quickly, so that you can put things right as soon as possible.

Performance indicators (PIs) include things like:

- ❖ Sales or production per day/week/month
- ❖ Rejects, defects, returns or cancellations per day/week/month
- ❖ Sales per enquiry
- ❖ 'Upselling' value per sale (upselling means that a customer has called to order one item and has been persuaded to buy a higher priced item or buy additional items)
- ❖ Customer satisfaction rates (measured by regular customer surveys)

PIs tend to measure the things that are most easily measured. It is important to remember that they are indicators. That means that they point to performance but may not measure what is really important. Sales may indicate how well a sales team are performing, but they may also indicate how successful a competitor has been with an alternative product. It is important to ask why performance is doing as well or as badly as it is.

Exercise

- ❖ How is your performance measured? What are your team's performance indicators?

Exercise continued over page

Exercise *continued*

Are there any other measures of performance that you think would be good PIs for your team, other than those already used?

Discuss your ideas with your team.

Using standards and PIs to lead your team

Leadership is all about inspiring people to follow. You inspire people by making sure that the things they think are important are in line with what you and the organisation want to achieve. Standards and performance indicators should be used to help you do this. The best standards are set by agreement and not imposed. Some organisations don't realise that.

If your organisation doesn't discuss standards and PIs you may have to work hard to persuade people they should commit themselves to them. People will commit themselves more easily if they have had a say in agreeing the standards. They will use PIs to measure their own performance, rather than feeling that the PIs are being used to keep them under control. You will need to discuss with your team why these standards are being set and what the PIs are measuring. They may be prepared to take some **ownership** of them if they understand them.

If team members are able to discuss and agree the standards they work to or the PIs that they use, they are more likely to feel a personal commitment to achieve them. This is what ownership means. The more ownership people feel, the easier it is for you to encourage them to achieve the standards and meet the PIs. By investing time and effort in setting them, you need spend less time and effort in making sure standards are achieved and performance matches the PIs.

Comprehension Check

Complete the following exercises. Refer back to the session if necessary.

A. Complete the following sentences. Circle the letter before the correct answer.

1. A mission statement:
 - a. says what sector an organisation is in.
 - b. is only used by voluntary organisations.
 - c. says what the organisation's broad goals are.

2. It is important to know what sector your organisation is in because it helps you to identify:
 - a. what its mission is.
 - b. who owns it.
 - c. what other organisations you are compared to.

3. Performance indicators should be:
 - a. quick and simple indicators of how well your team is performing.
 - b. detailed measures of your team's performance.
 - c. imposed on you by managers to control your performance.

B. Complete the following sentences by writing in the missing words.

1. Standards should be based on what _____ think is important, rather than what **you** think is important.
2. Standards should be _____ in some way, however rough the measurement is.
3. Standards should be _____, but not too easy (ie they _____ you and your team).

Making Connections

Answer the questions following the case.

Arlene's team provide administrative and customer service support for a Housing Association in Bristol. Tenants of the Association come in to pay their rents in the neighbourhood office which Arlene's team run. They also report problems. These are usually to do with maintenance issues, such as leaky taps or sticking doors, but also include more serious problems. This ranges from trouble with neighbours to serious damage, such as missing tiles causing a ceiling to collapse.

Usually the team work in the back office, with one person on the counter, dealing with visitors. At times there can be quite a queue, and the tenants' association has complained about this. They also complain about the time it takes for problems to be dealt with. Arlene's team refer serious problems to the Housing Officers, but maintenance problems are dealt with by the maintenance team that operates from their office. Arlene suggest that her team and the maintenance team meet and discuss what standards they might work to for the tasks that they have some control over. She also says they ought to set some performance indicators.

Suggest two standards and two PIs for Arlene's team and the maintenance team to help them meet their customer's requirements better.

Standard 1: _____

Standard 2: _____

PI 1: _____

PI 2: _____

Think and Apply

How well do you use the skills in this session?

- ❖ Does your team work to standards that reflect customer requirements? How well do they meet those standards?
- ❖ Do your team have any Performance Indicators? Have they been discussed and agreed, or imposed on the team? How do the team treat them?

1. Read the list of skills. Tick the boxes to show your strengths and weaknesses.				
<i>Skills</i>	<i>strengths < - - - > weaknesses</i>			
	I'm good at this	I'm quite good at this	I'm not so good at this	I'm quite poor at this
■ using standards to meet customer requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ using Performance Indicators to monitor your team's performance and identify areas for improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you want to improve any of these skills?				
3. How do you plan to improve the skills you listed in question 2? (You might want to discuss this with your line manager or your tutor/mentor/coach.)				