

# Are You Customer-Focused?

by R. Michael Donovan

The basis by which manufacturers compete in the marketplace has fundamentally and permanently changed. The speed at which marketplace leaders must design, manufacture and introduce products has created new competitive performance standards. Under-performing to these standards carries a heavy and possibly permanent cost.

Out-performing your competition means producing and delivering more, better, faster, and at a lower cost, while finding ways to add more value for your customers. Those who best meet these criteria will survive and thrive and become the competition to beat.

The trend is not going to go away, and that makes the executive's mission clearly one of total customer focus and outperforming the competition. Ask any CEO about the importance of customer satisfaction and the response will rank it as one of the most important competitive differentiators. So, the critical question is this:

*Are you better than your competitors at delivering what your customers really need and want?*

Most manufacturing company executives have a tough time accurately answering this question. Adding to the problem is that many top management teams operate under a dangerous, mistaken belief that their companies are producing higher-quality products and better satisfying customer needs than their competitors. This produces a dangerous false sense of security. Worse, before these companies know it, competitors can leap out of nowhere and win over presumed loyal customers.

## **How is your company's focus?**

The following 10 question self-evaluation is intended to help you gauge your company's focus on customer satisfaction. Keep in mind that the evaluation questions are only meant to assess your company's customer satisfaction focus, and not its achievement.

When answering, it's very important that you consider each question carefully and realistically and then candidly select the rating and point value that best represents your situation. Self-criticism is usually a very difficult task, so use extra care not to fall into the trap of an overly optimistic or negative response.

When you've finished answering all the questions and added up the total, compare the results against the following evaluations for some general observations about your company's focus on customer-satisfaction level – and some suggestions for improving it.

	0	2	4	6	8	10
1. Our entire organization has a thorough understanding of our customer's requirements?						
2. We continuously review, renew and re-establish customer satisfaction goals?						
3. Our customer satisfaction goals are integrated with operational plans?						
4. We consistently practice a process of constant evaluation and improvement of all business processes to meet our customer satisfaction goals?						
5. We have achieved a level of employee involvement where everyone is very active in continuous service improvement?						
6. Our customers and suppliers are active members of our team for on-going evaluation and improvement?						
7. We have a clear action plan to meet specifically defined customer-oriented objectives?						
8. Our performance measurement system keeps the organization's activities focused on achieving our desired results?						
9. We have demonstrated breakthrough performance improvements in customer satisfaction during the past 12 months?						
10. We have absolute top management commitment and active involvement in improving customer satisfaction?						

Total \_\_\_\_\_

**What your score means**

• **Lower than 60**

You need to intensify or initiate a high-priority customer satisfaction improvement effort. Delay most certainly has cost you money and no action or limited action will ultimately lead to major problems.

• **60-79**

Some issues have likely been worked on, but you need to reinvigorate your efforts to reach a higher level of performance. Delay will cost money and marketshare. Remember, your competition will be searching for new ways to win.

- **80-97**

You are in the high-performance group of companies and may actually be outperforming most, if not all, of your competitors now. Keep improving your business processes to make sure you are, in fact, out in front of your competition.

- **98-100**

You are in an elite class of highly focused and top performing companies. Don't take your sight off the target of winning, however. Innovation and continuous improvement are essential to your on-going success.

A high score does not guarantee market leadership because your competitors may score even higher. A low score most definitely signals that corrective action is essential, however.

Most companies score much lower than they should on customer satisfaction focus. If this is the case with your company, the task of defining and initiating improvement actions is most certainly of strategic importance.

A method you can use to stimulate thoughts and provide a springboard for initiating improvements is to have your entire management team work on answering the following questions:

- What measurable customer satisfaction results must be achieved and when?
- What specific customer satisfaction improvements are needed?
- What specific, measurable operational improvements should be achieved over the next 12 months? 24 months?
- Do you have clear, time-phased, measurable goals for customer satisfaction improvement, and have you clearly assigned accountability?
- Does your performance measurement and reward system have a direct and positive effect on customer satisfaction?

Once you have received people's answers, get your management team together to discuss the results and formulate action steps. In addition to having input for developing an action plan, the answers may demonstrate how prevalent fragmented thinking is, rather than the desired commonality in goals, values, beliefs and perception of what needs to be done.

Management needs to focus the entire company on the strategies and tactics that really matter to the customer. In order to survive, every company is going to have to get better and better at producing and delivering what the customer defines as value. This is an inescapable fact.

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