

## **TOP MANAGEMENT: WHO'S THEIR CUSTOMER?**

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**Time has shown that there is one key ingredient common to all successful quality programs: they are led from the top down. Top management is committed, involved and believes -- unequivocally -- in the benefits and strategic necessity of quality improvement in every area of the business process.**

**Yet, many operations managers, supervisors and workers are struggling to launch and maintain a bottom-up quality improvement campaign. Although they have identified and believe in the benefits that a quality program will bring to their organization and to their daily work environment, they confront only marginal -- at best -- involvement of top management. Unfortunately, this means that their efforts will only be -- at best -- marginally effective.**

**So how do you get top management involved? How do you get them to catch the quality bug from you? There isn't a definitive answer to this perplexing question, but here are few ideas:**

**First, it's important to be sure you're speaking their language -- \$\$\$\$\$ -- and addressing their vulnerabilities. You need to identify and present to them the key issues --- with numbers. For example: cost of quality, cost of poor quality, cost/benefits analysis of a quality program and cost-added vs. value-added analysis of target improvements.**

**The vulnerabilities include: profits, lost accounts and unhappy customers.**

**Problem is, the numbers and vulnerabilities -- no matter how compelling -- seem to fall on deaf ears if there is no crisis. It's easy, then, for top management to put you off with, "What are you talking about? Things aren't so bad. We're making money."**

**When this is the situation, you can find other "hot buttons," or incentives, that will capture top management's attention and inspire them to espouse change.**

**The answer just may lie in applying the central concept of the quality program itself to your dilemma: Who's your customer? What are your customer's expectations? Further, who are your customer's customers? And how do those customers' priorities shape your customer's needs?**

**In this scenario, your customer is top management. Have you ever thought through who top management's customers are? Who they have to answer to for "quality?" How their customers define, "quality?"**

**Obviously, top management's customers are our customers -- the outside customers to whom we send invoices. But they also have another set of customers -- very important, influential customers -- whom most of us never see. They include: board of directors, investors, family (if privately held), investment bankers, analysts (if publicly held), stockholders and peers in top management.**

**Chances are, these customers don't sit and talk with top management about quality of the company as an investment. "Value-added" means the value added to the shares. What are these customers telling top management is important to achieve top quality? What are their expectations? Using what strategies? In what time frames?**

**Look again at the top management structure of your company. Can you identify these influential customers? Look at your company's directors and consider the companies they work for as well as the other companies where they sit on the board. What successes have these companies had with quality programs? Have any of them used quality as a vehicle to improve the quality of investment?**

**Look at the annual reports of other companies that have had great success with quality programs. Read the parts where they position that success -- describing the costs they incurred versus the benefits they gained -- for the perception of the investment community.**

**If you are a shareholder in your company, take off your operations hat for a moment and put on your investor hat. What would you expect the cost committed to developing and maintaining a serious quality program to yield in terms of perceived value of the company and appreciation of shares?**

**Next, prepare your persuasive pitch to win the leadership of top management from another angle: a strong public image analysis. Prove to top management that not only will the quality program yield savings along defined time lines, it will also create a communications asset that can be leveraged in messages used in marketing, customer service, public relations and the investment community.**

**It's your role, when selling the quality program to top management, to give them the vision and persuasive points that they need to sell their customers -- the directors, investors and shareholders. Be prepared to show them how quality adds value, not only to the product, but to the company and, ultimately, to their investment.**