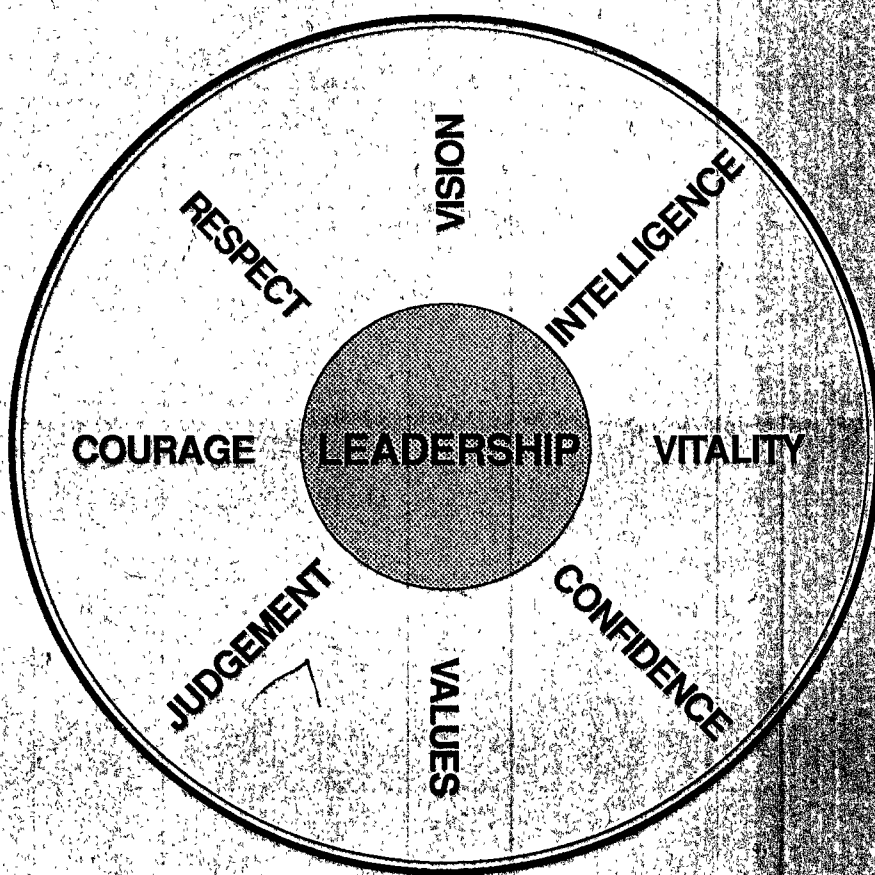




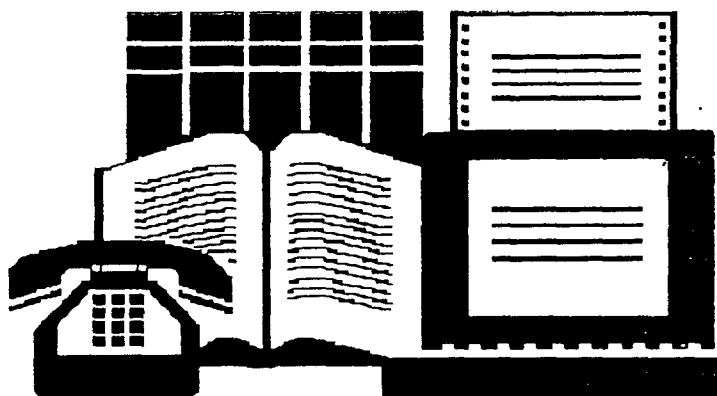
# Innovative Management Strategies

## The Customer Strategy



# THE CUSTOMER STRATEGY

MARCH 1992



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## TABLE OF CONTENTS

<i>I. SERVICE TO THE CITIZEN</i> .....	<i>1</i>
<i>II. GETTING TO KNOW THE CUSTOMER</i> .....	<i>6</i>
<i>III. THE INTERNAL CUSTOMER</i> .....	<i>11</i>
<i>IV. DEVELOPING A CUSTOMER SERVICE PLAN</i> .....	<i>19</i>
<i>V. ROLE OF THE EMPLOYEE IN CUSTOMER SERVICE</i> .....	<i>27</i>
<i>VI. SELECTED LIBRARY RESOURCES ON TOTAL CUSTOMER SERVICE</i> ....	<i>33</i>
<i>MANAGEMENT BIBLIOGRAPHY COLLECTION</i> .....	<i>35</i>



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## INTRODUCTION

### THE CUSTOMER STRATEGY

Customer service is a management strategy that focuses on understanding customer needs and meeting customer expectations. It builds on the concept that customer satisfaction is a vital means of reaching organizational goals. Citizens are primary customers of government organizations, but internal customers are also important to effective management.

**The Customer Strategy** supports EPA's efforts to provide quality management and be responsive to public concerns about environmental protection. This review of customer service concepts, benefits and examples provides resource material to begin exploring how to achieve customer satisfaction. *Service to the Citizen* reviews work currently being done in the public sector. *Getting to Know the Customer* emphasizes a first step in quality customer service: knowing what your customer wants. *The Internal Customer* recognizes that there are customers in all phases of the process, both within and outside the organization. *Developing a Customer Service Plan* discusses methods to improve customer service, and provides some examples from the private sector. *The Role of the Employee in Customer Service* points out that everyone is involved in developing quality customer service.

**The Customer Strategy** was compiled using ABI/INFORM, MANAGEMENT CONTENTS, PUBLIC AFFAIRS INFORMATION SERVICE, PSYCH ABSTRACTS, and the FEDERAL QUALITY INSTITUTE subfile of the NATIONAL TECHNICAL INFORMATION SERVICE.

**The Customer Strategy** ends with selected resources available through the EPA Library Network. Copies of the articles cited in this bibliography may be requested from your local EPA Library. For further assistance, contact Cathy Flanagan, Reference Librarian (contractor), in the Headquarters Library at 260-5921.

## ***I. SERVICE TO THE CITIZEN***

### **Quality in Government: Capitol Improvements**

Penzer, Erika

Incentive v165n4 PP: 45-47, 97 Apr 1991

Washington, DC's Office of Personnel Management (OPM) oversees all human resources functions of the US' 3 million federal employees. OPM director Constance Berry Newman believes that government workers need to understand why they do what they do and who benefits from their work. Newman spends many hours with OPM managers discussing the concept of serving customers, and she meets weekly with her agency's 20 area managers to discuss what she considers the 11 most critical issues. She then encourages each team of managers to hold its own meeting to brief staff members on the week's discussions, talk about the 11 issues, and keep communication channels open. One of Newman's highest priorities is training first-level managers in the fundamentals of quality, customer service, and coaching, leading, and facilitating skills when they first are promoted to management. She also is working to revise the performance appraisal system so that workers and managers devise measurements together and work is judged fairly. (ABI/INFORM)

### **Customer Service in Public Administration**

Wagenheim, George D.; Reurink, John H.

Public Administration Review v51n3 PP: 263-270 May/Jun 1991

Customer service is a management strategy that focuses on meeting customer expectations. It is based on the concept that the organization will reach its goals through satisfaction of the customer. Customer service management will provide the organizing and operating strategy for the 1990s. By focusing on the needs of both external and internal customers, the organization develops means and mechanisms that benefit agency personnel as well as the people they serve in the process. Although customers' service needs are situation-specific, they can be generalized. The following list of needs is in order of importance: 1. information and communication, 2. responsiveness, 3. problem resolution, 4. on-time, reliable, consistent service delivery, 5. competence of personnel, 6. accuracy, and 7. courteous and friendly service. The value added of a customer-service perspective as an organizational driver and evaluator is that the focus is on what the total organization needs to serve the customer. (ABI/INFORM)

### **Putting the service back into public service.**

Zemke, Ron

Training: the Magazine of Human Resources Development v26 Nov, 1989, p42(8)

Government-run agencies often must cope with a hostile public and enforce unpopular rules and regulations, and they are now taking clues from the private sector on how to improve customer service. Examples include: replacing old facilities with modern ones; rethinking work flow and forms to make life easier for customers; and training employees in customer service. A primary reason for government agency overhaul is to renew pride in government employees. Specific examples of government agencies applying private corporation management innovations include: Georgia's General Services Administration, which has lowered costs and become more user friendly; the Virginia Dept of Motor Vehicles, which has added express offices in shopping malls and included evenings and Saturdays in its hours of operation; and the New York Dept of Labor, which has consolidated all labor-related services under one roof. In changing a government agency, managers should: seek support from top government officials as well as middle managers; be selective about new hires; and create training support. (MANAGEMENT CONTENTS)

### **Continuous Improvement Process: Principles and Practices (Final report)**

Mansir, B. E. ; Schacht, N. R., Logistics Management Inst., Bethesda, MD.

Jul 89 250p

The Continuous Improvement Process (CIP) is a means by which an organization creates and sustains a culture of continuous improvement. The organization deliberately seeks to create a positive and dynamic working environment, foster teamwork, apply quantitative methods and analytical techniques, and tap the creativity and ingenuity of all its people. Collective effort is focused to better understand meet internal and external customer needs and to continuously increase customer satisfaction. Employing CIP in an organization can substantially improve the quality of its services or products, increase productivity, and reduce costs across a broad spectrum of systems, products, and services. A few of the major companies that now use and proclaim their commitment to CIP-related management technologies are Phillips, Ford, Xerox, IBM, Hewlett-Packard, Toyota, Honda, Boeing, Chrysler, and Texas Instruments. In the public sector, DoD has instituted a continuous improvement initiative called Total Quality Management. These and other organizations that are committed to a continuous improvement philosophy report substantial improvements in quality, productivity, throughput, and employee morale, with significant reductions in cost, errors, leadtimes, waste, and customer complaints. The consensus among CIP-oriented companies is

that these technologies are the key to their long-term competitiveness and survival. (NTIS)

**Achieving the Quality Difference: Making Customers Count  
(Conference proceedings)**

President's Council on Management Improvement, Washington, DC.

2 Jun 89 87p

Presented at the Proceedings of the Annual Conference on Quality and Productivity Improvement (2nd) 31 May-2 Jun 89.

The proceedings is a synopsis of the second annual Conference on Quality and Productivity Improvement sponsored by the President's Council on Management and Budget. Agenda included speakers from government and private sector that addressed 12 panels on topics germane to promoting and managing quality improvement with particular emphasis on employees and customers. Additionally, 11 working panels reported out on various topics. The panels presented practical 'How To' advice in condensed form from people and organizations that have had success in implementing quality management programs. (NTIS)

**TQ Government**

McKenna, Joseph F.

Industry Week v240n21 PP: 12-19 Nov 4, 1991

Public service visionaries have successfully introduced total quality management (TQM) ideas and techniques into a variety of governmental programs. Business and industry deserve much of the credit for showing public agencies just how valuable TQM is. Since implementing a quality program 4 years ago, the 1926th Communications-Computer Systems Group of the Air Force Logistics Command has seen cost savings and avoidances of newly \$10 million, and customer satisfaction is at an all-time high. Although there is a growing interest in total quality government, even more leaders within public service need to press the case for TQM among their colleagues and the public sector they serve. (ABI/INFORM)

**Standards of Excellence: U.S. Residents' Evaluations of Local Government Services**

Miller, Thomas I; Miller, Michelle A.

Public Administration Review v51n6 PP: 503-514 Nov/Dec 1991

A meta-analysis focused on service evaluations integrated from 261 citizen surveys administered to more than 215,000 people living in US cities, counties, and townships. The results of these surveys were used to represent the opinions of more than 40 million US residents about quality of local government services or quality of community life. These evaluative surveys indicate generally favorable assessments for local government activities. Of the

various services evaluated, fire, library, and trash hauling tended to receive the highest ratings, while transit services, animal control, street repair, and planning-zoning received the lowest ratings. Proximity to a metropolitan job center, community wealth, and education might be key factors in explaining differences in evaluations of services among localities. (ABI/INFORM)

**The PS 2000 Task Force on Service to the Public: The Chairman's Comments**

Rawson, Bruce

Optimum v21n4 PP:14-20

The initial purpose of Public Service (PS) 2000 was to align goals, procedures, and structures in the public service sectors of Canada with the requirements of the 1990s and the 21st century. Changes in 4 major directions may profoundly affect public service: 1. how the public believes the government should be run and how policies should be developed, 2. demographics, 3. public expectations for better service and a more sensitive government, and 4. the increase in global markets. The PS 2000 task force identified the objectives to be achieved by PS 2000 as good service, more and better consultation, and better leadership. The Canadian public wants a modern, competent, hard-working, enthusiastic public service that cares about quality. The are entitled to it, and that is what they will get. (ABI/INFORM)

**The Public Sector: Even Uncle Sam Is Starting to See the Light**

Farrell, Christopher

Business Week Special Issue PP: 132-137 Oct 25, 1991

Quality is gaining adherents in the public arena, largely because the federal government is laboring under a \$300-billion deficit and state and local governments are \$40 billion or more in debt. Quality may be one of the best ways to deliver better services more cost-effectively. In general, improving quality in government services involves the same steps as in the private sector. An emphasis on quality and productivity should result in a more flexible, more citizen-oriented bureaucracy. Quality can have vastly different meanings to various public sector constituents. The sheer size of the task of applying quality to government is daunting. A great deal of effort is being aimed at discovering how to measure quality in the public sector. However, some of the most effective ways to improve quality in the corporate world arouse suspicion when applied to government, since many voters are understandably ambivalent about providing public agencies and employees with decentralizing power. (ABI/INFORM)



## **The Formula for Success in TQM**

Glenn, Tom

Bureaucrat v20n1 PP: 17-20 Spring 1991

Customer focus, leadership, teams, and tools can be combined to equal total quality management (TQM). In TQM, the word customer has taken on a new meaning: the beneficiaries of government bureaucrats' work. When transformation of the organizational culture is being considered, continuous improvement efforts should be aimed at quality as defined by the organization's customers. Once it is known what the customers want and the gap between their requirements and performance is understood, then quality improvement teams can be created to start the process. Before teams can be effective, they need training, facilitation, leadership, and support. Support from a quality council is decisive in the success of quality improvement teams. Skilled management, as well as leadership, will make the difference. Support begins with a well-crafted charter consisting of a problem statement and a mission statement. (ABI/INFORM)

## **Phase 2: Plan for Improvement 1991-1992. Focus on Our Customer**

Postal Service, Washington, DC.

1990 21p

Second phase of the plan of the Procurement and Supply Department (P&SD), U.S. Postal Service, for organizational improvement. The focus of Phase I was strengthening procurement and material management functions; Phase II will focus on Postal customers. Contents include: a review of Phase I; definition of P&SD customer; and a description of Phase II, - the structure of the plan, responsiveness, service quality, and value added. (NTIS)

## **How to Develop Quality Measures That Are Useful in Day-to-Day Measurement**

Office of Management and Budget, Washington, DC.

Jan 89 53p

The report contains a paper prepared by staff of the Federal Quality and Productivity Improvement Program in the Office of Management and Budget to provide information on constructing useful quality measures. The paper describes step-by-step methods that can be used, and provides examples of quality measures that are being used in both private and public sectors. (NTIS)

## **II. GETTING TO KNOW THE CUSTOMER**

### **Customer Profiling: Getting into Your Customer's Shoes**

Whittle, Susan; Foster, Morris

International Journal of Bank Marketing v9n1 PP: 17-24 1991

It has been argued that managing the quality of service requires a fundamentally different approach from managing the quality of manufacturing products. The customer profile model offers the service planners and providers a way to visualize the services they offer as a journey taken by customers through their organization. Customers, in making contact with most service organizations, can typically be profiled along 6 contact stages: 1. search, 2. arrival, 3. precontact, 4. contact, 5. withdrawal, and 6. follow-up. By thinking about service from the customer's perspective, attention is directed to those aspects of the service that customers evaluate. Reports should be logical, well-reasoned documents that present the readers with all the facts needed to make necessary decisions or form opinions on a topic. Reports are normally written from an impersonal viewpoint, essentially to detract from the writer's personality and to focus the reader's attention on the material. (ABI/INFORM)

### **Understanding Customer Expectations of Service**

Parasuraman, A.; Berry, Leonard L.; Zeithaml, Valarie A.

Sloan Management Review v32n3 PP: 39-48 Spring 1991

To understand the nature of customers' service expectations and identify the factors that influence the formation of these expectations, focus group interviews were conducted with customers in 6 service sectors. Eight of the focus group interviews were with business customers, and 8 were with consumers. Minimal differences were found between the 2 groups. Customers expect service companies to do what they are supposed to do, and they expect performance, not empty promises. One key influence on customers' expectations is price. Many customers believe that, the more they pay, the better the service should be, although they do not believe that a low price is a legitimate excuse for poor service. Customer service expectations can be categorized into 5 overall dimensions: reliability, tangibles, responsiveness, assurance, and empathy. The findings suggest that customers' service expectations have 2 levels: desired and adequate. Many customers want ongoing, personalized relationships with the same representatives. (ABI/INFORM)

### **Measuring Service Productivity**

Coates, Robert

Small Business Reports v16n3 PP: 22-25 Mar 1991

In the area of customer service, there needs to be a balance between the number of customers served and the time spent with each customer. There also has to be an understanding that time spent with customers to solve their problems with a first call will, in the end, save time. When the measurement and management focus is on the number of calls answered or the average time of a customer interaction, the focus is on activity rather than outcome. There must be an equal and balancing focus on the quality of customer contacts and the outcomes they produce. The goal is to produce customer satisfaction. Regardless of the type of measurement program, the quality measures should receive at least as much attention as the quantity measures. Perhaps the most powerful way to shift the emphasis from activity to outcome is to train people in good customer service skills. If a company's concern is to create a satisfied customer, the key concern becomes not how quickly one can move the customer through the system, but whether the customer is satisfied at the end of the call. (ABI/INFORM)

### **Defining and Measuring the Quality of Customer Service**

Lewis, Barbara R.; Mitchell, Vincent W.

Marketing Intelligence & Planning v8n6 PP: 11-17 1990

The role of service quality as an indicator of customer satisfaction and organizational performance is now widely acknowledged. Many suggested definitions of service quality focus on meeting customer needs and requirements. Parasuraman, Zeithaml, and Berry (1988) developed SERVQUAL, a concise multiple-item scale that can be used to understand better service expectations and consumer perceptions. It can be used to look at trends over time or compare branches or outlets within an organization. A firm's customers can be categorized into several perceived-quality segments on the basis of their individual SERVQUAL scores. Problems with SERVQUAL include: 1. the treatment of all items in the scale as equally important, 2. half of the statement being negatively worded, 3. the restriction of consumers' responses to a 7-point scale, and 4. the adjectives used in SERVQUAL statements. Researchers might consider the use of a bipolar semantic differential graphic scale to overcome the problems highlighted with the SERVQUAL measurement tool. (ABI/INFORM)

### **Customer Expectations: First the Basics, Please**

Anonymous

Training v28n10 PP: 12, 14 Oct 1991

When it comes to service quality, most customers just want the basics, according to a study published by Sloan Management Review.

Researchers from Texas A&M University and Duke University concluded that customers expect service companies to do what they are supposed to do. They expect fundamentals, not fanciness, and performance, not empty promises. The researchers identified 5 dimensions of service as: 1. reliability, the ability to perform the promised service dependably and accurately, 2. tangibles, such as the physical appearance of facilities and personnel, 3. responsiveness, 4. assurance, and 5. empathy. According to the study, reliability is the most important dimension in meeting customer expectations. (ABI/INFORM)

**A longitudinal analysis of the impact of service changes on customer attitudes.**

Bolton, Ruth N.; Drew, James H.  
Journal of Marketing v55 Jan, 1991, p1(9)

Customers' attitudes toward service quality are affected by their perceptions of changes in customer service. Consumers' attitudes were measured by surveying 119 customers of a telephone company about the overall quality of all of the company's services. The results indicated that the customers were affected by changes in service performance, but the changes in perceptions were evident only in the long run. This implies that organizations should not expect immediate changes in customers' attitudes when they make changes in services. Customers' attitudes were more dependent on perceptions of performance and disconfirmation while the service changes were occurring. (MANAGEMENT CONTENTS)

**The service encounter: diagnosing favorable and unfavorable incidents.**

Bitner, Mary Jo; Booms, Bernard H.; Tetreault, Mary Stanfield  
Journal of Marketing v54 Jan, 1990, p71(14)

Seven hundred important service encounters from customers of restaurants, hotels, and airlines were collected and analyzed using the critical incident methodology to determine the crucial events and connected behaviors of service industry employees which make customers differentiate very positive service encounters from very negative service encounters. Implications for future research are also described. (MANAGEMENT CONTENTS)

**Are you customer-driven or driving them to distraction?**

Magrath, Allan  
Marketing News v24 Dec 24, 1990, p8(1)

Companies should conduct a six-point customer-handling self diagnosis to determine if they are fulfilling the requirements for providing effective customer service. The areas that should be covered in the diagnosis include the extent that functional

boundaries overlap; internal financial controls that inhibit staff ability to aid customers; and the information employees need to help customers. (MANAGEMENT CONTENTS)

**Customer-service perceptions and reality**

Becker, Wendy S.; Wellins, Richard S.

Training & Development Journal v44 March, 1990, p. 49(3)

A survey of 1,300 customers located in various countries including the US, UK, and Canada, and a survey of 900 customer service workers in nine businesses reveals information about the importance of customer service. The research project was conducted to determine the job behaviors required for successful customer service from the customer and service-worker viewpoints, to assess how well the necessary job behaviors are performed according to customers and service workers, and to analyze the impact of customer service on behavior. Research results indicate that customers and service workers have different views on necessary job behaviors and how well those behaviors are performed. Results also indicate that customer service is vital to business success and that it is important for firms to monitor how well their service workers perform. (MANAGEMENT CONTENTS)

**Learn to heed your master's voice.**

Band, William

Marketing News v25 Jan 7, 1991, p46(1)

A slowing economic environment increases the necessity of listening effectively to customers. Companies often focus on increasing competitiveness when market growth slows, but do so at the risk of losing touch with customers. The methods for enhancing effective listening include setting up customer councils comprised of representatives of key customers to solicit feedback about products and services, arranging direct customer contact with senior management so managers can learn first-hand about customer needs, and open discussion sessions between employees and top executives. (MANAGEMENT CONTENTS)

**Why Bash Your Customer?**

Brown, Tom

Industry Week v240n17 PP: 28 Sep 2, 1991

Managers must become customer-centric. They must work at changing their company-centric focus that places emphasis on making employee work lives easier, creating more comfortable facilities and schedules, and inventing new products whether anyone needs them or not. Instead, managers must start to ask how customers can use a product, obtain it, apply it, and purchase it. Texas Instruments (TI) has learned this lesson. When it launched Project Easy in the

mid-1980s, top managers demanded that TI employees find ways to make the customer's life easier. One invention that was created with the customer in mind is VCR Plus, a \$60 remote-control unit developed by Henry Yuen and Daniel Kwoh that simplifies controlling a videocassette recorder. (ABI/INFORM)

### **III. THE INTERNAL CUSTOMER**

#### **Nurturing the Teamwork Culture: Internal Customer Service**

Pastor, Joan; Gechtman, Risa

Supervisory Management v36n4 PP: 10 Apr 1991

Company employees who internalize company goals and who support one another strongly contribute to the success of an organization. To create a healthy team in any organization, it is important to cultivate a team that thinks of fellow workers as customers. Employees who are willing to give more and who do what is best for the team find out that what they do for fellow workers comes back to them. This practice is called internal customer service. Departments must work at satisfying the requirements of other departments before the ultimate goal of satisfying the external customer can occur. The responsibility for keeping in touch with one's internal customers lies with the individuals of a department, and a supervisor can foster this sharing of time and information. When a department establishes relations with another, the supervisor is responsible for ensuring that everyone keeps the commitments made to internal customers. (ABI/INFORM)

#### **8 ideas to stimulate internal service.**

Sanfilippo, Barbara

Bank Marketing v22 Dec, 1990, p26(4)

Banks can improve customer service by improving internal service and teamwork. The quality of services provided by support and administrative personnel is critical to providing high-quality customer service. Banks can take several steps to improve internal service, including evaluating the internal business environment, involving support personnel in marketing plans, allowing workers to rate the service provided by other employees, conducting marketing meetings with bank branches, and awarding certificates to employees who meet service standards. (MANAGEMENT CONTENTS)

#### **Internal Service Operations: Strategies for Increasing Their Effectiveness and Controlling Their Cost**

Davis, Tim R. V.

Organizational Dynamics v20n2 PP: 5-22 Autumn 1991

Many service and support functions fail their most obvious customers - the other departments in the company. Improving the efficiency of internal-customer support can produce long-term cost savings and enhance overall service quality. Most departments have a captive market for their services, hence there is little incentive to try harder. The sheer number of internal service

functions can create a logistics nightmare. Often, departments within an organization are linked closely by routinized work that flows between them. A useful way to clarify shared tasks between contiguous departments in a workflow is to develop a responsibility chart. Managers and members of interfacing departments meet to clarify troublesome shared responsibilities. Process management examines all activities in sequence, including what precedes and what follows each activity in a workflow. Many companies should consider phasing out at least part of certain internal support functions and contracting with outside suppliers. (ABI/INFORM)

### **Satisfy Your Internal Customers**

Pfau, Bruce; Detzel, Denis; Geller, Andrew

Journal of Business Strategy v12n6 PP: 9-13 Nov/Dec 1991

Striving for customer satisfaction has traditionally been the keystone of success in business. A company's ability to meet its external customer needs depends directly on how well it satisfies the needs of its internal customers. A growing number of companies are implementing service and quality improvement programs that enhance their own employees' knowledge and skills, boosting internal customer satisfaction and loyalty. Companies can begin to adopt an internal service focus by helping their employees in internal-supplier functions identify just who their customers are. A pilot study conducted by the Hay Group in 1991 highlighted several areas that seem critical to quality internal service, such as having well-defined lines of accountability and authority. Some companies may choose to revise and revamp the structures and functions of the entire organization to truly reflect and encourage an internal customer orientation. (ABI/INFORM)

### **Keeping the Customer Satisfied - Inside and Out**

Feldman, Stuart

Management Review v80n11 PP: 58-60 Nov 1991

According to Harold Pharr of Van Leer Flexibles, unless internal customer relationships exist, employees do not understand the importance of what they do and how what they do affects others in the chain of service. To achieve empowerment, companies build a foundation of open communication through which an internal supplier can clearly establish the requirements of the internal customer. Successful internal customer strategies are often an integral part of larger total quality management initiatives. Jeff Fierstein of FHP Health Care recommends measuring the effects of an internal customer strategy by observing the changes in people's philosophy and values. (ABI/INFORM)



### **Improving White Collar Productivity Can Enhance Profitability**

Bhote, Keki R.

Corporate Controller v3n5 PP: 39-46 May/Jun 1991

While US manufacturing is finally making progress in the quality arena, quality is virtually ignored among the services that support manufacturing, such as marketing and personnel. An Illinois Institute of Technology study found that blue-collar productivity has been consistently above 80% and rising, but white-collar productivity has been below 40% and falling. White-collar productivity is important because, through greater customer and employee satisfaction, companies can improve their profits, return on investment, and market share. The Next Operation As Customer (NOAC) technique can improve quality, cost, and cycle time in any white-collar operation. NOAC's basic principles are: 1. The internal customer is a prince. 2. All work can be considered a process. 3. Effectiveness is measured through the internal customer's evaluation. 4. The consequences of meeting or not meeting the internal customer's requirements include commensurate rewards or penalties. (ABI/INFORM)

### **Coming to Grips with Service Intangibles Using Quality Management Techniques**

Ballantyne, David

Marketing Intelligence & Planning v8n6 PP: 4-10 1990

The goal of quality management is to narrow the quality gap between what customers expect and what they experience. A structure for planning and introducing the types of internal changes that need to be made to build a loyal customer base can be found through quality management. The value a firm creates for its customers is a function of the alignment it can achieve between the firm's value chain and the customer's value chain. Minimizing blockages in the workflow really starts upstream in the value chain, at the service design stage. Flowcharting has proven potential for designing-in value for customers of a kind that exceeds the cost to the company. The idea of internal customers and internal suppliers follows naturally from an examination of flowcharting techniques. Examining the value chain shows how service processes are linked and that there are opportunities for the examination of these linkages with a view to quality improvement. (ABI/INFORM)

### **The Customer Within**

Lee, Chris

Training v28n7 PP: 21-26 Jul 1991

Total quality management focuses on the internal customer as well as the external. The needs of employees must be met so that they, in turn, can provide excellent service for the external

customer. At Westinghouse Electric Corp., for example, the internal customer-supplier approach has proven to be a powerful catalyst for corporate quality improvement efforts that began a decade ago, according to Carl Arendt of the Westinghouse Productivity and Quality Center. He says that the most profound effect is an attitude change. The first steps in the quality process are to identify the customers and to meet with them. A support function, such as a management information systems department, might want to establish service-level agreements with internal customers. Whether agreements between internal customers and suppliers are formal or informal, advocates of the approach agree that the process for reaching them must be flexible. (ABI/INFORM)

### **Don't Take Internal Customers for Granted**

Milite, George

Supervisory Management v36n7 PP: 9 Jul 1991

Too many supervisors neglect a key component of managerial success - their internal customers. The other departments in a company are just as important as outside suppliers and buyers. The more supervisors understand internal customers, the better they will be able to meet their needs. To help develop this understanding, supervisors should: 1. avoid jargon, 2. watch their priorities, 3. define responsibilities clearly, 4. keep communications open, and 5. keep quality consistent. Ultimately, how well a department performs depends on how well the rest of the company performs. (ABI/INFORM)

### **Speeding the Way to Total Quality**

Dodson, Robert L.

Training & Development v45n6 PP: 35-42 Jun 1991

Internal customer satisfaction is the key to a total quality commitment. Companies must acknowledge that an essential task of management is to satisfy employees to the point required to engender positive attitudes. The standard barometers of employee satisfaction, such as turnover, complaints, and absenteeism, are either too blunt or too late to be of use. A better way to measure internal customer satisfaction is through a detailed survey or internal quality audit. Installing an internal quality audit begins with the formation of a project team composed of a cross-section of managers from the top levels of the firm to the first line. The team's charter is to design and implement the audit. The results of the initial audit can be a bitter pill for managers and a critical test of the idea that problems are opportunities. However, accepting the results of the audit as a baseline for improvement and responding with visible actions has implications throughout the organization. (ABI/INFORM)

### **Now Quality Means Service Too**

Rose, Frank

Fortune v123n8 PP: 97-111 Apr 22, 1991

After being viewed as a manufacturing problem for most of the past decade, quality has become a service issue. The idea is total quality management (TQM) in the offering itself and in all the services that come with it. Poor service has become an issue for managers for the same reason shoddy goods did: competition. If product quality is essentially the same across the industry, service becomes the distinguishing factor. Because service quality can be gauged only by customer satisfaction, TQM has redefined quality as "what feels right to the customer." The TQM effort depends on a willingness to see the world from the customer's point of view and an eagerness to move swiftly. Within any company, TQM theory holds, is a whole chain of internal customers, culminating with the person at the cash register. The trick is to get everyone working together while keeping this ultimate customer in focus. (ABI/INFORM)

### **The customer.**

Lee, Chris

Training v28 July, 1991, p21(6)

Each division, department, and even employee in a company is but one part of a whole, each connected to the other in a supplier-customer relationship. Firms can make significant and lasting improvements in quality and customer service by concentrating on the weakest links in these internal connections and taking steps to strengthen them. Determining which links need improvement begins with looking at the needs of external customers, then working backwards through the internal supplier-customer relationships. Management must first identify their internal customers, determine their specific needs, then take action. (MANAGEMENT CONTENTS)

### **Customer satisfaction: a five-star rating.**

Foxman, Loretta D.; Polsky, Walter L.

Personnel Journal v70 June, 1991, p27(2)

Companies can take steps to develop an excellent personnel department within an organization that provides superior service to internal customers. The steps that human resources managers can take to improve internal customer service to employees include gaining the necessary knowledge about personnel issues, ensuring that the organization has hired an adequate number of workers, and viewing the work environment from the perspective of employees. Companies that provide high-quality service to internal customers can gain a competitive advantage in the marketplace. (MANAGEMENT CONTENTS)

**Satisfying the internal customer.**

Gulledge, Larry G.

Bank Marketing v23 April, 1991, p46(3)

Most banks evaluate the satisfaction of external customers, but many ignore the measurement of the satisfaction of internal customers, or employees. Employees' performance is affected by their satisfaction with other employees, vendors, and internal resources. Interviews with front-line employees about their satisfaction with internal resources can focus on several factors, including availability, cooperativeness, timeliness, professionalism, and quality. The steps to take when weaknesses are exposed include training employees, motivating employees, communicating with employees, reorganizing the bank's structure and systems, and redesigning products and services. (MANAGEMENT CONTENTS)

**Horizontal management.**

Denton, D. Keith

SAM Advanced Management Journal v56 Wntr, 1991, p35(7)

More businesses are beginning to use horizontal management to improve service and competitiveness. Horizontal management emphasizes both internal and external customers. The implementation of horizontal management involves thinking of the next operation as a customer. The steps in implementing horizontal management include determining which products and services to provide, determining what is needed from suppliers, identifying ways to improve customer service, and defining how work is done. The horizontal management approach used by Metropolitan Life Insurance Co (MET Life) can be used as a model for other businesses. MET Life's approach is based on the commitment of management, the involvement of employees, an understanding of internal suppliers and customers, product champions, and quality improvement groups. (MANAGEMENT CONTENTS)

**From total chaos to total quality.**

Sutton, John R.

Industrial Engineering v22 Sept, 1990, p18(2)

A growing company can often stop focusing on its customer when undergoing expansion and reorganization and attempts to systemize. The external customers of an organization are easy to identify, however internal customers, or departmental employees, are also 'customers.' It is important that both types of customers be served with 'Total Quality.' Total Quality involves serving external and internal customers' needs before thinking about quantity, schedules or other factors. By placing quality needs first, the company will eventually see better sales, higher profits and lower costs. Management must set

objectives in order to reach Total Quality. (MANAGEMENT CONTENTS)

**Internal service: solving problems.**

Plymire, Jerry

Supervisory Management v35 May, 1990, p5(1)

The promotion of internal service quality requires harmony of operations, which managers can foster by enlisting employees in a process in which they negotiate needs. Key interdepartmental transactions, in which one group is serving another, must be identified and prioritized through an assessment process. Once the list of prioritized transactions has been collected, representative employees from each department are brought together in a meeting led by a facilitator in which the customer group defines its needs and the service group examines its ability to meet the internal customers' needs. During the process, a measurable set of needs will be negotiated. The role of the facilitator will maintain harmony and a process orientation. A follow-up meeting should be held in thirty days to see how perceptions conform to expectations. (MANAGEMENT CONTENTS)

**A wider definition of who's a customer.**

Harris, Kim S.

Bank Marketing v22 March, 1990, p18(2)

Provident Bank of Maryland, which has 38 branches in the greater Baltimore area, has developed effective service programs which address the needs of both external and internal customers. The bank developed its programs after surveying 1,000 people who live in Baltimore and conducting 16 focus groups for bank employees. Service quality programs developed as a result of research speeded up loan processing by streamlining procedures, encouraged customer feedback by providing a quarterly newsletter through which customers can contact the bank's president, and fostered worker commitment by rewarding bank employees who provide excellent customer service. (MANAGEMENT CONTENTS)

**Down with the internal customer.**

Guaspari, John

Across the Board v28 Sept, 1991, p11(3)

Many organizations have adopted the internal customer concept, which proposes that employees treat each other like 'real' customers, thereby giving them high-quality service to get jobs done. This concept, however, has several drawbacks. These include the possible emergence of dominance-subservience relationships among employees, and the lowering of the quality of customer service because the word 'customer' has lost its special connotation. The concept also raises the question of who will serve

whom and why. The relationship between co-workers and the relationship between a customer and a supplier are similar, but they are not the same. There is a need for a new model that correctly identifies who the 'real' customers are.  
(MANAGEMENT CONTENTS)

**Quality and service for internal customers.**

McDermott, Lynda C.; Emerson, Michael  
Training & Development Journal v45 Jan, 1991, p61(4)

Organizations must develop an internal customer service orientation among their employees before they can provide quality and service to external customers. Employees cannot satisfy external customers unless they are treated well by their own companies. Employee relationships can be improved in many ways, including establishing an internal customer service strategy, creating an internal marketing plan, providing interpersonal relations training, developing performance standards, and conducting brainstorming meetings. (MANAGEMENT CONTENTS)

#### ***IV. DEVELOPING A CUSTOMER SERVICE PLAN***

##### **Total Quality Service**

Albrecht, Karl

Executive Excellence v8n7 PP: 18-19 Jul 1991

Total quality service (TQS) is a family of interrelated methodologies for assessing, defining, and improving service quality. The 5 key methodology menus involved in the TQS process are: 1. assessment, measurement, and feedback, 2. market and customer research, 3. strategy formulation, 4. education, training, and communication, and 5. process improvement. The 5 major components of the TQS process work together to build service quality. The appropriate starting point for the process, the appropriate sequence of activities, and the appropriate choice of methods all depend heavily on the organization's current state and the orientation of the executives who lead it. The key to success in applying TQS is in the choice of the program strategy, which is the unique way of putting together the elements of methodology, resources, timing, and sequencing of actions that go together to create a successful program. (ABI/INFORM)

##### **A total-quality approach to customer service.**

Foster, Morris; Whittle, Susan; Smith, Stuart

Training & Development Journal v43 Dec, 1989, p55(5)

Most firms recognize the importance of providing good customer service and make efforts to train employees to achieve service skills. However, successful results may not be achieved because corporate cultures are not altered to parallel efforts in improved service. The UK-based Total Quality Service (TQS) approach provides a system which enables corporations to develop quality throughout entire organizations. TQS is based on four strategies: making management leaders involved in TQS; designing and structuring the program to sustain it at service delivery levels; connecting management support services; and connecting customer-handling training with TQS concepts. The TQS can be implemented via a series of workshops, some which focus on profiling customers. (MANAGEMENT CONTENTS)

##### **Putting Service Quality into Gear**

Horovitz, Jacques; Cudennec-Poon, Chan

Quality Progress v24n1 PP: 54-58 Jan 1991

For any company to provide consistently good service quality, it has to commit itself to incorporating 5 key efforts. First, the company must make sure that its staff has a common definition of service quality. Second, the company must make sure the customer is

the main priority throughout the organization. The customer must be the prime focus of all work and efforts. Third, the company must look after the front-line staff so they can happily serve the customer. This means treating them well, caring for them, and alleviating the pressure of being constantly exposed to the public, the irate or tired client, and the unexpected questioner. If something goes wrong, the front-line people take the blame even if they are not at fault. Fourth, the company must make sure that what it communicates to its customers is consistent with its service quality level. Fifth, management's actions and behaviors must show commitment to service quality. How middle management leads the staff in daily work will make the difference. (ABI/INFORM)

### **Managing Quality in a Service Business**

Williamson, Shelli

Hospital Materiel Management Quarterly v12n3 PP: 6-10 Feb 1991

Some common sense rules are more important in providing health care services than in other, more straightforward businesses. The first rule is to focus on the customer. Positive experiences with services and results are the most powerful marketing tools a service business can have. Top management leadership is essential. The service needs to be developed by establishing a decision-making process that is fact based, bottom up, and top down. Total employee involvement is necessary to begin the process of continuous improvement. Major improvements in efficiency and effectiveness will come from eliminating opinions and using facts to drive consensus and commitment. With the pressures of today's marketplace, cost and quality must go hand in hand. The ultimate customers, the patients and payers, are no longer willing or able to sacrifice one over the other. The constant improvement of health care services makes it possible to achieve these goals. (ABI/INFORM)

### **The common thread: connecting functions to create a service culture.**

Pollen, Ellen

Employment Relations Today v18 Summer, 1991, p229(6)

Customer service is the key to becoming successful in the 1990s, and organizations should take steps to create a service culture. The way to create a service culture is to integrate the individual functions of the organization. The success of a corporate service policy is based on the corporate mission statement. Management must take into consideration customers' needs when developing a service policy. The elements in a service culture include selecting the right employees, developing a reward system, and creating training programs. (MANAGEMENT CONTENTS)



**Do it right the first time; you may not get a second chance.**

Graham, John R.

Marketing News v25 August 19, 1991, p12(2)

A tight economy, competition, and demanding customers require that companies address the issues of customer service and product quality correctly the first time because they may not be given another opportunity. The steps that companies can take to do it right the first time include providing customers with a good value, recognizing that customers are important, and taking customers seriously. (MANAGEMENT CONTENTS)

**Hitting the long ball for the customer.**

Stum, David L.; Church Ronald P.

Training & Development Journal v44 March, 1990, p44(5)

Many firms are interested in improving their customer service because research has revealed that poor customer satisfaction is why consumers switch to competing businesses. One way companies can evaluate their customer service efforts is by using a baseball diamond model which provides a way to analyze an entire organization at all levels. At first base, the model suggests that skilled service employees should learn to project a professional image through appearance, attend to customers with positive body language, and acknowledge customers' needs. At second base, the model suggests that managers should set and enforce performance standards, conduct informal training, and manage and improve service environments. Third base focuses on the service environment, while home base focuses on an organization's policies and procedures which help to enhance a customer service-centered business. (MANAGEMENT CONTENTS)

**Competitive confrontation in consumer services.**

Allen, Michael G.

Planning Review (a publication of the Planning Forum) v17 Jan-Feb, 1989 , p4(7)

Service industries are increasingly feeling the pressure of competition and are emphasizing customer service to increase profitability in a segmented marketplace. Service industries are unique because their profitability depends on how well marketing improves the utilization of services. Companies such as McDonald's and American Express are well known for providing excellent service because they follow some of the four suggested strategies for success, including nurturing a distinctive service identity and developing a niche to achieve competitive superiority. Successful companies also focus on operational achievement by using the correct distribution channels; developing a strong service culture; and using service contracts. (MANAGEMENT CONTENTS)

**Coming: the customer service decade.**

Davidow, William H.; Uttal, Bro  
Across the Board v26 Nov, 1989, p33(5)

Corporations are focused on earning profits, but firms which emphasize only financial end results may inadvertently ignore customer service, which many experts predict will be the most effective competitive weapon in the coming decade. Research conducted by the Strategic Planning Institute which examined 2,600 firms indicates that quality of services and products is the single most important factor affecting overall performance in the long-run. Other research examining businesses indicate that excellent service help firms save money because firms do not have to replace lost customers. Additionally, superior customer service can generate concrete financial savings over time, related to developing positive customer expectations. (MANAGEMENT CONTENTS)

**Why customer focus strategies often fail.**

Whiteley, Richard C.  
Journal of Business Strategy v12 Sept-Oct, 1991, p34(4)

Potential performance pitfalls in the implementation of quality improvement programs are averted when management assumes greater active participation in the quality-focused promotion of customer services. Quality strategies may be sabotaged through false starts; the misalignment of products to customer needs; bias for action instead of fine-tuning the planning and checking phases of the process; a lax attitude toward quality as a result of a profitable status for business; overnight remedies to quality problems; non-involvement of management in the actual improvement process; poor time management with regards to the acquisition of conceptual knowledge for quality improvement strategies; poor selection of quality managers; and tradeoffs against quality. Implementation of the quality program would depend chiefly on the organizational leader's skills, beliefs, and attitudes. (MANAGEMENT CONTENTS)

**Mistakes that service companies make in quality improvement.**

Berry, Leonard L.  
Bank Marketing v23 April, 1991, p68(2)

Firms in the service industries make many common mistakes when attempting to improve quality. One mistake is that service companies fail to use employee research in the service research process. The issues that employee research should consider include the biggest problem encountered every day when providing service to customers, and the primary change to make in improving service. Another mistake is investing funds to improve quality without developing a multi-faceted, company-wide, continuous quality-improvement process. Another mistake is the failure to respond to customers' problems. Companies should encourage customers to

complain about poor service by giving employees authority to solve problems, and investing in communication systems that support the problem-solving process. (MANAGEMENT CONTENTS)

**Service recovery: doing it right the second time.**

Zemke, Ron; Bell, Chip

Training: the Magazine of Human Resources Development v27 June, 1990, p42(7)

Organizations respond in different ways to complaints, but those firms which have taken the time to plan how they will respond to customer complaints are more likely to maintain customer support. Studies by Technical Assistance Research Programs Inc indicate that customers who have complaints and are responded to in satisfactory ways are more likely to purchase more products from businesses compared to customers who have not experienced difficulties. Additional research studies indicate that consumers have expectations about how they want firms to respond to complaints: they want to receive an apology; they want to be offered a way to remedy problems; and they want to be treated in ways that indicate a firm cares about them. (MANAGEMENT CONTENTS)

**Keeping disaffected customers.**

Koehler, Kenneth G.

CMA - the Management Accounting Magazine v65 Sept, 1991, p7(1)

Customer complaints should receive as much attention as new and often costly marketing campaigns because keeping customers is as important as attracting new ones. High-quality complaint processing can help firms retain clients, enhance their loyalty, and improve the company's image. Employees with good listening and communication skills may be chosen and trained to handle this job. The steps in dealing with customers include being familiar with the complaint process, and avoiding arguments with customers. (MANAGEMENT CONTENTS)

**Customers from hell.**

Semke, Ron; Anderson, Kristin

Training: the Magazine of Human Resources Development v27 Feb, 1990, p25(8)

Profiles of five types of negative customers are presented including egocentric customers, hysterical customers, and verbally-abusive customers, to illustrate the types of challenging clients service workers typically encounter. A variety of steps can be taken to deal with difficult customers such as: taking action to help customers; ignoring foul language; and taking responsibility for solving problems. Firms which are committed to providing good customer service also need to make sure their service workers get

ample training and are supported by management. (MANAGEMENT CONTENTS)

**Designing a customer satisfaction measurement program.**

Kohnke, Luane

Bank Marketing v22 July, 1990, p28(3)

Chase Manhattan Bank began improving its quality of customer service in 1987 through the use of a three-part program, which included collecting data about consumers and employees, developing and monitoring service indicators and standards, and creating and implementing a service plan. Individual banking sector Vice Chmn Art Ryan developed the customer service program. The service quality plan stated the initiatives and responsibilities needed to achieve Chase's goals including leadership, competence, and skills training; continuing measurement of customer satisfaction; and communications and recognition programs. Senior and middle managers' commitment to the program was considered crucial, as was the involvement of all levels of employees. (MANAGEMENT CONTENTS)

**Quality for all seasons.**

Sharp, Isadore

Canadian Business Review v17 Spring, 1990, p21(3)

The management of the Four Seasons Hotels has made customer satisfaction the most important goal of its strategic planning in order to promote the growth of its customer base. The firm believes that service errors, which cause hotels to lose referrals and customers, are the biggest barrier to improving productivity. To provide excellent customer service, the firm adopted a program to motivate employees to provide quality customer service. The program focuses on seven quality principles, including: developing an effective corporate culture; making a commitment to quality without compromise; and controlling quality standards. (MANAGEMENT CONTENTS)

**Training for service quality.**

Petrini, Cathy

Training & Development Journal v43 May, 1989, p20(7)

Four customer service experts from four distinctive industries recently discussed the concept of customer service training and how it is as applied in their companies. Former American Express Co dir of quality assurance and engineering Jay Spechler explained how American Express incorporates effectiveness standards in its customer service training. William Byrd Press executive dir for human resources Mike Wriston detailed the team concept in his company. Spiegel Inc training and development manager of customer relations Kathleen Griessler illustrated how Spiegel keeps its

service employees apprised with the most current reference information, and Einstein Consulting Group pres Wendy Leebov identified different requirements for good customer service in the health care industry. (MANAGEMENT CONTENTS)

**Empowering Employees: A Case Study on Improving Customer Service**  
Richard, Shirley A.

Compensation & Benefits Management v7n4 PP: 46-50 Fall 1991

Arizona Public Service (APS) is an investor-owned utility that generates about \$1.5 billion in revenues each year. In order to be competitive, APS must be successful in 2 areas: 1. It must keep its pricing competitive. 2. It must be competitive in providing service. To accomplish these goals, APS has developed and implemented an extensive external and internal campaign, called ServicePLUS, to ensure that customers receive high-quality service. The way for APS to reach its goals is to motivate its customer service staff. APS took 5 steps to empower its employees: 1. communicating the company's mission, 2. listening to employees, 3. opening up the flow of information, 4. convincing employees that their ideas are needed, and 5. giving employees a format for action. (ABI/INFORM)

**Right-Side-Up Organization**

Richards, Philip

Quality Progress v24n10 PP: 95-96 Oct 1991

Companies need a new way of viewing their organizations in order to improve customer service and employee motivation. The corporate orientation can be changed visually by inverting an organization chart. In a typical organization chart, the chief is at the top of a pyramid of managers, supervisors, and staff. The pyramid must be inverted to reverse perceptions and practices. A company wide commitment to put the customer first should support the redrawn organization chart. Putting customers at the top of the chart reminds everyone who is the most important to the organization. Both customers and front-line workers should be at the top of the organization chart because everyone else supports them. Each level of management should be challenged to motivate front-line workers to be efficient and effective. (ABI/INFORM)

**Truths and Myths in Service Quality**

Gummesson, Evert

Journal for Quality & Participation v14n4 PP: 28-33 Jul/Aug 1991

Service quality is subject to at least 5 categories of truths and myths. These concern: 1. the alleged differences and similarities between goods and services and what impact these have on quality management, 2. the question: "Does service quality cost or is

quality free?," 3. the problem of variability and limited capability and the robustness of the service production process, 4. the idea that quality in some service areas, such as the health care sector and education, can only be created if the service provider demonstrates love, compassion, and empathy, in addition to objective skills and perfect systems, and 5. how to raise high customer expectations, referred to as the Peanut Syndrome. Academics and practitioners are reminded not to build up a series of myths that become inhibiting truths. Instead, they should be sensitive to changing customer needs and tastes, the changing environment, new discoveries, and unorthodox ways of regarding reality. (ABI/INFORM)

## ***V. ROLE OF THE EMPLOYEE IN CUSTOMER SERVICE***

### **Doing the Little Things Right**

Holloway, Gene D.

American Agent & Broker v63n9 PP:46, 48 Sep 1991

The Page Agency (Deland, Florida) is convinced that doing the little things right separates it from the competition. The agency concentrates its efforts in 3 principal areas: employee selection and training, education, and customer service. The company uses the personality testing service provided by the Omnia Profile Inc. to make accurate employee selection. Basic training tools include a procedures manual, an employee manual, and underwriting guides. An in-house underwriting guide familiarizes employees with the underwriting requirements of each of its divisions. The guide helps the agency avoid making an inappropriate submission to a market. The Page Agency takes advantage of company-sponsored educational programs and holds monthly staff meetings that emphasize company procedures and coverage changes. Since the agency is interfaced with 5 carriers, it can provide fast service to clients. (ABI/INFORM)

### **Customers and commitment.**

Shaffer, James C.

Communication World v7 Dec, 1990, p23(5)

Organizations that develop good relationships with their employees will provide high-quality products and services to customers. Communicating organizational values to employees will help them become committed to providing high-quality customer service. The rewards received by customer-service personnel of one southeastern company were based on the number of telephone calls they completed. The reward system indirectly communicated to employees that completing a large number of telephone calls was more important than obtaining customer satisfaction. The firm was able to improve customer service by rewarding employees for customer satisfaction instead of for the number of telephone calls they completed. (MANAGEMENT CONTENTS)

### **Auditing customer service: look inside as well as out.**

Zemke, Ron

Employment Relations Today v16 Autumn, 1989, p197(9)

A study of 101 companies with good customer service reputations suggests that businesses boasting high employee job satisfaction also boast high customer satisfaction. Successful firms understand that staff support and frontline employees are valuable sources of information about how companies are perceived in the marketplace.

Business managers can look to employees to provide relevant data to develop excellent service programs. The 15 areas where employee evaluations can be valuable include: identifying the clarity of service focus; identifying the level of management commitment to service excellence; and determining quality training and support. (MANAGEMENT CONTENTS)

**Creating commitment.**

Macher, Ken

Training & Development Journal v45 April, 1991, p45(5)

The effective management of an organization involves creating a commitment to service, making work more meaningful, and implementing a continuous learning process. The steps in achieving employee commitment include obtaining the personal commitment of managers, developing relationships with employees, and being truthful with employees. Employees will feel that their work is meaningful if employers fulfill psychological job requirements, which include contribution, a sense of community, and influence. Employees must have an understanding of the business before they can take the initiative. The best way to institutionalize learning is to involve employees in improving their own jobs. (MANAGEMENT CONTENTS)

**Using customers' ratings to reward employees.**

Lee, Chris

Training: the Magazine of Human Resources Development v26 May, 1989, p40(7)

Customer service has increasingly been seen by business as a way to improve market share against competitors. Now some firms are using customer service ratings on products and services as a way to reward employees for jobs well done. Firms that are interested in designing a customer rating reward system should: discover what customers want; set standards around specific points of service delivery that customers have deemed important; measure performance against the designated standards; and develop a system which rewards employees for the desired results. (MANAGEMENT CONTENTS)

**Service training made simple.**

Piskurich, George M.

Training & Development Journal v45 Jan, 1991, p37(2)

A customer-service training program is more likely to be successful if the training process is simplified. Revco D.S. Inc developed a training program that appears to be successful. Trainees were taught that providing customer service is a simple three-step process: greeting every customer upon entry to the store, offering assistance to every customer searching for a



product, and making eye contact with every customer. The training process involved explaining the importance of customer service to employees, describing the three steps, and following up by observing the employees. Employees are able to remember and use the three-step process even if they are busy. (MANAGEMENT CONTENTS)

**How does Disney do it?**

Solomon, Charlene Marner

Personnel Journal v68 Dec, 1989, p50(8)

Walt Disney Co is projected to earn \$4.4 billion in 1989, and reasons for its high revenues include emphasis on customer service, and a focus on the elements of efficiency, courtesy, show, and safety. While Disneyland visitors see aspects of company courtesy when visiting the amusement parks, the theme of courtesy is extended in personnel management too. Many hours have been devoted to designing successful employee 'universities' which train workers in the Disneyland philosophy. The universities are specific to various sites, ranging from movie studios to theme parks. Some of Disney's successful employee training and hiring techniques include using peer interviews for hiring people and requiring employees to develop a modification or idea to be implemented by Disney. The company has found that it is important to stress that employee development is an on-going process because reinforcement helps workers to stay committed to the company. (MANAGEMENT CONTENTS)

**Instilling a service mentality: like teaching an elephant to dance.  
(the importance of top management commitment to customer service)**

Albrecht, Karl; Zemke, Ron

International Management v40 Nov, 1985, p61(3)

The transition has begun for many industries from an emphasis on manufacturing to an emphasis on service, but an important aspect of this transition is the training, or retraining, of employees to ensure that they understand the importance of customer service. The customer's happiness is paramount in success in service sectors of the economy because of the importance of return business, and it is a topic that has received the attention of top management in a wide range of industries, both service and manufacturing. The basis of many service training programs is the idea that each time a customer does business with a company, the customer makes a judgment on the quality of the service, with an image of the firm's service quality formed by the sum total of all the judgments of all its customers. (MANAGEMENT CONTENTS)

**Empowering employees. (Customer Satisfaction)**

Johnson, Gail Cook

Canadian Business Review v18 Summer, 1991, p47(3)

The REACON Employee Opinion Survey Data Bank, a data base comprised of the replies of over 15,000 employees in 59 North American organizations to public opinion surveys, reveals that employee empowerment is one of the keys to providing quality customer service. The companies with the highest rates of customer satisfaction promote communication between management and employees, facilitate employees' interaction with customers, and encourage employee feedback. The firms that are leaders in customer service display a commitment to service, promote teamwork, devote resources to personnel to ensure their competence, and have managerial principles stressing communication, employee feedback, and a proactive orientation.

(MANAGEMENT CONTENTS)

**Internal research helps to define service quality.**

Brown, Timothy P.

Marketing News v25 Feb 4, 1991, p11(1)

Customer satisfaction programs require data on the producers of products or services due to the importance of employee interactions with customers in defining customers' perceptions of quality service. Internal research programs are necessary in order to ensure that employees are motivated and capable of delivering quality customer service. Internal research is both qualitative and quantitative. In the qualitative phase, questionnaires are used to ascertain perceptions of performance and service among management and front-line employees. Internal research programs allow firms to define service quality and will help front-line employees understand customer expectations and how to meet them, and help management understand customer expectations and whether employees are able to meet them. (MANAGEMENT CONTENTS)

**Buying into customer service**

Steinburg, Craig

Training & Development v45 Sept 1991, p11(2)

The upgrade of customer service quality in companies has become an integral aspect of management practice. Companies must be willing to devote manpower, time, and money to upgrade customer service if they are to improve their business prospects. Businesses can avail themselves of the services of consulting firms which train employees with the skills, knowledge and attitude necessary for providing outstanding customer service. The various aspects of employee competency should be covered in the training program.

(MANAGEMENT CONTENTS)

**Looking for good reading on service quality? Here are favorites of experts in the field. (Service Quality)**

Rubenstein, James

Bank Marketing v23 April, 1991, p66(2)

Book recommendations made by service quality experts are presented. Banc One Corp VP and Chief Quality Officer Charles A. Aubrey prefers reading books that tell banks how to be more proactive in improving service quality. Aubrey's recommendations include Juran's Quality Control Handbook, by J.M. Juran and Frank M. Gryna; Quality Is Free, by Philip Crosby; and Quality Service, Pure and Simple, by Ronald W. Butterfield. Training consultant Ronald Zemke's recommendations include Service Quality: A Profit Strategy for Financial Institutions, by Len Berry, Dave Bennett, and Carter Brown; Commit To Quality, by Patrick Townsend and Joan Gebhardt; and Managing Quality: The Strategic and Competitive Edge, by David Garvin. The recommendations of Premier Bancorp Exec VP L. Biff Motley include At America's Service: How Corporations Can Revolutionize The Way They Treat Their Customers, by Karl Albrecht; Excellence Was Expected, by Ferry Porsche; and Service Quality Management, by the Bank Marketing Assn. (MANAGEMENT CONTENTS)

**Services: Beyond "May I Help You?"**

Armstrong, Larry

Business Week Special Issue PP: 100-103 Oct 25, 1991

Industries are finding that quality is as vital a marketing tool as price. This realization is coming in the face of a tight economy and a growing refusal on the part of customers to stand for anything less than the best. However, only 10% of US service companies today have any kind of quality program, according to Gunneson Group International Inc. The company predicts that, by the year 2000, perhaps 70% of service companies with more than 500 employees will have formal quality initiatives. Employees in the future must like their jobs, and they will need more authority. Beyond training, quality in services may require large amounts of spending on technology. Some service companies make the mistake of approaching quality with a manufacturing mentality. Progressive service companies now look to a better measure of quality, such as whether or not customers are being maintained, according to Bain & Co.'s Frederick F. Reichheld. Companies are increasingly learning to view their clients as potential customers for life. (ABI/INFORM)

**Consumers just can't wait to be satisfied: interaction between customer, employee is critical.**

Schlossberg, Howard

Marketing News v25 Feb 4, 1991, p13(1)

Massachusetts Institute of Technology Sloan School of Management

Dir of Systems Thinking and Organizational Management Program Peter Senge, in his book 'The Fifth Discipline', shows how firms can deliver customer satisfaction by creating a 'learning organization'. Senge, who runs a management training and consulting firm, Innovation Associates Inc (Framingham, MA), has created a framework for measuring and delivering customer satisfaction. A learning organization is forward thinking and alert to trends and has organizational mechanisms to keep it that way. Senge believes that the key components of delivering quality customer service are the treatment of employees, who will treat customers as they are bring treated, and sources of innovation, which require a commitment of management to long-range problem solving and systems thinking. (MANAGEMENT CONTENTS)

**Transforming customers into kings.**

(customer service) (Total Quality)

Crainer, Stuart

Accountant's Magazine v94 Feb, 1990, p21(2)

Quality customer service is essential to business success and must involve every employee and every manager to make sure quality standards are adhered to and become part of the corporate culture. Trends indicate that increased customer sophistication is leading to market segments becoming smaller and more focused. Customers will buy products and services that most closely meet their needs, meaning that companies must exploit and defend specialized niches. A survey conducted by the Massachusetts Institute of Technology indicates that 77% of innovations in the scientific instruments industry are developed by customers rather than manufacturers, indicating that open and close communication with customers is vital for business success. Companies must listen to and communicate with customers to turn market research into viable strategic decisions and to implement a continuous process of assessment and improvement of customer service. (MANAGEMENT CONTENTS)

## **VI. SELECTED LIBRARY RESOURCES ON THE CUSTOMER STRATEGY**

The following selections are highlights from the EPA Library Network on effective customer service. These books, videos and journal articles may be requested through the EPA Headquarters Library, and other EPA Network Libraries.

### **A. Books**

#### **Managing to Keep the Customer: How to Achieve and Maintain Superior Customer Service Throughout the Organization**

Robert L. Desatnick.

Region 8 Library

HF5415.5.D47 1987

#### **Complete Guide to Customer Service**

Linda M. Lash.

AWBERC Library, Cincinnati

HF5415.5.L37 1989

#### **Delivering Quality Service: Balancing Customer Perceptions and Expectations**

Valarie A. Zeithaml.

AWBERC Library, Cincinnati

HF5415.5.Z45 1990

#### **Winning Ways: Achieving Zero-Defect Service**

Jacques Horovitz.

Region 3 Library

HF5415.5.H6313 1990

#### **How to Develop Quality Measures that are Useful in Day-to-Day Management**

This paper has been prepared by staff of the Federal Quality and Productivity Improvement Program in the Office of Management and Budget.

PB91-155150

Region 9 Library

HF5414.4.H687

#### **Customer Satisfaction through Total Quality Assurance**

Robert W. Grenier.

Region 3 Library

TS156.6.G74 1988

#### **Purple Pages**

Jeffrey Feinman.

AWBERC Library, Cincinnati

HC110.C63F4

#### **Administration as Service, the Public as Client**

OECD

Headquarters Library

JF1525.P8A36 MGMT

**Customer Connection Quality for the Rest of Us**  
John Guaspari.  
AWBERC Library, Cincinnati

HD38.G765 1988

## **B. Videocassettes**

### **Listening Leaders**

Video Arts, 1989.  
(30 minutes)  
Headquarters Library

HF5415.5.L57 MGMT

### **Customer is Always Dwight: How to Achieve 100% Quality the First Time, Every Time**

Video Arts Limited, 1988.  
(22 minutes)  
Headquarters Library

HD31.C87 1988

## **C. Audiocassette**

### **How to Give Exceptional Customer Service**

Lisa Ford.  
Region 3 Library

HF5415.5.F67

## **D. Management Journals**

### **Administrative Science Quarterly**

Published quarterly by the Johnson Graduate School of Management at Cornell University.

### **California Management Review**

Published quarterly by the Haas School of Business of the University of California, Berkeley.

### **Harvard Business Review**

Published bimonthly by the Graduate School of Business Administration, Harvard University.

### **Public Personnel Management**

Published quarterly by the International Personnel Management Association - United States.

### **Supervisory Management**

Published quarterly by the Sloan Management Review Association, MIT Sloan School of Management.

### **Training**

Published monthly by Lakewood Publications Inc.

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**1. LEADERSHIP STYLES**

by Sigrid N. Smith, December 1991  
EPA/IMSD/0/91-019

**2. TEAMWORK: EMPLOYEE INVOLVEMENT**

by Sigrid N. Smith, September 1991  
EPA/IMSD/91-013

**3. PUBLIC POLICY MECHANISMS: NON-REGULATORY OPTIONS FOR ENVIRONMENTAL PROTECTION**

by Sigrid N. Smith, June 1991  
EPA/IMSD-91-006

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by Sigrid N. Smith, March 1991  
EPA/IMSD-91-002

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by Mary Hoffman and Sigrid N. Smith, January 1991  
EPA/IMSD-91-001

**6. MANAGING A DIVERSE WORK FORCE**

by Anne Twitchell, June 1990  
EPA/IMSD-90-007

**7. PROJECT MANAGEMENT**

by Anne Twitchell, June 1990  
EPA/IMSD-90-1990

**8. STRATEGIC PLANNING**

by Anne Twitchell, March 1990  
EPA/IMSD-90-005

**9. TOTAL QUALITY MANAGEMENT**

by Anne Twitchell, December 1989  
EPA/IMSD-89-009