FORTUNE

M A G A Z I N E

Video Seminars

Customer-Driven Quality

Presented by Richard C. Whiteley

The Forum Corporation

**Nathan/Tyler
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Contents

VIDEO SEMINAR OVERVIEW

Introduction

Over and over again, research has indicated that those organizations that seriously embrace and successfully implement customer-driven quality as both an operating strategy and a leadership philosophy experience four important benefits. Customer-driven companies create:

- Revenue growth
- Increased profitability
- Faster turnaround time
- Improved employee morale

For some companies implementing quality initiatives, this process has been difficult, and the results have fallen short. For others, quality improvement is working in certain parts of the organization but not in others. And some companies are still studying how to get started.

The *Customer-Driven Quality* Video Seminar has an important message about quality implementation for each of these organizations. It tells clearly and concisely how to implement quality effectively throughout an organization and focuses on how to create the most important outcome: A customer whose needs have been met and exceeded.

Presented by Richard C. Whiteley, Vice Chairman and cofounder of The Forum Corporation, *Customer-Driven Quality* unifies and integrates concepts related to quality improvement, management, leadership, customer service, corporate vision and values, and work unit performance. The organizing framework is the concept of defining and meeting or exceeding customer expectations. As a result of understanding these customer-driven concepts and applying them to their own work, seminar participants will see how the different aspects of quality improvement work together to create loyal customers and outstanding financial results.

This Video Seminar is not a typical training program; it is a unique learning experience. Here are some features:

- Participants will learn how five successful customer-driven companies implemented their quality programs. Through interviews with managers, employees, and customers of these companies, participants will see how challenges were overcome; how quality-improvement tools, concepts, and beliefs were applied; and the concrete results of becoming customer-driven.

- As part of the learning process, participants will conduct their own research projects to discover how employees and selected customers currently perceive their organization.

- Participants will also have an opportunity to apply customer-driven quality ideas and concepts to their own work units.

- Finally, participants will create a Report to Management with an assessment of the organization on important aspects of quality implementation. This report will contain

practical recommendations and advice which senior management needs and will welcome from different parts of the organization. This Report to Management is an important source of information for executives and, if its messages are heeded, a clear demonstration of management's commitment to customer-driven quality.

Video Seminar Objectives

As a result of the Video Seminar experience, participants will:

- Know the importance of customer-driven quality to the ongoing success of their organization.

- Diagnose your organization's readiness for implementing customer-driven quality.

- Identify how to improve the effectiveness of the quality improvement effort.

- Develop a Personal Agenda for introducing customer-driven quality in their own work units.

- Provide senior management with a candid evaluation of current quality implementation progress and recommendations for consideration in a Report to Management.

Seminar Structure

The *Customer-Driven Quality* Video Seminar is divided into eight segments, with each videotape segment serving as the core of a workshop experience that consists of a series of facilitated discussions, individual and team exercises, and assignments designed to explore and apply the concepts presented.

Note that there are a number of Pre-Work Assignments requiring participants to spend 30 minutes to one hour preparing for workshop activities.

If this Seminar is to be taught in one session, Pre-Work Assignments must be communicated to participants before the session begins.

If the Seminar is to be taught in separate sessions over several weeks, the Pre-Work Assignments may be made between sessions.

Description of Educational Materials

There are three booklets included in the *Customer-Driven Quality* Video Seminar.

Program Facilitator's Handbook

This *Program Facilitator's Handbook* provides a detailed "road map" for conducting the Video Seminar. Each segment contains suggested exercises and discussions which form the basis for a complete learning experience. Each topic may be augmented with additional materials and exercises, depending on the specific audience and seminar objectives.

A typical segment is organized as follows:

Segment Name (Estimated Time)

Purpose

Process—Step-by-step description of how the segment flows, with suggested questions to be asked by the Facilitator and recommended flipcharts/Overhead Transparencies.

Personal Agenda—Participants are given an opportunity to condense and integrate their conclusions about the topic into a personal plan, specifying actions they can personally take to improve or sustain a particular customer-driven quality concept in their own areas of responsibility.

Report to Management—The Report to Management section is an important communications tool embedded in the structure of the seminar. As participants reach conclusions on the data collected and ideas for improving the organization's quality initiatives, these are recorded for submission to senior management at the conclusion of the seminar.

The Facilitator is responsible for compiling the final version of the Report to Management, using a cover letter developed with input from the participants and summary pages from each seminar segment. The report is then delivered to the senior executive responsible and accountable for the successful implementation of the quality initiative.

Transition—Each segment flow contains suggested thoughts and phrases the Facilitator can use to move smoothly from one exercise to another. These connecting statements help participants follow the logic of the overall seminar.

The segment descriptions in the *Program Facilitator's Handbook* are structured to provide a complete learning experience; however, the Facilitator is encouraged to introduce additional material or alter the structure and sequence of exercises to accommodate the specific group of participants. The most important objective is building an understanding for the concepts presented in the *Customer-Driven Quality* videotape and their potential contribution to the overall success of your organization.

Senior Manager's Guide	The *Senior Manager's Guide* contains a letter from Richard C. Whiteley about what customer-driven quality means to the success of an organization. The purpose of the *Senior Manager's Guide* is to:

- Stress that senior management's role is critical to the successful implementation of the *Customer-Driven Quality* Video Seminar.

- Provide executives who view the videotape segments with a series of short activities that help them transfer the concepts of customer-driven quality to their organization.

- Provide implementation alternatives for the Video Seminar and guidance for selecting a Facilitator.

- Explain the purpose of the Report to Management, its role in the Video Seminar, and its potential uses by senior management.

Participant's Manual	The *Participant's Manual* is designed to provide a personal record of the work participants accomplish in each segment of the seminar. It contains space for taking notes, classroom exercises, and checklists to be completed.
	The *Participant's Manual* also contains a Personal Agenda framework for each segment. These personal plans are among the most important elements participants take away from the learning experience.

Options for Implementation

This Video Seminar has been designed to be flexible so as to accommodate the implementation needs of almost any situation and organization.

As a Self-Study Program	Individuals may view the videotape segments and use either the *Senior Manager's Guide* or the *Participant's Manual* to complete the exercises.

- The *Senior Manager's Guide* is designed for use by any senior level manager considering broader implementation of the *Customer-Driven Quality* Video Seminar. It contains abbreviated versions of the exercises that appear in the *Participant's Manual* and a number of diagnostic activities.

- The *Participant's Manual* provides a framework for recording thoughts and ideas in response to the videotape as well as a number of activities designed to link the learnings in the videotape with the participant's own work.

In Small or Large Groups	Because each segment of the Video Seminar builds on the preceding one, it is recommended that the segments be taught in their numerical sequence. However, there are several alternative seminar formats, all of which are equally effective.

- **Seven sessions**, each corresponding to a videotape segment. (Segment 8, Conclusion, is brief, and should be viewed in the same session with Segment 7.) Each session requires two to three hours, with an additional hour for Pre-Work Assignments on several segments.

- **Four half-day sessions**, with each session lasting about five hours. Pre-Work Assignments would need to be completed before each session. The recommended sequence is:

Session 1—Segment 1: Introduction and Overview
Pre-Work Assignments for Segments 2 and 3

Session 2—Segment 2: Establishing Direction and Alignment
Segment 3: Listening to the Voice of the Customer
Pre-Work Assignments for Segments 4 and 5

Session 3—Segment 4: Improving Processes to Exceed Customer Expectations
Segment 5: Involving and Empowering People

Session 4—Segment 6: Walking the Talk
Segment 7: Clearing The Hurdles
Segment 8: Conclusion

- One three-day seminar, with Pre-Work Assignments for Segments 2, 3, 4, and 5 to be completed prior to Day One.

Day One (morning)	Segment 1: Introduction and Overview
	Segment 2: Establishing Direction and Alignment
Day One (afternoon)	Segment 3: Listening to the Voice of the Customer
Day Two (morning)	Segment 4: Improving Processes to Exceed Customer Expectations
Day Two (afternoon)	Segment 5: Involving and Empowering People
Day Three (morning)	Segment 6: Walking the Talk
Day Three (afternoon)	Segment 7: Clearing the Hurdles
	Segment 8: Conclusion

Role of the Facilitator

Overview

This Video Seminar consists of several facilitated discussions, individual and team exercises, and "homework" assignments, and the Facilitator's role is critical to the success of the process. There are two major functions the Facilitator must fulfill:

- Choose the implementation plan that is most appropriate to the specific audience and to overall organizational needs.

- Decide either to conduct the Seminar yourself or select and train a cadre of facilitators to deliver the Seminar.

As the Facilitator, you have a major opportunity to introduce and instill customer-driven quality concepts throughout the organization and to have a significant impact on the quality improvement effort. The stakes are high for improving quality to meet or exceed customer requirements—and, with the support and involvement of senior management, this Video Seminar can move your organization "from talk to action."

Expectations for the Facilitator's Role

Richard C. Whiteley's approach to quality requires that employees at all levels of the organization understand how their work fulfills customer needs. As Facilitator, your most important job is to ensure that this Seminar is more than just a training experience. Rather, the plans and Personal Agendas created in the Seminar are real opportunities to move the organization closer to being truly customer-driven.

In addition to organizing and facilitating the implementation of the Seminar as a vehicle for creating organizational change, there are several other important criteria for a successful Facilitator:

- A sound understanding of the concepts introduced in the videotape as well as the structure and content of each learning segment.

- A plan for implementing the Seminar with different groups.

- A knowledge of your organization's current quality improvement efforts, the key measures involved, and progress to date.

- Credibility among senior management as an experienced business person who can help implement change.

- Basic group facilitation skills, including:

  – Questioning skills

  – Listening skills

  – Summarizing skills (paraphrasing, consolidating and synthesizing)

Facilitator Preparation

Given the importance of the Facilitator's role, it is recommended that you thoroughly prepare for implementing *Customer-Driven Quality*. This involves:

- Reviewing the videotape to make sure you are comfortable with the concepts, definitions, and examples.

- Reviewing the *Program Facilitator's Handbook* to make sure you understand the purpose and process for each of the sessions. Use your own experience to adapt these exercises to your organization's unique needs. In particular, you may want to further customize the suggested discussion questions to match the particular group's interests and level within the organization.

- Reviewing the *Participant's Manual* to make sure you understand its content and organization.

- Planning how the Pre-Work Assignments will be used with particular groups. (See Focusing on Pre-Work Assignments below.)

- Reading Richard C. Whiteley's book *The Customer-Driven Company* (Reading, MA: Addison-Wesley, 1991).

Focusing on Pre-Work Assignments

A major activity in the *Customer-Driven Quality* Video Seminar is gathering information from sources outside the classroom for discussion purposes. These activities are meant to stimulate discussion and provide a sense of reality and urgency to the learning experience.

These assignments can be completed in a hour or less and are structured so that participants will have easy access to the people or information they need to complete the tasks.

Pre-Work Assignment for Segment 2: Establishing Direction and Alignment

The assignment asks participants to interview employees to assess the extent to which the organization's direction, vision, and values are known and understood.

Pre-Work Assignment for Segment 3: Listening to the Voice of the Customer

In this assignment, participants are asked to "become the customer," either of their own organization or another company and to note their reactions. In addition, they are to interview internal customers of their work units.

Pre-Work Assignment for Segment 4: Improving Processes to Exceed Customer Expectations

Participants are asked to interview employees working on a familiar business process to gather ideas from them for improving that process.

Pre-Work Assignment for Segment 5: Involving and Empowering People

Participants are asked to interview people at different levels within the organization to determine the extent to which people feel prepared and supported for implementing a quality initiative.

Pre-Seminar Planning and Checklist

Equipment

- Two flipchart stands with pads
- Markers and tape
- An overhead projector and screen
- A video playback unit and a large monitor

Materials

- *Participant's Manual* for each participant
- *Program Facilitator's Handbook*
- Overhead Transparencies
- *Customer-Driven Quality* videotape

Note: These materials are part of the Seminar package. The Facilitator is responsible for providing the equipment listed above.

Room Setup

Where at all possible with medium to large groups, conduct the session using a U-shaped table setup. This allows for the optimum interaction and discussion among participants.

Screen

Flipchart

Flipchart

Overhead Projector

Video Monitor & VCR
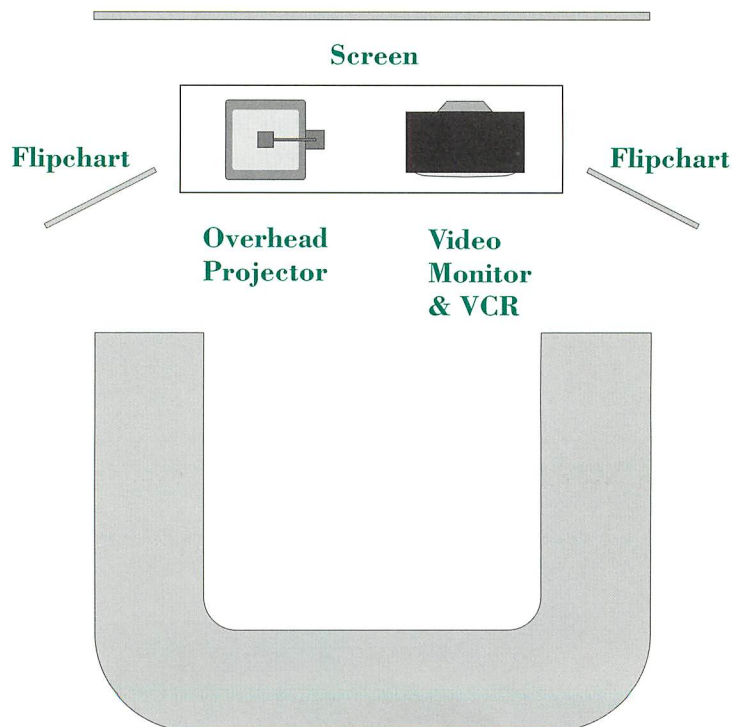
FACILITATION INSTRUCTIONS
Segment 1:
Introduction and Overview
Estimated Total Time: 2 hrs. 35 min.

Objectives

- To heighten the need to address quality issues as a means of competitive survival.

- To introduce customer-driven quality as a means of organizing a company's improvement initiative around meeting and exceeding customer expectations.

- To have participants establish a Personal Learning Agenda for the Video Seminar.

Activities

1. Welcome and Introduction
Presentation - 15 min.

Purpose:
- To introduce participants to the objectives of the Video Seminar and the learning process.

Process:
- Welcome participants to the *Customer-Driven Quality* Video Seminar, and introduce yourself.

- Review the overall objectives for the Video Seminar using Overhead #1-1. Adapt this presentation to your own style of introducing objectives, structure, and agenda.

Customer-Driven Quality Objectives

- **Introduce a View of Quality Focused on Customer Expectations**

- **Explore Elements of Customer-Driven Quality**

- **Assess Where Our Organization Stands in Being or Becoming Customer-Driven**

- **Identify How We Can Become More Customer-Driven by Moving from Talk to Action**

- **Report Our Views to Management**

Overhead #1-1

- Explain that participants will be able to apply customer-driven quality concepts to their own work units as well as provide senior management with valuable information and feedback on the overall organization's quality initiatives.

- Explain that senior management is eager to receive the participants' Report to Management and that it is viewed as an important outcome of the Seminar. The Video Seminar itself and management's willingness to participate are demonstrations of the organization's commitment to the quality initiative.

- Review the structure of the Video Seminar, using Overhead #1-2. Explain how the Video Seminar will be implemented in your company.

Video Seminar Agenda

1. Introduction and Overview
2. Establishing Direction and Alignment
3. Listening to the Voice of the Customer
4. Improving Processes to Exceed Customer Expectations
5. Involving and Empowering People
6. Walking the Talk
7. Clearing the Hurdles
8. Conclusion
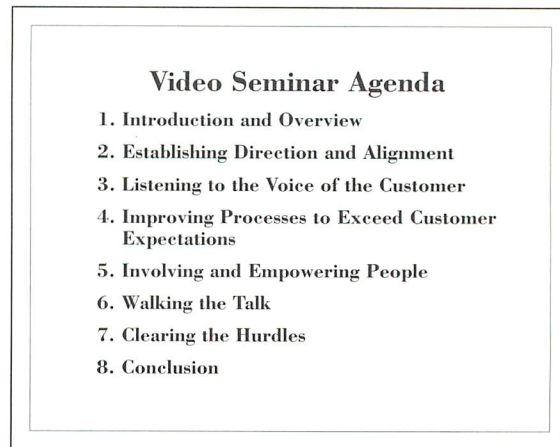
Overhead #1-2

- Ask if there are any questions at this point.

Transition:
An important aspect of being an effective customer-driven company is working together as a team. At least for the duration of this Seminar, we are all expected to be team players. In addition, this Video Seminar requires assignments to be completed outside the classroom setting. So, to make this a successful experience, it is important to establish some ground rules on how we will work together.

2. Establishing Ground Rules

Group Discussion - 5 min.

Purposes:
- To create clear expectations of what is required of individuals and to provide operating rules for the study group.

- To model the type of discipline required to implement customer-driven quality.

Process:
- Show Overhead #1-3, Ground Rules. Ask the participants to discuss:

1. Are there any ground rules we should add?

2. Are there any you disagree with?

3. How can we enforce these rules as a group?

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Ground Rules

- **Attend Sessions On Time**
- **Contribute to Discussions**
- **Meet Commitments**
- **Respect Differences**
- **Process Conflicts**

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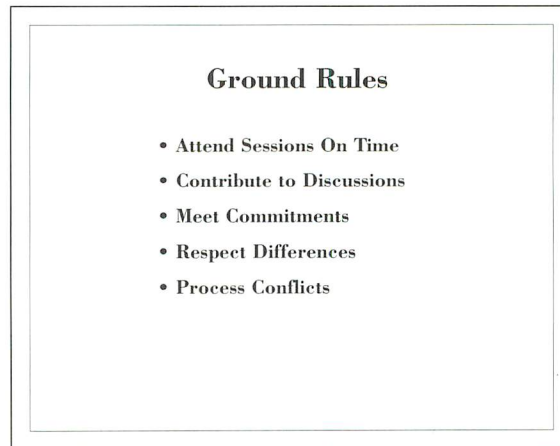
Overhead #1-3

- Ask Participants to record the ground rules in their *Participant's Manual*.

Transition:
Before viewing the first segment of the videotape, we're going to review what quality means to the success of this organization.

3. The Payoff for Quality: "10" Calibration Exercise

Group Discussion - 30 min.

Purpose:
- To demonstrate the critical need to address quality issues in the face of pressures in today's business climate and tomorrow's strategic goals.

Process:
- Explain that in this exercise the participants will compare their organization with what they consider to be "best in class."

- Ask participants to describe those organizations that represent a "10" on a 1 to 10 scale of how their customers rate quality of service and products. Ask participants to support their ratings with actual experiences, incidents, and anecdotes.

- List their responses on a flipchart labeled " '10' Companies " and post it. A sample of possible responses is provided below.

"10" Companies

- Company A–Always reliable
- Company B–Anticipates needs
- Company C–Makes an extra effort
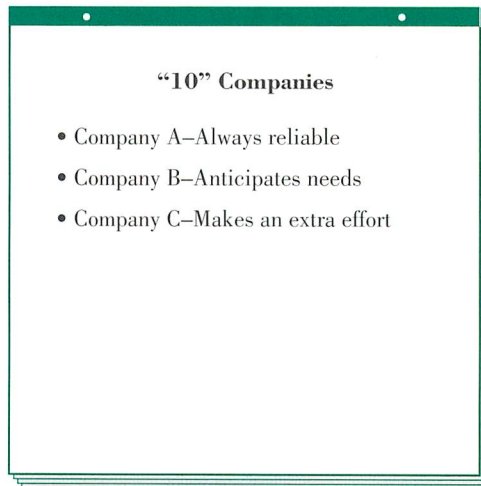
- Using those "10" companies as a calibration point, ask participants how they think this organization's customers would rate it on the same scale.
- List ratings on a blank flipchart and calculate an average score. (Most people rate their organizations 7 or 8 on the 10 scale.)
- On a final flipchart labeled "Implications," list what will happen to the company in the competitive marketplace if it doesn't improve its rating. Sample responses are provided below.

Implications

- Loss of market share
- Difficult to attract quality employees
- Budget cuts and reduced capacity to grow
- Negative image
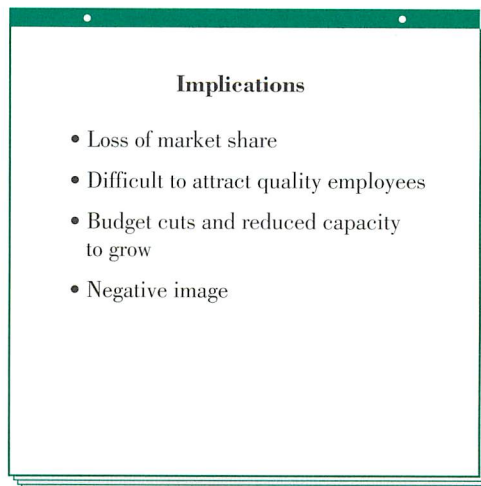
- Some suggested discussion questions are:
  - How important is raising our score to a 10?
  - What happens if we don't? If we do?
  - How would you rate our biggest competitor?
  - What will it take to raise our score?

- Remind participants that they can record the implications in their *Participant's Manual*.
- Summarize the discussion by stating:
  - —Raising our customer's perceptions of our product and service quality is a make-or-break survival issue. A score of seven or eight won't win for long in the marketplace. Our ability to grow depends on raising that score.
  - —Being customer-driven is more than a marketing or demographics issue. It is about how people feel about our organization. As we have seen, "10" companies create passionate feelings in their customers.
  - —Our objective should be to find ways to create that same passion by meeting or exceeding our customers' expectations.

Transition:
We have seen how important improving quality is in the eyes of our customers. In Videotape Segment 1, we will see how a group of "10" companies have managed to achieve and maintain product and service quality by focusing on the customer.

4. Videotape Segment 1: Introduction and Overview
Approx. 15 min.

This first segment introduces the participants to customer-driven quality, a concept that organizes quality improvement efforts around the goal of exceeding customer expectations. Despite the odds and difficult competitive climate, some companies succeed, emerging as world leaders, realizing financial success, and creating great excitement with their employees and their customers. This segment will introduce five successful customer-driven companies through their customers, employees, and executives. It will also present the central elements of the customer-driven quality concept: Establishing Direction and Alignment, Listening to the Voice of the Customer, Improving Processes to Exceed Customer Expectations, Involving and Empowering People, and Walking the Talk.

5. Exploring the Concept of Customer-Driven Quality: Reactions and Opinions
Group Discussion - 30 min.

Purpose:
- To review the major points about customer-driven quality made in the videotape.

Process:
- Ask participants for their general reactions to the points made in Videotape Segment 1.
- Review the definition of customer-driven quality:
  Customer-driven quality is a strategy to gain competitive advantage by exceeding the expectations of those customers you choose to serve.

- Ask specific questions, depending on the interests or comments of the group. Suggested questions include:

  –What companies shown in the video were most like us? Least like us?

  –Were there ideas we could use in our organization right now? What would it take to implement them?

  –Of the elements of customer-driven quality presented by Richard Whiteley, (Establishing Direction and Alignment, Listening to the Voice of the Customer, Improving Processes, Involving and Empowering People, Leadership), which are we doing well and which need improvement?

- Ask participants if they can identify the value to their customers of their products or services. Look at each component of value: product quality, service quality, price, and customer cost.

- Summarize the key points made in the discussion.

Transition:
If we can harness the power of customer-driven quality, then we will be able to achieve strategic success and become a major, sustaining competitor in the marketplace. In the next exercise, we will imagine what our success is like and identify how we got there.

6. Creating Future History
Exercise and Discussion - 30 min.

Purposes:
- To identify the potential of becoming customer-driven and to identify current strengths the organization can use as levers.

- To anticipate most likely obstacles and specify desirable actions different groups that the organization can take to overcome difficulties.

Process:
- Divide the class into subgroups of two or three participants each. If the class is small enough, one group will be sufficient.

- Ask the teams to complete the details of a hypothetical *Wall Street Journal* article that names this organization the winner of the "Customer's Best Friend Award" given annually to only five companies around the world.

- In completing the exercise, teams must:

  - List the "headlines" (i.e., major steps) the company took to achieve its success.

  - Indicate what executives, managers, and employees do differently now than they did in the past.

  - Identify the obstacles the company had to overcome internally to become customer-driven and how these were conquered.

- Refer participants to the exercise instructions on page 5 of the *Participant's Manual*.

- Give the teams about 15 minutes to create a presentation on the company's Future History.

- After teams make their presentations, debrief the exercise by asking:

  - Are there any themes reflecting the major steps we took to win?

  - What did people do differently?

  - What are our company strengths for achieving this goal?

  - What obstacles did the teams all mention that we overcame?

  - How were those obstacles overcome?

- Summarize the key points made in the discussion, focusing on what people do differently in a customer-driven company.

Transition:
Now that we have seen that creating a customer-driven company depends, in part, on how people act, we're ready to define what you, personally, would like to achieve as a result of this Video Seminar.

7. Developing a Personal Learning Agenda
Exercise and Discussion - 15 min.

Purpose:
- To provide participants with an opportunity to focus personal improvement efforts on specific customer-driven quality concepts.

Process:
- Explain that the beginning of the Video Seminar is an excellent time to decide what each participant would like to focus on, whether to improve personal understanding or to explore new concepts or both.

- Describe the exercise, referring participants to pages 33 and 34 of the *Participant's Manual*. Give the group 10 minutes to complete the activity.

- Ask for volunteers to share their Personal Learning Agendas with the group.

Transition:
One of the most important contributions this study group can make to the organization is to forward its conclusions and thoughts about becoming customer-driven to senior management. Remember, senior management needs these reports as one source of information about how people within the company perceive the quality initiative. The final activity of the Video Seminar will be to create a comprehensive Report to Management reflecting the group's experience.

8. Report To Management
Group Discussion - 15 min.

Purpose:
- To provide participants an opportunity to present conclusions, suggestions, and recommendations directly to upper management.

Process:
- Hand out the photocopies of the Master for the Segment 1 Report to Management. Explain that senior management is looking forward to receiving the summary Report to Management as one source of information about how people in the company perceive the quality initiative.

- The first section of the Report to Management includes:

  – A summary of implications for NOT becoming a "10" company.

  – A summary of the Creating Future History exercise, including what people have to do differently, the major steps to success, and how obstacles were overcome.

- Ask participants to review the activities of this segment and select the important messages to include in the Report to Management. With the guidance of the group, create a flipchart for each topic.

- As you complete this activity, be sure to save the flipchart with participants' ideas. You will need this in creating the final Report to Management.

Segment Summary

The purpose of becoming customer-driven is to ensure that every opportunity to please the customer is seized. In doing so, an organization not only creates a competitive advantage, it creates processes that contribute to customer satisfaction and employees who are inspired and enthusiastic about their work. As we have seen, becoming customer-driven also takes leadership—managers and executives who are willing to "walk the talk" and put their beliefs into action. The next Seminar segment will address the first critical aspect of becoming customer-driven: Establishing Direction and Alignment.

[If the Video Seminar is being conducted in separate sessions, make the Pre-Work Assignment now for Segment 2: Establishing Direction and Alignment.]

Segment 2:
Establishing Direction and Alignment

Estimated Total Time: 3 hrs. 20 min. (Plus Pre-Work Assignment)

Objectives

- To assess how well company direction, vision, and values are interpreted in the organization.
- To provide information to senior management about how the current direction, vision, and values are perceived in different parts of the organization.
- To develop a personal customer-driven vision or values statement that reflects the organization's direction.

Pre-Work Assignment: Assessing Direction, Vision, and Values

30-60 min.

As preparation for this segment, participants are assigned to interview up to 10 employees at random to determine their interpretation of the organization's direction, vision, and values.

Activities

1. Working on Vision and Values: Videotape Segment Introduction

Group Discussion - 15 min.

Purpose:
- To reinforce the importance of a clear statement of direction, vision, and values to both inspire and guide decision making.

Process:
- Lead a group discussion about what the organization's direction is, how that direction is reflected in formal statements of vision, and how it can be used to guide decision making. Suggested discussion questions are:
    - What is our organization trying to achieve in the marketplace?
    - How does our organization's vision reflect that direction?
    - What do people believe is important around here?
    - In what ways does our vision statement or values help us serve our customers?
    - Why do we come to work in the morning?
      What's our chief purpose and priority in our work?
- Record participants' responses on a flipchart.

Transition:
In your Pre-Work Assignment, you gathered some information about how our organization's direction, vision, and values are understood and interpreted in the organization. In the next video segment, Richard Whiteley describes how vision, values, and mission statements both inspire workers and provide guidance for decision making. The key idea to watch for is the extent to which visions and values are consistently used to guide the actions of individuals in customer-driven organizations.

2. Videotape Segment 2: Establishing Direction and Alignment
Approx. 20 min.

A leader's responsibility is to "aim the organization" in the direction necessary to succeed competitively in the long run. This segment will describe how different leaders have managed to create excitement about meeting and exceeding customer requirements throughout an organization. These leaders are able to encapsulate the organization's direction in a few descriptive words that both inspire and guide employees in their daily work. The key is to align all levels of the organization in the same direction so that everyone understands what matters most in meeting and exceeding customer expectations.

3. Exploring the Concept of Establishing Direction and Alignment: Reactions and Opinions
Group Discussion - 30 min.

Purpose:
- To review the major points made in the videotape about direction, vision, and values.

Process:
- Ask participants for their general reactions to the points made in Videotape Segment 2.

- Review Richard Whiteley's definition of values:

  - Values are guidelines in your organization that help people know how to behave in ambiguous circumstances.

- Ask specific questions, depending on the interests or comments of the group. Suggested questions include:

  - How did vision statements and values of the companies viewed in the video segment reflect company direction?

  - Which vision statement or values from the representative companies had the greatest impact on you? Why?

  - What other examples of effective vision statements or values do you know?

  - What happens to an organization's relationship with customers when a company's vision or values go undefined?

  - To what extent does our organization's vision statement and values reflect what we are really trying to achieve in the marketplace (our direction)?

  - To what extent are you motivated by our company's vision statement and values? Why?

- Ask participants to name the three things customer-driven companies do to redirect and align employees for the future.

   – State their vision and values clearly.

   – Enroll the entire organization.

   – Live by them.

 • Summarize the key points made in the discussion.

Transition:
We are going to analyze the data you collected in the Pre-Work Assignment. The result of that exercise will be a reassessment of our organization's vision statement and values and how they are interpreted in the organization. We will also develop some recommendations for creating a more "aligned" (i.e., consistent and uniform) interpretation.

4. Analyzing the Direction, Vision, and Values Alignment Data
Group Discussion - 45 min.

Purpose:
 • To assess the current interpretation and understanding of our organization's vision and values.

Process:
 • Ask the participants to report their Pre-Work Assignment findings. As individuals report, write their conclusions on flipcharts labeled "What People Said About Direction, Vision, Values" and "How Vision/ Values Impact Their Work." Sample responses are listed below.

What People Said About Direction, Vision, and Values	**How Vision/Values Impact Their Work**
• It's clear to some but not to others • People aren't sure what it means • It's an important message all employees should know	• Provides clear guidance in gray areas • Something to fall back on when in doubt • Keeps enthusiasm up • Great reminder for what I have to focus on

 • Explain that when there is a more or less consistent interpretation of the direction, vision, and values by different people, the organization is said to be aligned. Ask the group to discuss how consistent and uniform the interpretation of the company's direction, vision, and values appear to be across the organization. Some suggested questions are:

– How are this company's direction, vision, and values interpreted in different parts of the organization?

– Are we aligned throughout the organization? How do we know?

–If we aren't, what are the implications for employees? for customers? for managers?

–What are some ideas for achieving or reinforcing alignment?

• When the groups have reported, go through the following criteria to identify areas for improving the company's direction, vision statement, and values. Use Overhead #2-1.

Vision Statement Analysis

• Is it short and memorable?
• Does it include the customer either directly or indirectly?
• Does it inspire employees?

Direction Analysis

• Does it have meaning?
• Does it look to the future?

Values Analysis

• Do they provide guidance for making decisions?

Overhead #2-1

• If the group concludes the answer is "no" to any of the questions asked, prepare to improve the vision statement to correct any source of misinterpretation. The direction, vision, and values of the company should reflect how the company will pursue world class quality in the marketplace.

Transition:
In the next exercise, we will use some creative techniques to improve our communication of direction, vision, and values and, after reaching consensus, prepare to submit our recommendations in our next Report to Management.

5. Improving Communication of Direction, Vision, and Values
Group Exercise - 45 min.

Purpose:
• To apply a variety of creative techniques to improve the organization's communication of direction, vision, and values so that they contribute to alignment of purpose in the organization.

Process:
• Review the following creative techniques for improving an organization's communication of direction, vision, and values.

– Your Values: Think about what you and the people of the work unit value and believe is important in getting your jobs done. Then, list five ways of completing the phrase, "In my work unit, we really care about..."

– Customer Wants: Finish this statement, " If I were a customer of this organization, I would want..."

– A Picture: Try drawing a picture of how you want your organization or work unit to look to a customer looking in.

– Analogies: Imagine your organization in terms of something else (i.e., an eagle, the summer). What characteristics of those analogies come to mind that would help you define your vision? For example, an eagle's keen eyesight translates to anticipation or planning for the future.

• Select a creative technique and allow the group to develop a volume of ideas. Then, work on the best ideas, developing them into workable direction, vision, and values statements.

• Give the participants at least 30 minutes to develop their conclusions.

• Write the resulting direction, vision statement, and values on a flipchart and test them against the criteria established earlier (see Overhead #2-1).

> **Our Improved Direction,
> Vision Statement, and Values**
>
> • *Direction:*
>
>
> • *Vision Statement:*
>
>
> • *Values:*

• Test these improved statements by asking the following questions:

– How will customers feel in dealing with an organization with this stated direction, vision statement, and values?

– How will these statements help align the organization?

– Are these statements that our employees can support enthusiastically?

– How do these statements of direction, vision, and values compare with those of our marketplace competitors?

Transition:
We have seen how a direction, vision statements, and values reflect what matters most to the organization in meeting customer requirements. Every organization and work unit needs these types of direction, vision, and values statements. The next exercise will ask you to develop a personal vision statement for your own use.

6. Developing a Personal Direction, Vision Statement, and Values
Individual Exercise - 30 min.

Purpose:
• To develop a direction, vision statement, and values for each participant's own work.

Process:
• Ask participants to develop a vision statement for themselves. Refer to the criteria on Overhead #2-1. This statement should reflect the characteristics of the improved statements developed in the preceding activity. Give the group about 10 minutes to complete this assignment.

• When participants are ready, ask them to form pairs. Ask each pair to review one another's personal statement.

• Select some questions from this list to discuss after the pairs have concluded their discussion:

– To what extent is your partner's statement aligned with the organization's direction?

– What image came to mind when you heard your partner's statement?

– What values and beliefs about dealing with customers are embedded in your partner's statement?

– How would you feel if you were your partner's customer?

– How would you improve your partner's statement?

• When the pairs have completed the exercise, ask for volunteers to share their personal vision statements.

• Summarize the exercise by asking how the direction of the organization is reflected in each participant's statement.

Transition:
This Video Seminar segment has focused on reassessing how well our organization's vision statement and values are known and understood by employees. What we have found is important information for our senior executives. In the next exercise, we will summarize what we have learned and offer our ideas for improving the company's direction, vision, and values statements.

7. Report to Management
Group Exercise and Discussion - 15 min.

Purpose:
- To provide participants an opportunity to present conclusions, suggestions, and recommendations directly to senior management.

Process:
- Hand out photocopies of the Master for Segment 2 Report to Management.

- The second section of the Report to Management includes:

  – A summary of the findings of the Pre-Work Assignment on how well the direction, vision, and values are known and understood.

  – An improved direction, vision, and values statement for the organization.

- Ask participants to review the activities of this segment and select the important messages to include in a Report to Management. Review the flipcharts labeled "What People Said About Vision/Values," and "How Vision/Values Impact Their Work."

- Ask what the group wants to report to management regarding the Pre-Work Assignment. Create a flipchart listing their conclusions.

- Ask the group how it wants to position its message about the direction, vision, and values. Create a flipchart listing conclusions.

- When both flipcharts are complete, be sure to keep them for use in preparing the final Report to Management.

| **Segment Summary** | The purpose of a vision statement is to "aim the organization" in the direction necessary to succeed competitively in the long run. A good vision statement inspires employees and serves as a guide in making decisions. The direction, vision statement, and values are not merely collections of crafted words in customer-driven companies. They are images of excellence each employee can aspire to and work with.

[If the Video Seminar is being conducted in a number of sessions, make the Pre-Work Assignments for Segment 3: Listening to the Voice of the Customer.]

Segment 3:
Listening to the Voice of the Customer
Estimated Total Time: 2 hrs. 50 min. (Plus Pre-Work Assignment)

Objectives

- To create empathy for what customers experience when dealing with an organization.
- To understand the customer value chain and the various roles of employees.
- To explore ways of bringing the customer's voice into the organization.

Pre-Work Assignment: A Customer Experience
30-60 min.

As preparation for this segment, participants are asked to study their own experience of being a customer. This experience will be summarized on worksheets and used in the first discussion of Segment 3.

In addition, participants are asked to interview their internal customers, those company employees who receive the products and/or services of the participants' own work units.

Activities

1. Reviewing the Customer Experience: Videotape Segment Introduction
Group Discussion - 15 min.

Purpose:
- To examine the experience of being a customer and become sensitive to what customers' reactions are to an organization.

Process:
- Lead a group discussion about the participants' experiences of being the customer. Some suggested questions are:

    –How were you pleasantly surprised in your experience? Why?

    –How were you disappointed? Why?

    –How could that company have improved the experience you had as the customer?

    –How did you feel about the organization you dealt with as a result of the experience? What images comes to mind?

    –What do you think that organization's direction is or its values?

    –Do you think the organization you dealt with understands what customers value?

- Record responses on a flipchart.
- Ask the group to summarize their customer experiences by stating what is important to them as customers of any organization.

Transition:
We have described our reactions as customers to different kinds of organizations. In the next video segment, Richard Whiteley will show that the customer's "voice" can represent a driving force for an organization. As you watch the video, look for how customers are defined and how information about customer expectations and current levels of satisfaction are used to shape the organization.

2. Videotape Segment 3: Listening to the Voice of the Customer
Approx. 20 min.

Customer's expectations for products and services represent a "voice" driving the whole organization. This segment explores who customers are and how to find out what they value, need, and expect now and in the future. This customer information is used as a standard of performance throughout the organization. Customer-driven companies continually assess how well they are meeting customer expectations and compare themselves to their competition. The challenge is to go beyond meeting customer expectations to exceeding them.

3. Exploring the Concept of the Customer's Voice: Reactions and Opinion
Group Discussion - 30 min.

Purpose:
- To review the major points made in the videotape.

Process:
- Ask participants for their general reactions to the points made in Videotape Segment 3.
- Ask specific questions, depending on the interests or comments of the group. Suggested questions include:

    –Do we know who our customers are? Who are our final customers? Our intermediate customers? Our internal customers?

    –Do we deliver value to our customers?

    –Do you believe our customers perceive that value?

    –What methods do we use to learn what matters most to our customers?

    –Are we treating some customers differently than others? If so, why? If not, what are the implications?

    –Does the customer value chain described in the videotape exist in our organization?

–Do we add value or lose value at each stage of product production or service delivery?

–How do we feel about getting complaints?

–How have complaints helped us improve our ability to meet expectations?

–Why is focusing on the customer a means of coordinating and integrating our quality improvement effort?

- Review with participants the three things customer-driven companies do:

–Identify internal, intermediate, and external customers.

–Define their customer value chain.

–Bring the customer's voice into the organization.

Transition:

Now that we have seen how the concept of the customer's voice is applied in customer-driven companies, this group is going to review how some of our own internal customers feel about doing business with us and the extent to which we are meeting their expectations.

4. Assessing How Our Internal Customers View the Products and Services of Our Work Units
Group Discussion - 60 min.

Purpose:
- To review data from internal customers on their experience with our work unit.

Process:
- Review the Pre-Work Assignment. The internal customer research assignment asked participants to identify how internal customers felt about the products and services of their work units. The suggested interview questions were:

–What matters most to you in doing business with us?

–To what extent are we meeting or exceeding those expectations?

–Are our products at the level of quality you expect from a work unit like ours?

–Is the service and support the level you expect from a work unit like ours?

–To what extent is our work unit adaptable, willing to change based on your changing requirements?

–To what extent do you think the people in the work unit are aware of your needs and expectations?

– What are we doing well?

– Do you have any suggestions about how we can improve?

- Ask participants to report conclusions according to the following procedure:

  - Record the reactions and responses to the questions associated with customer expectations on a flipchart labeled "What Matters To Our Customers."

  - Then, record responses to the questions associated with how well the work units are meeting those expectations on a flipchart labeled "How We're Doing."

What Matters to Our Customers	**How We're Doing**
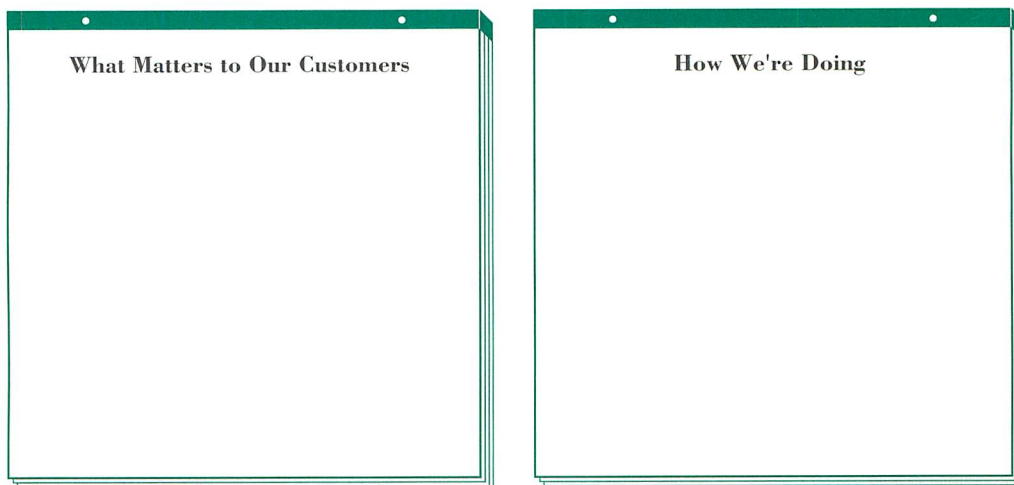
- Select and discuss questions from the following list to explore the data:

  - What have you learned about your work unit's relationship with its customers?

  - Are there any trends?

  - What do our internal customers think about the quality of our products? Of our services?

  - What's the good news?

  - What are we doing to earn less than satisfactory responses from customers?

  - What are the consequences of not doing well?

  - What areas do we have to work on to build our organization's ability to meet and exceed customer expectations?

- Trace the impact of unresolved problems with this group's internal customers to the internal customers of that group, and so on, eventually ending with the final user/customer. Ask the following questions:

  - How does the quality of our products and services affect our internal customers' ability to serve their customers?

  - What impact does that have on the next work unit in the customer value chain?

  - What is the eventual impact on final customers' perceptions of our organization's products and services?

- Draw on a flipchart a Product-Service Quality Grid like the one depicted below. Ask each participant to conclude how internal customers view the work unit's product and service quality, then plot customer perceptions for that work unit on the grid. The result will be a plot point for each participant's work unit.

Note: Rate each dimension from 1 to 10, with 10 representing the level of quality described in Segment 1 for a company that consistently meets and exceeds customer expectations. Based on the internal customer research assignment, each participant will estimate two scores, one for product quality and another for service quality. Find the value of each score on their respective axes and plot the point of intersection on the grid. (The points appearing on this grid are simply for illustration.)
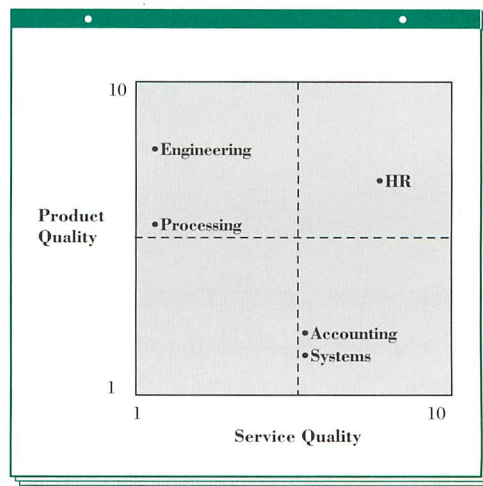
- Discuss the implications of being higher or lower on one axis, of not being in the upper right hand corner. Some questions to ask include:

  - Is your location on this grid satisfactory? Why? Why not?

  - What other work units share your location? What is their reputation with internal customers?

  - Why is it important to provide both service and product quality?

  - What is the overall impact on the final customer?

- Based on these discussions, create a flipchart labeled "Areas to Work On" and list priorities for improvement. Then, on a flipchart labeled "Recommendations," brainstorm practical ideas for improving the organization's response to the customer's voice. Examples of the types of responses you are likely to hear are shown below.

Areas to Work On
• Better understanding of needs
• Improve cycle time
• Reduce errors and delays
• Provide "early warning" on changes

Recommendations
• Establish a customer committee
• Conduct a survey every week
• Develop new forms
• Retrain our employees

• Summarize the key points and recommendations made in the discussion.

Transition:

Keeping in touch with customers to determine how well we are meeting their expectations requires regular discipline. In the next exercise, you will identify how you and your work unit can listen to what your customers are saying and evaluate customer data on a regular basis.

5. Developing Personal Customer Data Collection Systems

Individual Exercise and Group Discussion - 30 min.

Purpose:
• To identify appropriate customer data collection methods for participant's work unit.

Process:
• Ask participants to review the various ways to "draw closer" to their own customers. The task is to select a method or combination of methods for improving current levels of understanding of customer expectations for a work unit. Give the group about 10 minutes to complete this activity. Some suggested methods include:

– Focus groups.

– Manager visits to customers.

– Employee visits to customers.

– Designating customer interface people to collect data.

– Creating a customer experience for your own people.

  – Establishing customer councils.

  – Post-purchase assessments.

  – Regular customer evaluation meetings.

- When participants are ready, ask for volunteers to present their conclusions. Suggested questions to ask after their presentations include:

  – How can you ensure that customer data will be collected in your work unit?

  – How frequently should you collect customer information?

  – How will you communicate the voice of the customer within the work unit?

- Summarize the level of commitment to listening to the voice of the customer as well as the feasibility and practicality of the ideas presented.

Transition:
This segment has focused on learning to hear the voice of your work unit's customers. Bear in mind, this same process is necessary at the organizational level with external customers. We have also developed recommendations for responding to what our internal customers have been saying. Finally, we have planned to collect customer information in our own work units on a regular basis. In the next exercise, we will summarize what we have learned about the customer's voice in the Report to Management.

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6. Consolidating Results in a Report to Management
Group Discussion and Exercise - 15 min.

Purpose:
- To provide participants an opportunity to present conclusions, suggestions, and recommendations directly to upper management.

Process:
- Hand out photocopies of the Master for Segment 3 of the Report to Management to each participant.

- The third section of the Report to Management includes:

  – A summary of the findings of the customer data collection assignment.

  – A list of priority areas to work on to better respond to what customers are saying.

  – Recommendations from the study group.

- Ask participants to review the activities of this session and select the important messages to include in the Report to Management. Refer back to all of the flipcharts created during this segment.

- Ask what the group wants to report to management regarding their conclusions about key priority areas for improvement. Create a flipchart labeled "Key Priorities for Improvement."

- Ask the group to give priorities to each of their recommendations for addressing these areas. Create another flipchart labeled "Key Recommendations." When both flipcharts are complete, allow a few moments for participants to record them.

- Be sure to keep these summary flipcharts for use in preparing the final Report to Management.

Segment Summary

The voice of the customer provides us with standards of quality to live up to. Everyone in the organization has customers, whether or not they are the final customers. Our responsibility in a customer-driven organization is to identify the needs and expectations of our customers, to regularly assess how we are doing, and to constantly seek ways to exceed those expectations. The next segment of the seminar will focus on aligning how we do business–our processes and business practices—with the quality standards customers have established.

[Make the Pre-work Assignment for Segment 4, Improving Processes to Exceed Customer Expectations.]

Segment 4:
Improving Processes to
Exceed Customer Expectations

Estimated Total Time: 2 hrs. 50 min. (Plus Pre-Work Assignment)

Objectives

- To create awareness of the processes involved in each participant's work and how those processes can be made to reflect the voice of the customer.

- To collect suggestions from employees on how to improve processes.

- To generate measures that can be used to reflect the "voice of the customer" in the processes.

- To report to management the ideas generated for improving actual processes.

Pre-Work Assignment: Investigating A Familiar Process
30-60 min.

As preparation for this segment, participants are asked to investigate a process familiar to them. They will both observe and, if possible, experience the process themselves as well as gather specific ideas for improving the process from people who work with it every day. This experience will be summarized on worksheets and used in the discussion at the beginning of the segment.

Activities

1. Linking Customers and Processes: Videotape Segment Introduction
Group Discussion - 15 min.

Purpose:
- To create a connection between process measures and customer expectations.

Process:
- Lead a group discussion that establishes customer expectations for a commonly encountered process. Use the following list of questions to guide the discussion:

  - Almost everyone has ordered merchandise from a catalogue such as Land's End, Eddie Bauer, L.L. Bean, or Orvis. Are these merchants "10" companies for both products and service? Why?

  - What are your expectations for ordering and delivery? What will it take to exceed your expectations for service and product quality?

  - What do you think goes on behind the scenes for these companies to maintain their "10" rating by customers? How do they manage order taking and order filling?

  - What do you think has to be regularly measured to monitor how well the process is working?

– What if the time to complete one step in the order-taking or order-filling process doubled? What if it halved? How would you, the customer, react?

– What kinds of problems could occur between steps in the process?

– Given this view of how the business really works, why are departments organized by function rather than process?

• Summarize the major points made in the discussion.

Transition:
Process means how things get done. Customers' expectations are met when a chain of events–steps in a process—delivers the products and services in an efficient way. If barriers exist between each step in the process, if hand-offs between functions are not executed properly, then errors that cause waste are created. When managers are conscious of the processes and build in the customer's voice, then the process can be managed to meet customer standards. In the videotape segment we are about to see, Richard Whiteley explores the processes at customer-driven companies and shows how they are built and measured around customer expectations.

2. Videotape Segment 4: Improving Processes to Exceed Customer Expectations
Approx. 15 min.

Customers don't get what they expect from organizations because the "flow" of services, products, or information has broken down somewhere along the line. In place of a smoothly running system in which waste and poor quality are eliminated, many business processes actually create barriers to serving the customer. This segment explores what process-sensitive customer-driven companies look like. Measurement and continuous improvement that uses ideas from people who are closest to the process are keys to "smashing barriers."

3. Exploring the Concept of Process Improvement
Group Discussion - 30 min.

Purpose:
• To explore how the customer-driven organizations view process improvement.

Process:
• Ask participants for their general reactions to the points made in Videotape Segment 4.

• Ask specific questions, depending on the interests or comments of the group. Suggested questions include:

- Which process(es) depicted in the videotape segment is most like our own?

- What ideas can we directly apply to our own processes?

- What standards did you see for processes that would be useful for benchmarking purposes in our organization?

- To what extent is process mapping used in this organization as a means of reducing steps and eliminating the chance for error and waste?

- What methods of measurement did you recognize as having potential usefulness for our organization?

- Once defined, documented, and plotted, how should processes be improved?

• Summarize the major points and general conclusions expressed during the discussion.

Transition:
We have seen how customer-driven companies focus on measurement and continuous improvement to drive waste out of each process and make it more reliable. In the next discussion, we will examine what you have learned and apply it to a process you are familiar with, identifying wastes you can eliminate or minimize as well.

4. Analyzing a Work Process
Discussion - 60 min.

Purpose:
• To identify how waste can be eliminated from a familiar process.

Process:
• Review the Pre-Work Assignment. Participants were asked to observe a process they are familiar with, talk to the people close to the process about what typically goes wrong, and gather ideas about how to improve it.

• Ask participants to report their findings. After identifying the steps in the process, or mapping the process (if feasible), ask participants to list what they learned in their assignments. List responses on two flipcharts labeled "What Goes Wrong" and "Suggestions From People."

• Use Overhead # 4-1 to review the "Ten Areas of Waste" in any process. A waste is defined as spending money on anything that does not create value for an external customer.

Ten Areas of Waste

1. Complexity: needless complex steps that waste time, money, and people's efforts

2. Labor: unnecessary "movement" and steps by people

3. Overproduction: producing or providing more than the customer demands

4. Space: poor arrangement of machines, people, warehouses, work stations

5. Energy: unproductive operations

6. Defective Goods and Errors: mistakes, defects, inaccuracies

7. Materials: scrap, excess raw materials

8. Idle materials: excess inventory and people

9. Time: delays, missing information, late shipments, unplanned down time

10. Transportation: movement of information, materials, people that does not add value to the service or product but does add cost

Overhead #4-1

- Ask participants to think of how the familiar process they examined can be improved by eliminating or minimizing these wastes.

- Based on the group's analysis of the process and suggestions from people actually working with the process, brainstorm a list of ideas that will eliminate or minimize waste. Write responses on flipcharts labeled "Reduce This," "Increase This," "Do This Differently."

Reduce This

Increase This

Do This Differently

- Summarize this exercise by asking participants to list the opportunities for improving this process. Select and discuss questions from the following list to conclude the exercise:

    – What are some of the factors that cause a process to be wasteful?

    – How do you think a process gets to be a "10" for reduced waste?

    – What role does continuous improvement play in making processes less wasteful?

    – What role do people who work the process play in ensuring that the process is working the way it should?

    – What steps can you take to ensure that processes are continually examined for their ability to meet or exceed customer expectations?

    – How can we anticipate our customer's changing expectations and enhance our processes to meet evolving customer requirements?

Transition:

It is clear that examining processes and continuously improving them is a tremendous opportunity to meet customer expectations. Some of the technical skills required to analyze processes can be learned from excellent resources in the literature of quality improvement. Each participant, however, should come away from this segment with:

- *An awareness of the processes he or she works with.*

- *A sense of whether or not the output of those processes meets customer expectations.*

- *The measures that can be used to reflect the "voice of the customer" in the processes.*

- *An indication of some potential wastes in the process.*

5. Developing a Personal Process Improvement Agenda

Individual Exercise and Group Discussion - 35 min.

Purpose:
- To apply the concept of process improvement to participants' work.

Process:
- Ask participants to consider the process they are personally involved in. For each of the ten wastes, they should have identified how that source of waste can be eliminated or reduced. Participants are asked to:

    – Establish goals and action steps for implementing their ideas for reducing waste.

    – Specify when they will review their progress.

    – Identify resources needed to be successful.

    – List the benefit to the customer for improving the process.

- Give the group about 10 minutes to complete this activity.

- When participants are ready, ask for volunteers to share their Personal Process Improvement Agendas.

• Summarize the kinds of actions individuals can take immediately to improve processes and those types of improvements that have to wait.

Transition:

This workshop has focused on helping workers become aware of processes and how they can reflect the voice of the customer. In the next exercise, we will summarize what we have learned in the Report to Management.

6. Consolidating Results in a Report to Management

Group Discussion and Exercise - 15 min.

Purpose:
• To provide participants an opportunity to present conclusions, suggestions, and recommendations directly to upper management.

Process:
• Hand out to each participant a photocopy of the Master for the Segment 4 Report to Management.

• The fourth section of the Report to Management includes:

  – Possible areas of waste in participants' processes.

  – Practical suggestions for improving the processes observed by the group.

• Ask participants to review the activities of this segment and select the best ideas for improving the processes the group studied. Use the flipcharts created during this segment as a resource.

• Ask what the group wants to report to management regarding the Pre-Work Assignment. Record participants' responses on a flipchart. Be sure you save this flipchart for use in preparation of the final Report to Management.

Segment Summary

This segment explored how processes can be defined, analyzed, and improved by process mapping, eliminating waste and becoming more responsive to customer requirements. Participants are encouraged to consult the Suggested Reading section at the end of their *Participant's Manual* for additional information on quality improvement.

Segment 5:
Involving and Empowering People

Estimated Total Time: 3 hrs. (Plus Pre-Work Assignment)

Objectives

- To assess the extent to which human resource systems prepare people to accept and execute the customer-driven initiative.

- To explore how organizational beliefs about risk taking and empowerment affect employees' readiness to implement a quality initiative.

- To identify suggestions for management for improving participation, risk taking, and innovation.

Pre-Work Assignment: Assessing How Empowered People Feel
30-60 min.

Each participant is asked to interview at least three people at different levels within the organization, using an interview guide provided in the *Participant's Manual.* The purpose of these interviews is to determine the extent to which people feel prepared and supported for implementing a quality initiative.

Activities

1. Creating Inspired Employees:
Videotape Segment Introduction
Group Discussion - 15 min.

Purposes:
- To discuss participants' opinions about what inspires people to go out of their way to help customers.

Process:
- Ask participants to cite examples of how employees they have met, either in this organization or in another company, have done things for customers that could be considered above and beyond their normal job responsibilities. If necessary, cite the companies identified in Segment 1 as "10" companies to stimulate discussion.

- Ask the group what they think inspires people to go out of their way to meet customer expectations. Record their responses on a flipchart.

- Review the responses and ask the following questions:

  – What is the impact of those attitudes and actions on building customer loyalty?

  – What is the impact of those attitudes and actions on improving processes?

- Summarize the major points made in the discussion.

Transition:

In customer-driven organizations, employees are highly responsive to customer needs and expectations. In the following videotape segment, watch for what inspires these people. Be ready to compare those methods and techniques with what you have described.

2. Videotape Segment 5: Involving and Empowering People
Approx. 25 min.

People run the processes that we rely on to meet or exceed customer expectations. This segment focuses on creating employees who are driven to serve customers. Customer-driven companies recruit people whose values are compatible with those of the organization, set clear performance standards, provide training, and recognize and reward performance. But these are just the basics. Customer-driven companies also operate by four fundamental principles: involvement, influence, empowerment, and trust. This segment depicts how different companies empower employees and how employees feel about their responsibility to serve customers.

3. Exploring the Concept of Empowering People: Reactions and Opinions
Group Discussion - 30 min.

Purposes:
- To identify the common characteristics of employees in those customer-driven companies presented in the videotape.

- To identify how customer-driven companies view employees' responsibilities and create a climate for empowerment.

Process:
- Ask participants for their general reactions to the points made in Videotape Segment 5.

- Ask participants for their definition of "empowerment." After the group responds, suggest this definition:

    Empowerment is the process of creating an attitude in employees that encourages them to make decisions, take reasonable risks, and try out new ideas to better meet or exceed customer requirements without fear of consequences if they are wrong or make mistakes.

- Ask specific questions, depending on the interests or comments of the group. Suggested questions include:

    - What do you imagine it feels like to work in one of the customer-driven companies?

    - What do you think happens if people in customer-driven companies make mistakes?

— To what extent do you think the employees depicted in the videotape segment were clear about their responsibilities in meeting customer requirements? How did they achieve that level of clarity?

— Do you think the people depicted in the videotape segment knew what value they individually added to the customer's experience with the organization? How did they learn about that value?

— How different or similar is our organization's beliefs about training and development compared to the customer-driven companies depicted?

— Compare the following human resource systems in the customer-driven companies to ours:

Recruiting and selecting employees

Establishing performance standards

Training and development

Rewarding and recognizing performance

— How do they compare?

• Summarize the key points and conclusions expressed in the discussion.

Transition:
Customer-driven companies depend on skilled and inspired people to work the processes designed to meet customer expectations. These companies have what Richard Whiteley calls "belief systems" that empower their employees–belief systems that encourage them to take risks and offer ideas and make sure they understand their role in meeting and exceeding customer requirements. In addition, the human resource systems are designed to support people in their efforts to serve customer needs. In the next exercise, we will review the data you collected from employees and determine how empowered they feel.

4. Identifying Supports and Inhibitors to Employee Readiness

Group Exercise and Discussion - 60 min.

Purposes:
• To review the results of the Pre-Work Assignments interviews.

• To assess the degree of empowerment employees feel in the organization.

Process:
• Ask participants first to report the results of their employee interviews in terms of the extent to which the company's human resource systems (recruiting, training and development, job standards, and rewards and recognition) support a customer-driven quality initiative. Record their responses on two flipcharts, one labeled "How HR Systems Support" and the other labeled "How HR Systems Inhibit."

- Then ask participants to report on the effect of the company's belief system on empowering employees. List their responses on flipcharts labeled "How Belief Systems Support" and "How Belief Systems Inhibit."

- After all participants have reported, draw some conclusions about each of the areas. Select from the following questions for additional discussion:

  – What do people really think will happen to them if they make mistakes and errors?

  – Who really gets ahead? What do they do to get promoted?

  – Do people generally do what they think is right for their customer?
  Why/ Why not?

 – What reinforces or supports those feelings in the organization?

  – Are there parts of the organization where the level of empowerment is different?

  – What is happening in these areas that is different from other parts of the organization?

- Ask the participants to brainstorm a list of ideas for creating more empowered employees including changing the human resource and belief systems so that they are more empowering. List ideas for creating empowered employees on a flipchart labeled "Ideas for Creating Empowered Employees."

- Finally, ask participants to compare the degree of empowerment employees feel with their degree of alignment with the direction, vision, and values of the organization. Participants should refer back to their Segment 1 conclusions on issues of alignment. This interaction between alignment and empowerment is an important indicator of where the organization is in implementing its quality initiative.

- Draw and label on a flipchart an Alignment-Empowerment Grid like the one below.

Empowerment-Alignment Grid

10	**3** **Chaos**	**4** **Leadership**
Empower- ment	**1** **Abdication**	**2** **Autocracy**
1		
	1	Alignment	10
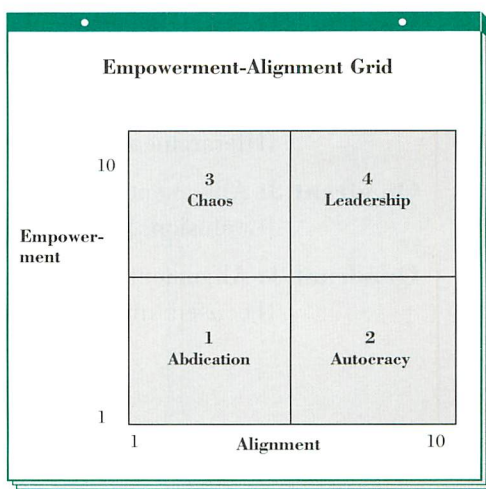
- Using the same rating scale that was used in Segment 1, ask participants to reach consensus on the degree to which employees in the organization are aligned with its direction, vision, and values. The scores on the alignment scale are as follows:

  10 Everyone is clearly aware of what is important and how their jobs satisfy customer requirements.

  5 Some people understand the vision and values of the organization and how they guide decisions. Others either misinterpret the vision and values or don't know them.

  1 Most people don't understand how the vision and value relate to their work or misunderstand the organization's direction.

- Next, using this similar scale, determine the group's conclusion about the degree of empowerment felt in the organization.

  10 People have a sense of ownership, willing to take risks, and participate in making decisions.

  5 Some people take risks and develop innovative ideas on their own initiative. Others either are afraid to "stick their necks out" or don't know they have the authority to make decisions.

  1 Most people keep a low profile and delay making decisions, avoid controversy, or ensure all decisions are thoroughly researched.

- Now, locate the spot on the grid that corresponds to the intersection of the alignment score and the empowerment score.

- Discuss with participants the implications of the organization's scores falling into each particular quadrant. For example, the implications for a quality initiative in this, or any, organization would be as follows:

  Quadrant 1: Both alignment and empowerment are low – abdiction
  (Most difficult to manage, vulnerable)

  Quadrant 2: Alignment is high, empowerment is low – autocracy
  (Hierarchical, bureaucratic, centralized, difficult to create change)

  Quadrant 3: Alignment is low, empowerment is high – chaos
  (Confusion, lack of control, disorder)

  Quadrant 4: Alignment and empowerment are high – leadership
  (Focused, involved employees)

• Ask what the organization needs to do to achieve or sustain a position in Quadrant 4. Record the responses on a flipchart labeled "To Achieve Quadrant 4."

To Achieve Quadrant 4
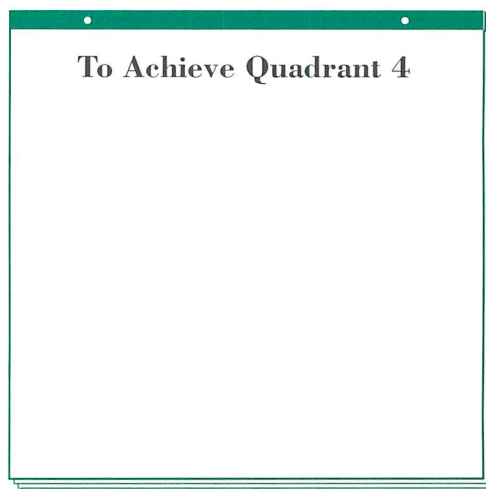
• Summarize this section by asking for action ideas the organization can take immediately and those that will take some time to develop.

Transition:
We have discussed how employees feel about working in the organization, and we have developed ideas for making people feel more empowered. In the next exercise, you will have an opportunity to apply some of these ideas to your work unit.

5. Develop a Personal Employee Empowerment Agenda
Individual Exercise and Group Discussion - 35 min.

Purpose:
• To identify opportunities to encourage risk taking, participation, and innovation in participants' work units.

Process:
• Ask participants to review the ideas for creating more empowered employees. They are to identify actions management and individuals should take immediately to support empowerment as well as those actions that can be implemented later.

• When participants are ready, ask for volunteers to share their Personal Employee Empowerment Agendas.

• Summarize the kinds of actions individuals can take immediately and those types of changes that will take some time to develop.

Transition:

Customer-driven employees accept their roles in the quality initiative because their work is more enjoyable – and their work is more enjoyable because they can see that their efforts are linked directly to customer satisfaction. In the next exercise, we will summarize in the Report to Management what we have learned about empowered employees and our ideas for creating more empowered employees in this organization.

6. Consolidating Results in a Report to Management
Group Discussion and Exercise - 15 min.

Purpose:
- To provide participants an opportunity to present conclusions, suggestions, and recommendations directly to senior management.

Process:
- Hand out to each participant a photocopy of the Master for the Segment 5 Report to Management.

- The fifth section of the Report to Management includes:

  - Implications of the organization's plot location on the Alignment-Empowerment Grid.

  - A consolidated list of ideas managers can pursue to encourage risk taking, innovation, and participation.

- Ask participants to review their research conclusions and the Alignment-Empowerment Grid.

- Ask what the group wants to report to management regarding implications of the grid plot location and ideas for empowering employees. Record their responses on a flipchart, and be sure to keep it for use in preparation of the final Report to Management.

Segment Summary

Employees in customer-driven companies understand how their function serves the customer. The standards of the work are clear so that people know what is expected of them. People are selected, trained, and prepared to do the work so that those standards can be reached. Finally, everyone in the organization shares in the success when customer expectations are surpassed. Without an inspired, empowered work force, it is impossible to create a customer-driven organization.

Segment 6:
Walking The Talk
Estimated Total Time: 2 hrs. 30 min.

Objectives

- To assess how well the organization's current leadership is managing the process of becoming customer-driven.

- To differentiate the research-based leadership principles that are most important in this organization.

- To acknowledge the existing strengths of leaders in the organization and to recommend specific actions that can be taken by senior management to improve the overall quality improvement effort.

Activities

1. Walking the Talk: Videotape Segment Introduction
Group Discussion - 20 min.

Purpose:
- To determine those leadership principles participants feel are critical to the success of a quality improvement initiative.

Process:
- Ask participants to list what they feel are critical actions for leading an organization in the process of becoming customer-driven. Record their responses on a flipchart labeled "Leadership Actions: What We Think." Note that these responses should reflect observable behaviors such as "frequently visit customers to determine their level of satisfaction."

- Review the list and ask participants to explain why they feel each action is important.

- Summarize their main points and reach consensus about the leadership actions necessary for creating a customer-driven company.

Transition:
Leadership is at the core of creating a customer-driven organization. In the following videotape segment, Richard Whiteley will review the seven leadership behaviors of managers and executives in customer-driven organizations. As you watch, look for similarities and differences between the behaviors explained in the videotape segment and those demonstrated in this organization.

2. Videotape Segment 6: Walking The Talk
Approx. 15 min.

In the final analysis, leadership creates the customer-driven company. This segment explores what executives at customer-driven companies do on a daily basis to establish and reinforce the message that customers are the major priority. One important key is ensuring that the leaders' actions in dealing with customers, suppliers, vendors, and employees are consistent with the organization's customer-driven vision and values.
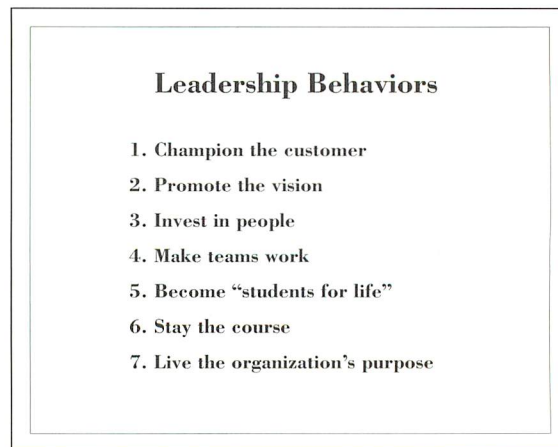
3. Exploring the Concept of Leadership
Group Discussion - 60 min.

Purposes:
- To review the seven behaviors of leaders in customer-driven companies.
- To determine the extent to which the current leaders of this organization demonstrate these behaviors.

Process:
- Ask participants for their general reactions to the points made in Videotape Segment 6.
- Use Overhead #6-1 to review the seven research-based leadership behaviors that distinguish successful executives of customer-driven companies. Compare these behaviors to those actions identified earlier by participants as being important.

Leadership Behaviors

1. Champion the customer
2. Promote the vision
3. Invest in people
4. Make teams work
5. Become "students for life"
6. Stay the course
7. Live the organization's purpose

Overhead #6-1

- Ask specific questions, depending on the interests or comments of the group. Suggested questions include:
  - Why do these behaviors seem right? Are there any other behaviors you would add?
  - Are these behaviors reserved for executives?
  - How can we use these in our work units?
  - What do you think people who demonstrate these behaviors value?
- Review the main points of the discussion. Then, ask participants to rate the extent to which they feel leaders in the organization are currently practicing these behaviors and the importance of these behaviors to becoming customer-driven. Give the group about five minutes to make their ratings.

- Ask each participant to report his/her score for each leadership behavior in terms of current level of practice and relative importance to becoming customer-driven. Record their responses on a flipchart labeled "Group Ratings." When all the scores have been reported, calculate average performance and importance scores for each behavior.

- Now draw and label on a flipchart a grid like the one below. Plot the scores on this Importance-Performance Grid, and label each plot point with a short notation for the leadership behavior.

Leadership Behaviors
Important-Performance Grid

```
        10 ┌─────────────┬─────────────┐
           │ •Stay the Course          │
           │ •Champion                 │
           │  Customers                │
Relative   │             │             │
Importance ├─────────────┼─────────────┤
           │             │             │
           │             │             │
         1 └─────────────┴─────────────┘
           1      Performance      10
```
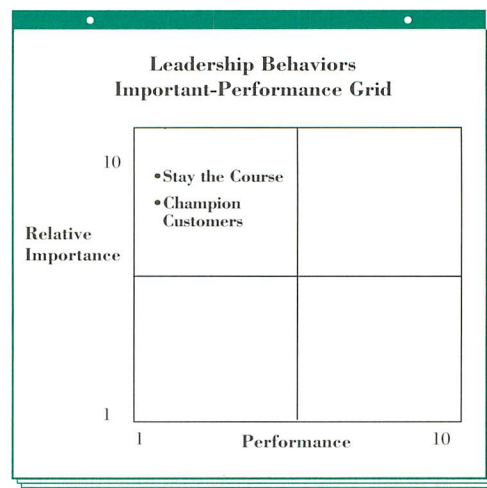
- Ask participants to interpret what the scores in each of the different quadrants represent.

  Quadrant 1: Low Importance, Low Performance
  (Little activity in less than critical areas may be acceptable.)

  Quadrant 2: Low Importance, High Performance
  (Overdoing activity in less than important areas may be inefficient.)

  Quadrant 3: High Importance, Low Performance
  (Red flag, critical behaviors are underutilized.)

  Quadrant 4: High Importance, High Performance
  (Excellent, leaders are taking the right actions.)

- Ask participants what they think the implications are for the organization's quality initiative, given the distribution of scores. Record their responses on two flipcharts, one labeled "Leadership Strengths" and the other labeled "Priority Areas for Attention."

- Summarize the discussion highlighting the areas of consensus.

Transition:
All levels of management must practice the critical leadership behaviors if a customer-driven initiative is going to be sustained. In the next exercise, you are asked to assess yourselves on the leadership behaviors and discuss how you can raise your own leadership score.

---

4. Self-Assessment of Leadership Behaviors: Developing A Personal Leadership Agenda
Individual Exercises and Group Discussion - 40 min.

Purposes:
- To assess the extent to which participants practice the seven leadership behaviors.
- To identify ways participants can improve their own leadership behaviors.

Process:
- State that anyone in the organization can be a leader, whether they are a manager or not. If everyone acted out these behaviors, it would be an indication that responsibility for becoming customer-driven is shared throughout the organization.
- Ask participants to rate themselves on each of the seven leadership behaviors as they practice them in their jobs. Give the group 10 minutes to complete this activity.
- Ask for volunteers to discuss their leadership self-assessments and engage the group in discovering some ways of improving the scores for each behavior.
- Ask participants to select the best ideas they heard for improving performance on each leadership behavior.
- Refer back to the ratings given senior management on the Importance-Performance Grid in the previous discussion, and ask participants to come up with some specific recommendations to senior management for improving their ratings. Record these ideas on a flipchart labeled "Recommendations for Management."
- Summarize the main points made regarding how to improve leadership behaviors.

Transition:
It is critical for senior management to receive the perceptions of this group on the seven leadership behaviors along with ideas for improving performance. The next exercise will give you an opportunity to report to management your perceptions of their performance and some suggestions for improvement.

5. Consolidating Results in a Report to Management
Group Discussion and Exercise - 15 min.

Purpose:
- To provide participants an opportunity to present conclusions, suggestions, and recommendations directly to senior management.

Process:
- Hand out to each participant a photocopy of the Master for the Segment 6 Report to Management.

- The sixth section of the Report to Management includes:

  - A summary of the ratings of senior management on the seven leadership behaviors.

  - Recommendations for improvement from the study group.

- Ask participants to review the Importance-Performance Grid and the flipcharts labeled "Leadership Strengths" and "Priority Areas for Attention" before creating a summary. When they are ready, record their summary ratings on a flipchart labeled "Leadership Behaviors Rating Summary."

- Be sure to keep the summary flipchart as well as the "Recommendations to Management" flipchart from the previous discussion for inclusion in the final Report to Management.

Segment Summary

An important key to the success of any quality improvement initiative is the support and, more important, the leadership of senior management. Without total support, where leaders do in their own work as they ask others to do, changing to a customer-driven orientation will always be perceived by the rank and file as "just another program." All managers must behave in a way that is consistent with the customer-driven vision and values. Their supporting behavior must be clear and obvious so that others can see it and use it as an example.

Segment 7:
Clearing the Hurdles

Estimated Total Time: 2 hrs. 55 min.

Objectives

- To identify common hurdles to implementation of successful quality initiatives.

- To develop strategies for avoiding common hurdles and to correct problems that may emerge during the implementation of a quality initiative.

- To recommend specific actions senior management can take to anticipate and avoid common hurdles.

Activities

1. Clearing The Hurdles: Videotape Segment Introduction

Group Discussion - 20 min.

Purpose:
- To discuss current perceptions of difficulties encountered in quality improvement initiatives, both within the organization and in general.

Process:
- Begin this segment by explaining that every organization has a track record in planning and implementing different programs, launching products, or making changes. The organization's quality initiative is no exception.

- Ask the following questions, and list participants' responses on a flipchart.

  – Based on what you've learned so far in the *Customer-Driven Quality* Video Seminar, what do you think gets in the way of the kind of changes this company ought to be making?

  – What indicators can you point to signaling specific hurdles that are making (or will make) an impact on the quality initiative?

- Review the list and ask participants to assess the extent to which a quality improvement initiative will be successful.

- List on a flipchart some words that summarize the participants' feelings about the company's quality improvement effort.

Transition:
Many companies have found quality improvement initiatives to be more difficult to implement than they had anticipated. In the next videotape segment, Richard Whiteley will describe the lessons learned by those customer-driven companies that have successfully overcome common hurdles in implementing a quality improvement initiative.

2. Videotape Segment 7: Clearing The Hurdles

Approx. 15 min.

Many companies have found quality improvement initiatives have been more difficult to start and maintain than anticipated. This segment describes how customer-driven companies have struggled to overcome common obstacles and what they have learned through the experience.

3. Exploring the Concept of Clearing The Hurdles: Reactions and Opinions
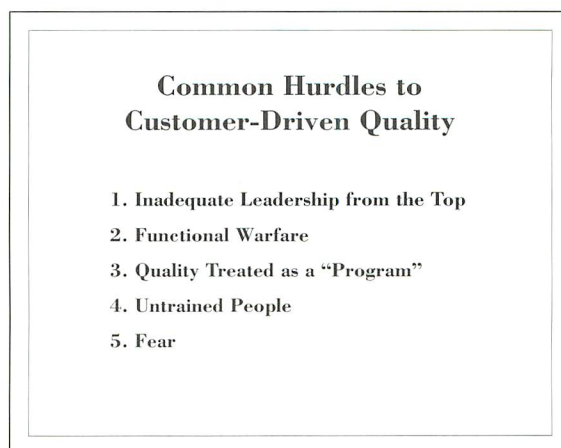
Group Discussion and Individual Exercise - 45 min.

Purpose:
- To determine the potential or actual effects of the five common hurdles on planned or ongoing quality improvement programs.

Process:
- Ask participants for their general reactions to the points made in Videotape Segment 7.

- Use Overhead #7-1 to review the five common hurdles identified in the videotape segment, and compare them to the ones listed earlier by participants.

**Common Hurdles to
Customer-Driven Quality**

1. Inadequate Leadership from the Top

2. Functional Warfare

3. Quality Treated as a "Program"

4. Untrained People

5. Fear

Overhead #7-1

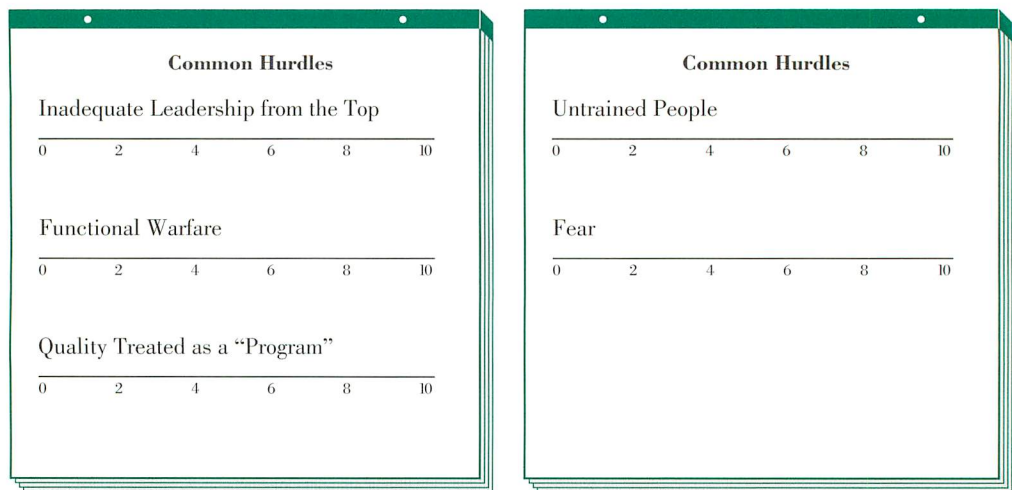- Ask specific questions, depending on the interests or comments of the group. Suggested questions include:

  – Why do you think these same hurdles appear in so many different organizations?

  – What are some examples of each of these hurdles in this organization?

  – Are there additional hurdles to implementing customer-driven quality that exist here or that can be anticipated for this organization?

- Review the main points of the discussion. Then, using the same process used to rate leadership behavior in Segment 6, ask participants to rate each hurdle in terms of its impact on the organization's effort to implement customer-driven quality.

  Note: If the organization has not yet launched a quality program, have participants rate the hurdles on their potential for creating delays and ineffectiveness. Give the group about five minutes to make their ratings.

- Draw and label two flipcharts like the ones below. Ask each participant to report his/her score for each hurdle, and place a check mark on the appropriate spot. The result will be a distribution of scores for each hurdle.

Common Hurdles	**Common Hurdles**
Inadequate Leadership from the Top 0　2　4　6　8　10	Untrained People 0　2　4　6　8　10
Functional Warfare 0　2　4　6　8　10	Fear 0　2　4　6　8　10
Quality Treated as a "Program" 0　2　4　6　8　10	

- Select some of the following questions to explore the reasons behind the distribution of scores.

  - Why did you rate these hurdles the way you did?

  - What contributes to a high score? a low score? What examples can you cite from your observations within the organization?

  - What is the message in the distribution of scores? Why does there seem to be agreement (or disagreement)?

  - Are different parts of the organization implementing quality in different ways? Is that good? What is the impact on the customer?

  - What do you think our greatest strength is in overcoming these hurdles?

- Summarize the discussion by highlighting the areas of consensus.

Transition:

These hurdles are not someone else's to overcome. We all have a role in anticipating and dealing with them in our own work units and areas of responsibility. In the next exercise, we will shift our focus to identifying effective and practical ideas for avoiding and/or overcoming these hurdles.

4. Recommendations for Removing/ Anticipating Hurdles

Group Brainstorming Discussion - 60 min.

Purpose:
- To develop creative ideas for dealing with hurdles that are currently or potentially hindering quality improvement initiatives.

Process:
- Review the ratings given the five hurdles, the strengths of the organization in dealing with them, and the countermeasures suggested in the videotape segment.

> **Hurdle:** Inadequate leadership from the top.
>
> **Countermeasures:** Send managers on customer site visits.
>
> Calculate the cost of poor quality.
>
> Put managers in touch with customers.

> **Hurdle:** Functional warfare.
>
> **Countermeasures:** Establish a superordinate goal.
>
> Develop collaborative skills.
>
> Eliminate functional barriers at the top.

> **Hurdle:** Quality treated as a "program."
>
> **Countermeasures:** Have a highly placed and visible quality officer.
>
> Have a specific plan for becoming customer-driven.
>
> Integrate business systems and quality systems.

> **Hurdle:** Untrained people.
>
> **Countermeasures:** Orient people to customer-driven quality.
>
> Conduct a skills inventory.
>
> Pay attention to both results *and* development.

> **Hurdle:** Fear
>
> **Countermeasures:** Eliminate jobs not people.
>
> Manage by facts and data.
>
> Blame processes not people.

- Ask participants if any of these suggested countermeasures would be helpful or effective in their work units. Then, have them begin to think about other countermeasures.

- For each hurdle, spend some time brainstorming ideas that can either avoid or eliminate the hurdles in participants' areas of responsibility. Use the following ground rules to conduct the brainstorming session:

  – Everyone is encouraged to contribute to the discussion.

  – Every idea expressed will be recorded and seriously considered. No ideas will be dismissed or rejected.

  – Creative ideas are encouraged; in fact, new ways of thinking are necessary to resolve some of the dilemmas presented by these hurdles.

  – No one is permitted to ridicule or belittle an idea.

- List ideas on flipcharts as "Things We Can Do" and/or "Things Senior Management Can Do."

- As the group brainstorms, list every idea on the flipcharts. Be sure to enforce the ground rules.

Things We Can Do	Things Senior Management Can Do
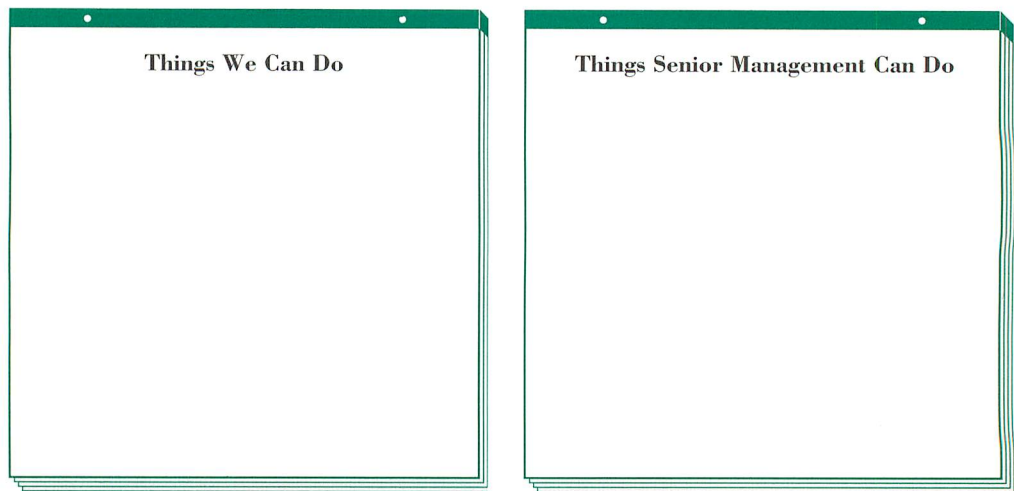
- When all ideas have been exhausted, ask participants to review the lists and nominate those that most warrant further consideration or that have a kernel of potential and may contribute to broader thinking.

Transition:
We have identified actions that you, personally, can use to avoid or eliminate hurdles in the successful implementation of customer-driven quality in your work units. We have also identified ideas that senior management should address. In the next exercise, you will develop personal agendas for implementing these ideas, and then we will compile a list of ideas for senior management.

5. Developing A Personal Agenda for Clearing the Hurdles

Individual Exercise and Group Discussion - 20 min.

Purpose:
- To identify appropriate, practical, and implementable ideas for participants to use in their work units to anticipate, avoid, or overcome hurdles to customer-driven quality.

Process:
- Ask participants to work individually for a few minutes to develop personal plans for dealing with hurdles to implementing customer-driven quality. Review the instructions, which ask them to identify:

  – Goals for eliminating or avoiding hurdles to customer-driven quality.

  – Action steps to take now and in the near future.

  – Dates for conducting a progress check.

  – Resources needed.

  – Expected benefits.

- After 10 minutes or so, ask participants to present their Personal Agendas. Discuss each one as it is presented, and explore as a group how the plans might be improved or made more feasible.

- Summarize the discussion by noting any similarities among all of the personal plans.

Transition:
Senior management needs to be aware of how you feel about the potential and real hurdles you may face in implementing customer-driven quality. In the next exercise, we will summarize for senior management the hurdles and ideas you have developed for overcoming them.

6. Consolidating Results in a Report to Management

Group Discussion and Exercise - 15 min.

Purpose:
- To provide participants an opportunity to present conclusions, suggestions, and recommendations directly to senior management.

Process:
- Hand out to each participant a photocopy of the Master for the Segment 7 Report to Management.

- The Segment 7 Report to Management includes:

  – A summary of the ratings and discussion about current and potential hurdles affecting the organization's quality improvement initiative.

—A list of ideas generated by participants for overcoming each hurdle.

—Recommendations to senior management on what can be done to avoid or eliminate common hurdles.

- Ask participants to select the most important messages regarding hurdles for inclusion in the Report to Management. Refer back to the flipcharts labeled "Things We Can Do" and "Things Senior Management Can Do."

- Ask the group how it wants to position its message about removing and avoiding hurdles, and record their responses on a flipchart. Be sure to keep this flipchart for use in preparation of the final Report to Management.

| Segment Summary | It would be unrealistic to think that any change can be implemented without running into some difficulties. In this segment, we have spent time not only looking at the most common hurdles encountered by other companies but also trying to anticipate what the hurdles might be in this organization. In addition, you have made substantial progress toward eliminating many of the difficulties you identified by coming up with creative ways of dealing with them. |

Segment 8:
Conclusion

Estimated Total Time: 35 min.

Objectives

- To inspire participants through a personal message from Richard Whiteley and advice from executives in customer-driven companies.

- To summarize for senior management the learnings gained from the *Customer-Driven Quality* Video Seminar and the recommendations offered in the Report to Management.

Transition

Before we move on to developing an executive summary for the Report to Management, Richard Whiteley and the executives from customer-driven companies will conclude the Video Seminar with some thoughts on making customer-driven quality successful in your organization.

Activities

1. Videotape Segment: Conclusion

Approx. 5 min.

Richard Whiteley sums up the concept of customer-driven quality and people from customer-driven companies offer some final words of advice and encouragement.

2. The Final Report to Management: A Summary of the *Customer-Driven Quality* Video Seminar

Group Discussion - 30 min.

Purposes:
- To review the Report to Management from each segment of the seminar and identify key underlying themes.

- To create a cover letter or executive summary communicating these themes to senior management.

Process:
- Hand out to each participant a photocopy of the Master for the Final Report to Management.

- Using the flipcharts created in each segment for the Report to Management, ask participants to articulate one underlying theme from each. Use a new flipchart to record their summary statements, explaining that you will transcribe the flipchart later for inclusion in the final Report to Management.

- Review in sequence the Reports to Management from each segment:

  – Introduction and Overview

  – Establishing Direction and Alignment

   – Listening to the Voice of the Customer

   – Improving Processes to Exceed Customer Expectations

   – Involving and Empowering People

   – Walking the Talk

   – Clearing The Hurdles

- Ask participants to read the Master copy for the cover letter. Let them know that this is simply an attempt to streamline the process of creating a group cover letter and that they may choose to alter the letter in any way they think is appropriate. You, as the Facilitator, should act as the "scribe" to record the form and content of the group's executive summary.

- Explain that within the next two days you will transcribe all the information generated for the Report to Management and compile it in a presentable document. Then you will take responsibility for forwarding it to the person responsible for the organization's quality improvement initiative.

- Reiterate that this information is vital to the ongoing understanding of senior management who will incorporate the results from this group with similar data being collected throughout the organization.

Video Seminar Summary

The purpose of this Video Seminar has been to create an awareness of how effective quality programs can be when they are focused on meeting and exceeding customers' expectations. The customer-driven companies represented in the videotape segments have achieved impressive results because of this perspective. As we have seen, customer-driven companies improve their revenue and profitability, are more responsive to changing market conditions, and have employees who feel empowered and happy in their jobs.

- Before we end the Seminar, there is one final task – a request actually – from Richard Whiteley and Nathan/Tyler, the developers and producers of this Video Seminar. You are their customers, and, in keeping with their effort to stay customer-driven, they would like you to rate this learning experience and provide any comments or suggestions you have for improving it.

- Hand out photocopies of the Customer Response Form, and ask participants to complete them before leaving the seminar room. Collect the form from each participant, read them over if you would like to, and then please forward them to Nathan/Tyler in the envelope provided.

Appendix A: Suggested Reading

William. E. Deming, *Out of the Crisis* (Cambridge, MIT Center for Advanced Engineering Studies, 1986)

David A. Garvin, *Managing Quality* (New York: Free Press, 1988)

H. James Harrington, *The Improvement Process: How America's Leading Companies Improve Quality* (New York: McGraw Hill, 1987)

Masaaki Imai, *Kaizen: The Key to Japan's Competitive Success* (New York: Random House Business Division, 1986)

Kaoru Ishikawa, *Guide To Quality Control* (White Plains, NY: Quality Resources, 1988)

J.M. Juran, *Juran on Leadership for Quality: An Executive Handbook* (New York: Free Press, 1989)

Peter C. Reid, *Well Made in America: Lesson from Harley Davidson on Being the Best* (New York: McGraw Hill, 1990)

Carl Sewell and Paul B. Brown, *Customers for Life* (New York: Doubleday, 1990)

Appendix B: Report to Management

Note to the Facilitator

The Report to Management is an important communication conduit from participants to organizational leaders who have responsibility for quality improvement. This report has been built into the structure of the Seminar so that no topic of importance is overlooked.

As the Facilitator, it will be your responsibility to compile the final Report to Management and ensure that it is delivered to the appropriate person in the organization – that is, the person(s) in charge of the quality improvement initiative.

Instructions

1. Immediately following this page is a set of MASTERS for you to photocopy and hand out to each participant for use in each Report to Management segment in the Seminar.

2. At the conclusion of the Seminar, you will also hand out a photocopy of the MASTER of the Report to Management Summary and suggested cover letter.

3. Use flipcharts to work with participants to develop the key messages they want to communicate and to agree on wording of the cover letter.

4. Transcribe participants' conclusions onto a clean set of the Report to Management MASTERS (placing the cover letter and Summary page first), and forward the final report to the appropriate member(s) of senior management.

REPORT TO MANAGEMENT
Segment 1: Introduction and Overview

Implications of NOT becoming a customer-driven company:

Summary of the "Creating Future History" Exercise:

What people have to do differently:

What the major steps to success are:

How obstacles will be overcome:

REPORT TO MANAGEMENT
Segment 2: Establishing Direction and Alignment

How Consistently the Direction, Vision, and Values of the Organization Are Known and Interpreted—What We Found:

Improved Direction, Vision Statement, and Values for the Organization:

REPORT TO MANAGEMENT
Segment 3: Listening to the Voice of the Customer

What Internal Customers Say About Our Work Units–What We Found:

What Matters to Customers:

How We Are Doing:

Priority Areas to Better Respond to What Customers Need:

Recommendations from the Study Group:

REPORT TO MANAGEMENT
Segment 4: Improving Processes to Exceed Customer Expectations

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Possible Areas of Waste:

Practical Suggestions for Improving Processes:

REPORT TO MANAGEMENT
Segment 5: Involving and Empowering People

Implications of Our Alignment-Empowerment Grid Plot Location:

Alignment score:

Empowerment score:

Implications:

Ideas for Fostering Risk Taking, Innovation, and Participation:

REPORT TO MANAGEMENT
Segment 6: Walk the Talk

1. Champion the customer		Low					High
	Current practice	0	2	4	6	8	10
	Importance	0	2	4	6	8	10

2. Promote the vision							
	Current practice	0	2	4	6	8	10
	Importance	0	2	4	6	8	10

3. Invest in people							
	Current practice	0	2	4	6	8	10
	Importance	0	2	4	6	8	10

4. Make teams work							
	Current practice	0	2	4	6	8	10
	Importance	0	2	4	6	8	10

5. Become "students for life"							
	Current practice	0	2	4	6	8	10
	Importance	0	2	4	6	8	10

6. Stay the course							
	Current practice	0	2	4	6	8	10
	Importance	0	2	4	6	8	10

7. Live the organization's purpose							
	Current practice	0	2	4	6	8	10
	Importance	0	2	4	6	8	10

Recommendations to Management:

REPORT TO MANAGEMENT
Segment 7: Clearing the Hurdles

Summary ratings of common hurdles to customer-driven quality:

		Low					High
1. Inadequate leadership from the top							
	Impact:	0	2	4	6	8	10
2. Functional warfare							
	Impact:	0	2	4	6	8	10
3. Quality treated as a "program"							
	Impact:	0	2	4	6	8	10
4. Untrained people							
	Impact:	0	2	4	6	8	10
5. Fear							
	Impact:	0	2	4	6	8	10

Ideas for Avoiding Common Hurdles:

Recommendations to Management:

SUMMARY REPORT TO MANAGEMENT

Key Messages

Segment 1: Introduction and Overview

Segment 2: Establishing Direction and Alignment

Segment 3: Listening to Voice of the Customer

Segment 4: Improving Processes to Exceed Customer Expectations

Segment 5: Involving and Empowering People

Segment 6: Walking the Talk

Segment 7: Clearing The Hurdles

Draft Cover Letter

Dear: _____

We have just completed the *Customer-Driven Quality* Video Seminar, and as part of that Seminar we developed a set of findings about our organization.

The attached Report to Management contains interesting information about our understanding of this company's direction, its vision, and the values we live by. It also provides a number of revealing analyses of the extent to which we are customer-driven in our approach to both product and service quality.

During the Video Seminar, we were given a valuable opportunity to do research and develop recommendations for moving our quality initiative forward. We sincerely hope that you will find our efforts helpful in formulating future activities.

Yours truly,

[Participants' Names and Facilitator's Name]

Video Seminar Completion Date:_____

CUSTOMER RESPONSE FORM

It is our hope that this *Customer-Driven Quality* Video Seminar will make a very big difference for your company and your customers. However, rather than assuming that we have succeeded, we want to give you, our customer, an opportunity to speak.

Please take a few moments now to answer the following questions about our product.

1. Using the same 10-point scale used throughout the Seminar, how would you rate the *Customer-Driven Quality* Video Seminar?

1	2	3	4	5	6	7	8	9	10
Poor				Good					Excellent

2. What effect will what you learned about customer-driven quality have on your organization?

1	2	3	4	5	6	7	8	9	10
None				Some change					Huge change

3. What effect will what you learned about customer-driven quality have on the way you do your job?

1	2	3	4	5	6	7	8	9	10
None				Some change					Huge change

4. Did this Video Seminar meet your needs and expectations?

1	2	3	4	5	6	7	8	9	10
Not at all			Met some			Met all			Huge change

5. Will you recommend this Video Seminar to others in your organization or to another company?

1	2	3	4	5	6	7	8	9	10
No				Possibly					Definitely

6. What did you like most about this Video Seminar?

7. What suggestions do you have for improving this seminar?

Name (optional): _____ Title: _____

Company: _____

Address: _____

Thank you very much for your input. Please either return your response form to your Seminar Facilitator or send it directly to:

Nathan/Tyler
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