

Creating Alignment with the Leadership Team Part 3

CUSTOMER INTIMACY

Last month, we focused on leveraging the opportunities provided by the global response to COVID. The month prior, we were focused on the principle of having a Long-Term View, even at the expense of short-term financial goals. In this month's blog, we will cover the 2nd of our Seven Guiding Principles: Customer Intimacy.

Most people understand the importance of the final customer, but by extending our understanding to include the notion that the next process IS the customer, we can open up the idea that every step in our process has a customer-supplier relationship. In this relationship, we must strive to not make defects in our current process, not accept defects from the supplying process and not send defects to the next process. The process that receives the work we produce is our customer. We must give our customers what they need, when they need it, and how they need it. This will require us to actually understand what they truly need, by when, and in what manner. Unfortunately, too many people guess. By practicing upstream management, we ensure we don't AMPlify (Accept, Make, Pass) defects. Quality cannot be inspected only at the end of the process just prior to delivery to the final customer. We must ensure that quality is passed from step to step in each and every process. If we allow defects to exit a process, we are not being respectful to the next process, which we now know as our customer. If this failure isn't addressed, it will also set the stage for the receiving process to allow defects to be created and passed on to its customer. The quality death spiral will ensue. As a management team, we must stop and fix quality the first time. You will be tested on whether you truly believe this on a daily basis. How you respond will determine the ultimate quality of your product or service.

LINE BACK

As we focus on the customer, we will eventually conclude that there is a customer-supplier relationship between the support groups (including management) and the value added flow. Line Back is the concept of everyone and every group in the company understanding that the company doesn't exist for each group's benefit. The people directly adding value to the product or service actually comes first. The other groups are necessary but are value-aiding at best. Therefore, the support groups must determine what must be done to support the value added flow and remove waste from the value added flow. Once the support groups have determined how they can provide support and remove waste, then the support groups must do it as efficiently as possible, even if it means taking the waste into their groups. Too many times we have seen functional groups focusing on functional excellence while moving their function's work to the value added flow in the name of efficiency. We have also witnessed support functions removing resources to improve their costs. However, they weren't being effective in the eyes of the customer, and now they don't have the resources to become effective. This is often seen in maintenance groups, for example. The practice of effectiveness before efficiency means that we are meeting the needs of our customers prior to cutting resources in any given area. Remember, "We are here to serve the value-providers. They are not here to serve us!"



ANTICIPATE NEEDS

Eventually we would want to be tuned-in to our customer well enough to understand and even anticipate their needs in relation to what they need, when they need it, and how they need it. We should always remember that our customer is both the next process and our external customer. Market-In is a way to ensure we anticipate our customer's unstated or latent needs and desires. It is quite possible that the customer has needs that aren't even known, but we can anticipate those needs and create delighted customers. By observing our customers utilizing our outputs (as their inputs), we can identify ways to make our output more effective for them. Consider this: Toyota came to the US to film customers using cars. Toyota filmed numerous interactions between people and vehicles and, upon analysis, were able to make the following changes that are now industry standards.

1. The opening of the trunk was lowered by extending the sheet metal flush with the bumper, so customers wouldn't have to lift the groceries so high to get them in the trunk.
2. Key Fobs were produced to open the doors and trunks without anyone having to insert the key.
3. Kick Plates on the trunks were installed to ensure the trunk opened on its own once the latch was released.

If Toyota had asked consumers what they needed in a car during this time period, customers may not have considered the items outlined above. Watching our customers use our products or services (or a similar product/service) will lead us to discover many improvements our customers don't even know they might want or need. When observation and implementation is done properly, your customer will say things like, "Wow! They have thought of everything!"

Stay tuned for next month's blog when we will discuss the next principle to ensure your leadership team is aligned. Does your team have Customer Intimacy? Do your support functions practice the Line Back concept? Do you practice Market-In with your external and internal customer? If you answered NO to any of these questions, Drive Inc. can help. We are experienced professionals who can coach your team through the process of gaining alignment around this principle. For a no-obligation introduction meeting, please contact Paul Eakle at paul.eakle@driveinc.com or 865-323-3491.

