ndustry, Science and echnology Canada Industrie, Sciences et HC11 Technologie Canada .B7 C6 no.7 IC QUEEN c.2 COMPETITIVEHEIGOS CASE Quality in the Service Firm



Competitiveness 37 C6 in the '90s 10.7

2.2

Table of Contents

Foreword by Industry, Science and Technology Canada	3
Canadian Airlines International	4
Capilano RV Park	7
Adia Canada	9
B.C. Telephone Company	11
Aitken Wreglesworth Association (AWA)	13
Conclusion	15

Industry Canada Library - Queen

NOV - 3 1995

lia sine Canada Bibliothèque - Queen

Company Case Studies From B.C. Prepared by Leslie Ellis for Industry, Science and Technology Canada British Columbia

February, 1992

Publié aussi en français

Competitiveness in the '90s

Foreword

This is the seventh set of case studies undertaken by Industry, Science and Technology Canada, British Columbia, to look at the strategies employed by B.C. companies to make themselves more competitive in the marketplace. This set looks at how firms in the service sector in B.C. have employed a strategy of improving quality. Others in this series have looked at export to the U.S., environmental strategy, management of technology, management of human resources, financing, and young entrepreneurs.

What follows are the stories of five companies in British Columbia's service sector which, while not a scientific sample, come from a cross-section of service companies in the province. Among the sub-sectors represented are an office assistance company, a trailer park, an airline, an architectural firm, and the province's telephone company. All are based in locations in the Lower Mainland. While two are very large, two medium sized, and one small, they have all successfully used initiatives related to quality to make themselves stronger players in the marketplace. A look at their strategies for doing so can be quite useful to others seeking similar success.

It merits mention that a number of these companies were suggested by the Quality Council of British Columbia, whom we thank for its assistance.

With regard to our entire series of case studies on competitiveness, worth noting is that despite our division of these case studies into categories, all these successful firms' strategies have to some extent been multi-faceted. None relied purely on a quality initiative, for example, nor on the implementation of technology to improve competitiveness.

In the end, these are intensely personal stories. The key people in B.C. firms — with their talents and limitations — wield great influence of the direction of the firm and its destiny. We are grateful to these busy people for taking the time and trouble, in these trying economic times, to share their stories with us and for their insights into the ways British Columbian and Canadian companies can compete in the 1990s.

Lyle Russell

Executive Director

Industry, Science and Technology Canada

British Columbia and Yukon

February, 1992

Canadi

Canadian **Airlines** International

Canadian Airlines International faces global competition more directly than most companies. The airline provides air transportation for freight and passengers to five continents and 30 countries. With the airline industry becoming more and more deregulated, and with overall sales dropping, Canadian is in an increasingly difficult competitive position.

Sid Fattedad, Vice President Western Region for Canadian, recognized in 1987 that the airline had to do something to improve its service quality if it wanted to compete globally. As head of the Pacific Division, he could see that Canadian simply wasn't keeping pace with the Asian carriers serving the same market. "We weren't costcompetitive and we weren't the preferred carrier," said Fattedad.

From worst to best on-time record

Back in 1987, with the worst on-time record in North America, Canadian had a long way to go to improve. In 1991, it had the best on-time record in North America, proof that the service quality program is working. Before the quality program, 70 per cent of customers surveyed reported some dissatisfaction; the figure is 20 per cent today. Prior to 1991, Canadian didn't even rank among the best airlines in the world, according to surveys of business travellers. Now it's in the top ten.

Four years after starting a quality program, Canadian has recaptured its share of the market and is beginning to encroach on its competitors' market share. In the national market, it has gained four per cent of the market from its major competitor over the past year.

"It's like night and day," said Fattedad. "If there's a pill to take for corporate malaise, quality is it. It focuses you on what your business really is."

Quality from the top down

The quality program at Canadian was initiated by Fattedad at the Pacific division. With 800 employees, the division served as a beta test site in a pilot program which cost only \$60,000. The test was so successful, the program was subsequently adopted by the whole company. Leadership has moved from the region up to the president's office, where it is now a strong focus. Every week, the executive committee meets to talk about quality and service standards and how Canadian is measuring up.

When Canadian was starting its quality program, it hired an international consulting group to develop it with them. "The consultants helped disseminate the theories and concepts — our own people developed the programs," said Fattedad. The consultants brought the information to management, and the executive staff took it from there.

A new attitude

Fattedad feels that a major reason for the success of the program is a change in people's attitudes towards service and their customers. The change has been brought about in part by training and in part by the overall adoption of a quality culture.

The quality process at Canadian is based on one simple goal: to meet or exceed customer expectations at a cost which provides a profit. Naturally, the first step involved finding out what customer expectations were. For example, people calling for reservations want the phone answered within 20 seconds. Frequent flyers expect minimal waits at the check-in line-up, while surveys indicate that non-frequent flyers find a longer wait reasonable.

Careful monitoring

Canadian has extensive, quantifiable measurements of the progress it has made since starting a quality process. It tracks everything from market share and on-time performance right down to how many minutes it takes for priority baggage to reach the carousel. All service aspects and customer reactions to them are carefully measured and monitored. Everything from the length of check-in lineups to the number of rings before the phone is answered are measured. Customers are surveyed at random and asked a series of questions about the service. Canadian has brought in a hand-held computer system for recording these statistics. Using this method, results can easily be fed into the central computer and tabulated. Weekly results are plotted and feedback is provided in a timely manner to front-line staff. The results of these activities are dramatic: continuous improvement in service levels, reduced costs and higher morale.

Good-bye bureaucracy

Throughout the organization, Canadian is working to increase efficiency by ridding itself of bureaucracy. "The handling of paper was choking the company," said Fattedad. "We went around looking for dumb rules and killed them."

Canadian also introduced more efficient systems for aircraft maintenance. They started using just-in-time production techniques, which involved keeping inventory flowing such that what's needed — and only what's needed — is available at any given time. These techniques have reduced plane overhaul times from 90 days to 45 days, and enabled Canadian to sell off millions of dollars worth of redundant parts.

Increased delegation

Canadian has changed its approach to people, delegating more and more responsibility to the front line staff. However, in doing this, Fattedad has encountered one of the biggest obstacles to quality initiatives: the reluctance of some middle managers to adapt to changes. While these people are used to having the authority to control, monitor and even punish lower-ranking staff, in the new environment, they need to become coaches and facilitators working for the front-line staff. Some of this reluctant attitude is understandable: as the quality process evolves, the company will need fewer middle managers in total.

The reaction of front-line employees, however, is anything but reluctant. Dealing with customers face-to-face on a daily basis, they embrace the quality initiative outright, understanding the need for it and feeling its results more directly. Empowering these people to do

their jobs more effectively makes their work easier and more pleasant. The customers notice the difference.

Cost advantages

Of course, increased efficiency is part of the beauty of a quality approach. Canadian's cost of doing business is now 15 per cent lower than that of its biggest competitor, and its service quality is superior, according to Fattedad.

But this certainly didn't happen overnight, nor has Canadian reached its ultimate service goals. Fattedad advises those starting quality programs to be patient, spend the money you need to initiate the program, and don't expect miracles. "It will be 18 months before people start believing in it."

The results of the quality initiative at Canadian have been dramatic. The company reports that its on-time record has gone from the worst to the best in North America. Many other areas of service have measurably improved, and costs have decreased. Faced with the problem of vastly increased international competition; Canadian has found that quality may offer a solution.

Capilano R.V. Park



Capilano

Would you think a quality program applies to an R.V. park? It certainly can — and it can pay off. Since aboriginal entrepreneur Frank Baker completed a major upgrade of the quality of service at Capilano R.V. Park in North Vancouver, sales have more than doubled from \$427,000 in 1987 to upwards of \$900,000 in 1991 — and 1991 was still a growth year in spite of the recession.

Baker attributes the increase directly to quality improvements, both in the physical amenities at the park, and in the level of service his employees provide. "The key to this business is service."

Increased competition prompts quality

Baker spent about \$1.3 million in 1988 and 1989 upgrading the quality of his service. He did not begin with any formal survey. After 27 years running the business, and having travelled abroad and compared his own operation with the best in the world, he felt he knew exactly what his customers needed. And seeing increased competition among R.V. parks in the Lower Mainland, Baker felt that a quality upgrade was imperative.

Many of the quality improvements made are easily visible; an attractive cedar office building, framed by majestic totem poles, welcomes visitors. The R.V. sites are clean and level, with new roads leading to them. Landscaping is attractive and well-kept. There is a pool and hot tub for guest use.

"Tourists and campers are looking for everything that contributes to a comfortable stay," said Baker. And he does his best to provide everything, including pleasant and helpful staff, whom he trains on guidelines provided by the B.C. Tourist Association through its "Superhost" program.

Among Canada's best

Baker's commitment to quality service has earned his R.V. site five stars in Woodall's North American Campground Directory. His is one of three parks in Canada to receive Woodall's top rating, and his park is ranked second best in Canada.

But his own benchmarks are not all North American. He finds that European visitors have different expectations and cultural preferences than North American customers. Recognizing and adapting to these can be a paying proposition. For example, Europeans love the examples of aboriginal art throughout the R.V. park. Baker says the increased visits from Europeans in 1991 offset the decline in North American traffic, resulting in net growth for the year.

A changing marketplace

Baker's quality program is a response to the changing marketplace for R.V. parks. The market is considerably more upscale and sophisticated than it was back in 1965 when the park first opened. Customers both need and demand more and better services. For example, prior to the recent upgrade, the power supply to Capilano R.V. Park's sites was inadequate for some of the newer motor homes. "They would have fried our old lines."

According to Baker, in 1965 the typical R.V. was a pick-up truck with a camper on the back. Power supplies, sewer hook-up and level sites weren't an issue. Now, motor homes can cost more than \$250,000, complete with satellite dishes, VCRs, furnaces and hot tubs. These sophisticated vehicles require perfectly level sites for the propane appliances to work. The lesson here is that quality targets change, and to succeed, you must adapt with these changes or lose ground to competitors that do.

Use the best as models

When making changes to his park, Baker used the service quality of large, upscale motor home parks in California and Arizona as a benchmark. He says these are the places his clientele visits in the winter, and they've come to expect and demand similar service when they head North. Baker adds that many return again and again to his park. About half of his visitors are repeat customers. Some have spent so much time there, he knows them personally.

The other type of client attracted to Capilano R.V. Park is the summer camper, who needs a different type of service, but is equally demanding. In fact, Baker says he and his staff spend a fair amount of time in the busy summer months simply showing visitors how to hook up all the systems in their motor homes. They'll call the repair shop for visitors whose R.V.s need work after a winter of sitting idle in the yard.

Going the extra mile

A top-notch facility and a staff that goes the extra mile to serve customers are key elements to the park's success. Baker also has the competitive advantage of a prime location on an Indian reserve situated on the bank of the Capilano River under the Lions Gate bridge, close to Vancouver, Stanley Park, the beach, a major shopping centre and the wilderness of the North Shore. These are strong inherent advantages, and with his recent service quality initiative, Baker is making the most of them.



The quality policy at Adia Canada boldly states: "We pledge to deliver defect-free services to our customers on time, every time." Adia, (formerly Office Assistance) is an international company which provides temporary staff to corporate clients. It has 200 staff and some 20,000 temporary personnel for hire.

Quality is free

Embracing the theories of Philip Crosby, a leading quality expert in the U.S., Adia started a formal quality initiative two years ago. Featured in its most recent newsletter is this Crosby quote: "Quality is free. It's not a gift, but it's free. What costs money are the unquality things — all the actions that involve not doing jobs right the first time."

The newsletter itself is a tool of the quality program, totally dedicated to it. According to B.C. Region vice president Betsy Gibbons, constant communication about quality is essential to keeping up the required momentum. "You have to keep the pace up and make sure your quality initiatives are obvious to everybody."

Commitment from the top

Gibbons also stresses the importance of starting from the top with commitment to quality. In Adia's case, "the top" was president Barbara Rae. In 1990, she saw that there was economic uncertainty ahead and recognized the company's need to improve its quality of operations. The formal quality process she brought in was a form of insurance for the company's future.

At the time, Rae said, "What we have started won't be easy. Each of us — including me — has to think differently about the way we do things, to make the assurance of quality every bit as important as everything else we do."

It is important for a quality initiative to start at the top. At Adia, once it was initiated by the president, the first step involved training the executive staff. Here, hired consultants were used, which Gibbons recommends to others. Executive staff then became the trainers for the rest of the organization. There is value in this top-down method of promoting quality from within. Staff need to feel that the top executives of the company are fully committed to quality. Then they'll embrace it, especially the front-line employees who tend to feel the need for quality processes most directly.

Formal process

Over the past two years, Adia has introduced 15 quality programs aimed at correcting problems. A formal process is in place to guide staff through every step of each program. Through this process, for example, Adia has eliminated time sheet defects, which used to result in some invoices and cheques issued for incorrect amounts. This problem was attacked and solved with training, more easily-understood time sheets and other corrective measures.

Other programs include a process to extract all the information needed to determine client needs in as little time as possible; a program to remove all errors from the mailing list; a followup process to determine client satisfaction; and a comprehensive

program to ensure that temporary employees understand what quality means at Adia.

The goal is perfection: the method is teamwork

Adia quality programs are usually the result of suggestions for improvement made by employees. When a problem is brought forward, a steering committee determines if it is local, regional or national. A quality improvement team is appointed to define and measure the problem, and a corrective action team set up to determine how to eliminate it. The goal is perfection. A Crosby tenet that applies here is: "The performance standard is zero defects."

Perfection certainly doesn't happen right away, if ever. The quality process never ends. What's important, says Gibbons, is to keep going. Keep starting new quality programs, at least one a quarter. And keep communicating the news about quality efforts throughout the organization.

Patience and perseverance

While it takes some financial resources to start a quality initiative, Gibbons feels that the most important resources to dedicate to quality are time, ideas, commitment and patience. "It's a long process, and you don't get results right away. You have to persevere."

Two years after its inception, the quality initiative has had a definite and positive effect at Adia. According to Gibbons, while sales fell 10 percent from 1990 to 1991, the company lost less ground than many personnel firms during the recession. Since 1990, Gibbons says that customers have started noticing the difference in the quality of service they receive from Adia.

The pay-off may not be instantaneous, but it is tangible. Doing things right the first time saves the company a considerable amount of money, according to Gibbons. Again she quotes quality expert Crosby: "If you concentrate on making quality certain, you can probably increase your profit by an amount equal to five to ten per cent of your sales."

Whether you choose to follow the advice of a leading quality expert or to develop your own quality program, there are some crucial elements that shouldn't be overlooked. Important lessons from the Adia case study are: listen to your people and your customers, push the initiative from the top, be patient, persevere, and your efforts will be duly rewarded.

B.C.Tel

Telephone Co.

If you want to provide legendary customer service, you need internal support systems for your goal, says Merv Stanley, corporate quality manager for B.C. Telephone Co. For over a decade, B.C. Tel has been building such internal systems. The result? An impressive and complex support structure — a program so detailed that no brief case study could do it full justice.

B.C. Tel's primary business is to provide telephone service to the residents and businesses of B.C. It has 14,000 employees and 1991 sales of about \$2 billion, up from \$1.85 billion in 1990. To build a quality structure in an organization of this size is a daunting task, but a necessary one, says Stanley.

From chaos to success

In the late '70s, British Columbia was in a state of labour relations chaos, and B.C. Tel was certainly not immune to the problems this created. As a result of the business climate, its service levels were poor, and its finances in bad shape — at a time when it was facing competition for the first time, having enjoyed a monopoly in the province for almost 90 years. Something had to be done to make the company competitive. The answer? Organizational renewal, emphasizing quality in all aspects of the company's operations.

Since the early '80s, B.C. Tel has been striving for total quality, and has gained recognition for its efforts. In 1989 and 1990, the company received certificates of merit for quality in the Canada Awards for Business Excellence. There are many other indicators of B.C. Tel's success. Complaints are decreasing — about 90 per cent of B.C. Tel customers rate its service as good or excellent. Technology is improving at an impressive rate, and reliability is rated at about 95 per cent by businesses throughout the province.

Positive trends

While customers are becoming increasingly satisfied with B.C. Tel service, employees are happier as well. An impressive 97 per cent are proud of the work they do. Employee skills and productivity are both improving steadily. The company's financial situation is getting better, employee ownership is on the upswing and shareholder returns are increasing. B.C. Tel is a company full of positive trends.

So how did it turn a bad situation around? A companywide effort involving management, technology and people all went into the equation, Stanley says. To emphasize service quality was only one of a number of strategic decisions. However, B.C. Tel saw clearly that one key to improvement would be to listen to its own people, to customers and to shareholders, and to start benchmarking its performance against other companies.

"Pride in all we do"

B.C Tel literature is filled with references to quality. The employee newsletter trumpets quality goals in large type on the front page: "Pride in all we do." The four main tenets of the company views on quality are liberally sprinkled throughout employee publications and on plaques in head office. "Quality, we make it a way of life," are the

words plainly visible on every B.C. Tel van. These remind B.C. Tel staff of quality goals: to be easy to do business with; to provide and support innovative quality solutions; to make promises and always keep them; and to make recovery a number one priority if they fall short.

The benchmark is the best

This concise description of B.C Tel quality policy has evolved over the years. Not everything was planned from the outset. The process started with communication of B.C. Tel's service quality vision, and advanced a step with input from employees. For benchmarks, B.C. Tel compared itself with the best companies in the world. Then it put training in place to bring it closer to the best. Along the way, the company developed a vision of quality, and embraced the concept throughout the organization.

In the end, all service quality programs focus on providing what the customer wants, but the methods of getting there differ, and not every path will suit every company. B.C. Tel developed its own quality philosophy by taking the bits and pieces it liked from various quality experts and exemplary companies. Tom Peters' views on the importance of being passionate about customer service pleased the company. It also picked up good ideas from Philip Crosby, GTE, IBM and Xerox. Stanley advises that firms starting out on the quality path take their time, do their homework, and consider the merits of a variety of approaches to quality.

He also advises against letting accountants loose on the quality issue. They may focus on the money to be spent on training and other activities, while the benefits of a quality program are not as easy to quantify in terms of hard dollars. "It's difficult to prove that training people increases sales. But the top companies continue to invest in their people," says Stanley. "Either you invest in training or you invest in ignorance."

The quality process never ends

Realize that once you've started a quality program, it never ends. Stanley observes that B.C. Tel hasn't reached its quality goals after ten years of striving — increased competition keeps moving the goal post. As well, 90 years of monopoly has not bred the most customer-responsive organization. "We're still growing out of that environment.

However, while the goal of total quality will probably never be achieved, it's the striving for it that's the key. A main tenet of the process is continuous improvement, a process that will endure as long as B.C. Tel does. In the process of striving to be easy to do business with and to keep every promise, B.C. Tel has come a long way in the past decade.



Aitken Wreglesworth **Associates**

A lot of service firms talk about empowerment of their people as a means to gain competitive advantage. Few take the concept as much to heart as Aitken Wreglesworth Associates (AWA), one of Canada's top architectural firms. In fact, principal and co-founder David Aitken believes people are a company's only source of competitive advantage. All else is secondary.

AWA does not have a formal quality program. However, being client-driven and people-oriented, it has incorporated many of the elements commonly found in a quality program, while still retaining its unique approach to doing business.

Collective mission

A full-service company with sales in the \$5 million dollar range, AWA offers not only architectural design, but urban design and planning, graphic design, interior design and communication design. Each division operates as a separate entity; some are independent business units which also work for clients other than AWA.

Virtually every activity at AWA, however, involves teamwork. All of the firm's 80 employees had a hand in creating the firm's mission: "We believe that every individual in the firm is the firm. We value the individual and collective courage needed to be different, to take responsibility, to be accountable, to strive to be the best and create opportunities... Our corporate culture provides an environment of trust with open communication and acknowledges the importance of personal experience, providing the freedom for the individual to be fully him/herself..."

Underlying this rather ethereal vision, a structure is in place to thoroughly determine client needs and meet or exceed them. Far from being hierarchical, the structure involves management by consensus. The boardroom where many decisions are hashed out features a round table: nobody sits at its head.

The AWA consensus approach is not for every company, admits Aitken, but it does work. Some stunning work for satisfied clients includes, most recently, Simon Fraser University at Harbour Centre, Eaton Centre Metrotown, and the Carlyle.

Strategic alliances

AWA recently merged with Canada's most prestigious architect, Arthur Erickson. It has also formed a strategic alliance with PT Group of Hong Kong, the largest architectural/engineering firm in southeast Asia.

The reason for these alliances and the myriad of smaller companies working within AWA can be traced back to 1981 when Aitken and Peter Wreglesworth started their firm, deep in a recession. After a careful look at the marketplace, they decided that they could only build the size of infrastructure needed to make the firm competitive, and able to bid on larger jobs, by expanding into related fields.

Service the first priority

To their surprise, a survey of clients and potential clients told the partners that while design ranked only seventh on clients' list of priorities, service was number one. They set out to create a service firm extraordinaire.

AWA does many things to ensure it provides quality service. Conscious and careful thought are given to the question of whether it is in fact the right firm to work with certain prospective clients. "We try to work for those who will really value what we do best. We recognize that we can't serve everybody," said Aitken. AWA works with clients diligently to determine their needs and values. Project teams form a cohesive unit of which the client is a part. The teams meet every two weeks during the course of the project and ask collectively and individually, "What can we be doing better?"

Aitken says clients appreciate these efforts and tend to believe AWA is doing all it can do to produce excellence. The group approach also offers resilience in the face of change — budgets or deadlines often change in the course of an architectural project. "This resilience keeps stress levels lower and productivity higher."

Fostering creativity and responsibility

"Of course we do still make mistakes," Aitken acknowledges. However, to foster the kind of creative environment needed at AWA, mistakes are treated gently. "AWA is a learning organization. People are encouraged to learn and to experiment. They are trusted. It's safe to be creative here," said Aitken.

With trust comes responsibility. Members of the AWA team must often work directly with the clients and personally take on some of the responsibility for keeping customers happy. AWA clients notice this attitude; they have written many glowing letters praising the firm's performance.

Extensive use of technology

One aspect of AWA's service that sets it apart from many other architectural firms in this country is computerization. AWA has embraced technology. Already, three-quarters of the staff are adept at using computers, and some are technology wizards.

Computerization is a real asset when the firm needs to get a job done quickly. It can also be used to show clients what AWA can do for them. They can be taken on a simulated, three-dimensional walk through and around their proposed buildings. They can also be offered polished and striking presentations in AWA's sophisticated media room, which has large screens, and state-of-the-art sound and lighting.

People are the key

Technology, however, is in Aitken's view a mere tool in the provision of service. The key is people. At AWA, he says, staff don't have to "check their personalities at the door." They are encouraged to be themselves, to say what they feel and to lead balanced lives. The result, says Aitken, is sustained effort, camaraderie, and deeply-based teamwork. Another result is good service quality. While AWA has no formal, structured quality program, its people-oriented culture includes many of the elements such a program would provide.

Competitiveness in the '90s

Conclusion: Service Ouality

Service quality is not a new concept. However, it is an initiative that more and more companies are going to have to take seriously if they want to compete in the global markets of the '90s and beyond. In fact, a commonly-held view is that firms that don't adopt quality programs simply won't make it in the '90s: customers expect more, and the competition is tougher.

For those who have decided to adopt quality programs, there are plenty of lessons to be learned from the firms that have already done so. The following lessons were gleaned from the five firms profiled on our service quality series.

Determine customer expectations

The basis of most quality programs is the same: to meet or exceed customer expectations. What is surprising, however, is how few firms know what their customers' priorities are. This underscores the importance of customer surveys. Quality programs should revolve around determining customer desires and fulfilling them.

A good way to start a quality program is to ask your customers two things: What kind of service are you getting from our company?' and, 'What kind of service do you want to receive?' A quality program should focus on bridging the gap between current service levels and the level of service customers want. Keep in mind that this is a changing target: customers are demanding more and better service all the time.

Start your initiative from the top

For a quality program to be embraced by a company, it must start from the top, with the president of the company. Ideally, the president and the executive staff should be the first ones trained in quality. They must be committed to a quality process and demonstrate that they are, or risk the staff perception that this is just another program that will come and go.

Most firms with existing quality processes advise companies starting out to hire consultants to help them set up the process initially. However, the company itself should be able to take over quite quickly, and start driving quality from within.

Ongoing training crucial

A crucial element to any quality program is ongoing training. It's most effective if you tailor the training to your industry and to specific jobs. Employees will more readily embrace quality if the materials are geared at them directly. Programs that espouse generic, nebulous quality concepts which could apply to almost any type of business are less effective.

Front-line staff tend to love quality initiatives and any training that helps them do their job better. They are the ones in most direct contact with customers, and often can best appreciate the need for quality processes.

Delegate authority

With more training, front-line staff and employees further down the chain of command can and should handle more responsibility. They can best provide quality service if they are empowered to make the decisions that directly affect their jobs.

Staff from all levels of the organization should be encouraged to initiate new quality processes. Often, executives are not even aware of some rather obvious problems in day-to-day operations. Front-line staff should be encouraged to speak up about problems and suggest potential solutions.

Delegating authority means shedding some bureaucracy, which tends to increase the overall efficiency of an organization. At the same time, it may leave those in middle management feeling threatened and unsure of their role. It will be a new one for many of them: more of a coach and facilitator than a supervisor. In a sense, they will be working for the front-line employees and not the other way around. It's important to recognize this difficulty and support middle management in making the transition to a customer-oriented culture.

Measure everything against the best

A key part of the quality process is continuous evaluation. You should constantly be measuring the results of your quality initiatives and communicating these results directly to the staff responsible for them.

You should also benchmark against the best in your business. Figure out ways to be more like them, and track your progress. Continuous evaluation will give your team a sense of accomplishment, and will highlight areas that need extra work.

Be patient... quality never ends

Be aware of the fact that dramatic changes are possible with quality programs, but they aren't going to happen overnight. Patience and persistence are necessary.

Everyone in the organization should receive regular communication about the progress of quality initiatives. Keep things happening; always be initiating new quality activities. Once you have some forward momentum, keep driving it... and never stop.

Quality is not a program, but a culture. It doesn't have a finite life, but should last as long as the company does. And if a company has embraced a quality culture, it will probably be in business for a very long time.

HC117 .B7 C6 no.7 QUEEN c.2 Competitiveness in the '90s : quality in the service f irm : company case studies

DATE DUE - DATE DE RETOUR

ISTC 1551 (2/90)

