

How do you define quality?

by Dr. Jay S. Mendell and
Henry Sarkis

1. How does your company measure the quality of its products and services?

2. Do you have quality goals and standards, and were these developed in consultation with your customers?

3. Are the standards and goals understood by *all* your employees?

You cannot be satisfied with the quality of your product or service until the customer is satisfied. It's true that quality is hard to define. But the customer knows it when he sees it, and quality is therefore a major determinant of your success.

Surviving in a high tech economy

For most products, there is no limit to the quality that can be built in. Yet very few attempts are made to dramatically improve the quality of products and services. Why? We think we know the answer:

In an effort to improve short term profit, many companies overemphasize cost-cutting and lose track of the need to make and sell more of their product. After a few years in a business, most people lose interest in improving a product that is "cheap enough" and "good enough," and after a few more years they begin to believe that they have actually reached an upper limit to improvement. Further improvement is hindered, they begin to imagine, by the laws of nature ("You can't make concrete any stronger") or human perversity ("You can't hire decent help"). People whose imaginations have reached an upper limit hold fast to the limits despite the fact that all around them innovation is occurring in other people's industries.

Until recently, exterminators referred to themselves as "pest control" technicians, since they believed that vermin could be held to a low level but not eliminated. Then a Miami-based chain of exterminators guaranteed to eliminate pests altogether, and, on the basis of their success in complete elimination, became one of the largest extermination companies in the country.

Of course, that company has had to go to extraordinary lengths to motivate and control its field technicians. But it proved that extraordinary measures can produce extraordinary quality and result in extraordinary consumer acceptance.

Incidentally, quality propagates myths. A Rolls-Royce breaks down in a remote Alpine pass. The Rolls factory dispatches a helicopter to provide repairs. They never send a bill. In fact, they deny that a Rolls ever broke down in the Alps.

Now let's look at the lower limits of quality. Even if you are marketing to a cost-conscious customer, you have to be clear about where you dare to compromise quality.

For instance, a cost-conscious customer with well-defined data processing needs may be willing to own a computer with half the memory and half the speed of the top computer, even a computer that runs fewer programs and looks like a World War II shortwave set. But rare is the customer who wants to save money by buying a computer that breaks down twice as often and remains twice as long in the repair shop.

Should you control quality quantitatively or qualitatively? The answer is: control both ways. Start by imagining the purchasing agent's score card:

- Price
- Mean time between failure
- Cost of a service call
- Length of warranty
- Distance to nearest service center
- Distance to nearest parts warehouse
- Duration of stay in repair shop, etc.
- But continue by checking the hard-to-quantify:
 - The friendliness of your sales people
 - The cleanliness of your service facility
 - The concern apparent in your service technicians (eye contact, etc.).

The harder your product is to understand, the more your customers will be impressed by what you might consider irrelevant. Thomas Peters has pointed out that the airline that fails to scrub the passenger cabin to sparkling cleanliness is the airline that is suspected of failing to maintain its jet engines properly.

How can you systematically increase your product or service quality? Well, you don't have to do everything at once: you can take a few steps every year.

Start by trying the obvious. Find out how the customers feel by asking them. For instance, restaurants that do not do so already can give the customers postcards to mail back. The postage must be prepaid, of course, or you will leave your customer in doubt as to much feedback you really want. Of course, these cards provide feedback from only the happiest and the angriest customers, which is why the most quality-conscious restaurants hire "spotters" to fill out detailed reports that cover everything from the cuisine to the bathroom.

Next, use quantitative standards for quality, because, as limited as they are in telling the whole story, they are better than nothing. How long is the line at your bank? How long does it take to serve a customer in your restaurant? How long must a customer wait for your repair people to respond to a service call? As we said, quantitative measures are an incomplete measure of quality, but they have a certain symbolic value that is not lost on your employees: the employees know that you have standards of quality and the intention to control and improve quality.

Eventually, you have to make your "corporate culture" a quality culture. This means that the top management must make quality a long term priority. When the officers of an airline desire a customer's-eye view badly enough to fly in their own airline's tourist class, that's top management commitment. ■

Dr. Jay S. Mendell is a professor in the college of business and public administration of Florida Atlantic University in Boca Raton.

Mr. Hank Sarkis is an adviser to the Silicon Beach Consultancy Inc. of Boca Raton, specializing in innovation and planning.