



## IS IT A TOP MANAGER'S PERSONAL OBLIGATION TO DEAL WITH QUALITY OF HIS COMPANY'S PRODUCTS AND SERVICES OR NOT?

I have recently found an advertisement in huge characters in the FINANCE: "Jack Welch u Zagrebu". And if you ever had read or heard anything about the famous, former CEO of General Electric, then you would perhaps admire him as much as I do. But not just for WHAT he did, more for HOW he made his company so successful over a long period of time.

From my point of view there are several issues responsible for his success: his own marketing-oriented approach, the way he dealt with his employees and the high-quality of his products and services. And especially the last point is not taken for granted for a lot of Top Managers, but this is usually caused by the system or the organization the Manager is part of or responsible for.

I've been dealing with several reorganizations and efficiency performance programs during the last few years and based on that experience I think that it doesn't matter what kind of quality system you implement into your organization or which trend you follow: Business Process Reengineering, Six Sigma or something else. More important is that **you first at all see the quality with customers' eyes**.

Some of you will now think that this is already known, but nevertheless allow me to start with a simple calculation: Imagine you are a Manager of a mid-sized bank in Slovenia with approximately 50 branches all over the country and your quality target is a 99% customer satisfaction (you will say: "100% is not possible, because nobody is perfect").

Your account managers are selling in average 10 consumer loans per week in each of your branches. This makes a total of 25.000 new loans per year or 75.000 outstanding loans in average (in case you consider a 3 years maturity).

A lot of errors or mistakes are likely to happen during this time: loan amounts could be disbursed to wrong accounts, statements printed with incorrect data, accounts not closed properly after the loans have been repaid, etc. Consider now what would this mean in regards to your 99% quality target!

**Yes, exactly 750 dissatisfied customers!**

And now it's your task to provide answers for the following two questions:

1. *How much time and how many people do you need to repair all those errors?*
2. *How much money do you spend for winning new customers instead of spending money to make the existing, dissatisfied customers satisfied again? Of course, taking under the consideration that those 750 dissatisfied customers didn't already leave your bank and that they didn't tell others about their bad experiences with your company.*



Another very important issue for you as a Manager is it **to implement a self-learning organization, where quality is constantly improving itself and which enables you to reach measurable high-quality standards.**

Six Sigma for instance – that’s what Jack Welch implemented in General Electric – considers some kind of career development besides the “normal hierarchy”: Employees, who are a part of the Six Sigma program, can achieve the so called Green Belts, Black Belts or Master Black Belts. And the higher an associate climbs in this hierarchy the more it is his or her obligation to develop and train other employees in that sense too, which basically leads us to a self-learning organization.

By the way: *Did you as a Manager – let’s say in the last month – enter your company like any other “normal” customer and purchase something like you would do it in another for instance retail shop: to wait in the line behind other customers until it’s your turn, to talk to your sales staff, but not as their boss and perhaps have some small talk with other customers as well?*

Perhaps I made you think now a little bit more about the high - quality management and if you consider starting such kind of a program in your company, **please do yourself a favour: Don’t make things too complicated.** I saw organizations where the Management was proud to report improved and more efficient sales processes to the shareholders, although on the other hand the number of staff in Head Office departments grew enormously because of the higher demand for recording, analysing, measuring and reporting the abovementioned so-called improvements.

You might also have realized the following situation: It was already the third time that my wife was on a business trip in Vienna staying in the same hotel. And for the third time she had to fill in the entire visitor’s book, they again asked her at the reception desk if she is a smoker or non-smoker and she always got another room; once her room was located on the left side of the corridor, last time on the right side and her room today is on the opposite side with a view to the main street. And of course, some of the receptionists were calling her by her name, others not.

To be honest, each of us would rather prefer a hotel, where certain high-quality standards are defined and in the above mentioned example the receptionist would receive my wife with a nice “Dober dan, gospa Schuster,...”, where the visitor’s book is pre-filled in based on her reservation, so that she has just to check the data and sign the document. Of course, there won’t be any complicated IT system necessary, which would enable her to get always the same room (maybe on different floors based on the hotel’s vacancy), so that she could feel like at home instead of making herself again and again familiar in which direction for instance to go to the elevator or where the connector to Internet is and so forth...



If you would like to learn more about this topic you can for instance search on [www.amazon.com](http://www.amazon.com): you will find a list of almost 3.500 books containing the words “Quality Management” within its title and “Six Sigma” for instance will provide you with some 550 search results! Or you could talk to someone, who already gained experience with Business Process Reengineering, Six Sigma or other systems – in reality.

But whatever you plan and whatever you want to implement in your organization, please always keep in mind that on the top of all of that it's the Management's commitment that leads to success, because **quality is – at least from my point of view – nothing what you as a Manager can delegate to other people**. Either you fully agree with and commit to it ... or it's just a lip service.

And finally my last question to you: *Is quality seriously and clearly defined in your company's mission statement?*