

Climbing the stairway to service

World-class customer service is complex but not complicated and can only be achieved through the commitment of the entire enterprise.

Customer service is the differential advantage of leading companies today and will continue to provide distinction throughout the 21st century. This is your primary face to customers and the way they measure you against your competitors. In the global e-enabled marketplace of today, cost and quality of products and services do not provide sustainable differential advantage alone. It is the vendors, manufacturers, distributors and retailers with world-class service records and competitive value in the marketplace that are able to maintain and grow their customer base.

Service is not the sole responsibility of the order-entry department, shipping personnel, inventory control or sales associates. World-class customer service can only be achieved through the commitment of the entire enterprise. Customer service performance is the key measurement of supply chain effectiveness. The best products, low-cost distribution, innovative new product development processes, e-commerce solutions and new enterprise resource planning (ERP) systems will not sustain or grow your business without competitive customer service.

World-class customer service is complex—but not complicated. Because the contributions—or barriers—to service take the form of the weak-link analogy, service performance will rise to the operational level of the weakest component. Teamwork is critical to customer service performance. Silos of functional excellence must be integrat-

ed to meet customer needs in what can be called “integrated marketplace management.”

Consider the real-life example of a consumer goods manufacturer looking to improve the customer service performance of its organization. The company had acquired a competitor, hired a new CEO, was in the middle of an ERP implementation and customer service was a major issue. The eventual plan included a time-phased, stepped-stair approach—or “stairway to service”—for the enterprise to improve service to its customer base (see chart).

This type of approach recognizes the complexity and overlapping business processes required for customer service performance to be met. Most organizations cannot, and would not, want to do everything at once. The detail and order of the steps would vary from company to company, as they are dependent on the degree to which the individual business processes are broken, interdependent and complex.

The benefits of the stairway approach are improvement in integration, the ability to realize the easier gains first, improved resource allocation and little to no interruption in service. The plan is to customize according to the circumstances of the organization: capital, talent, systems and urgency.

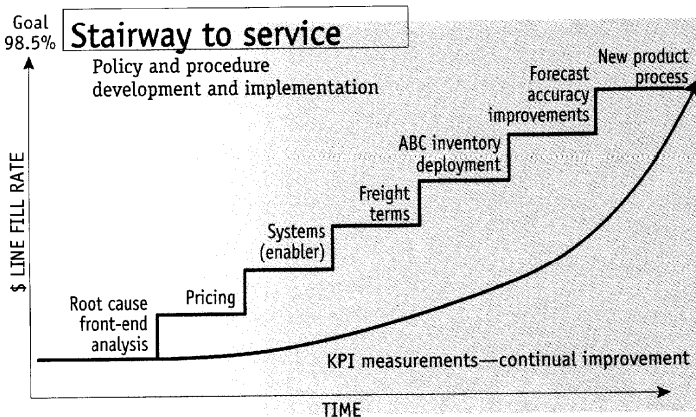
The process begins with the diagnostics of all the contributing business processes within the supply chain related to their impact on customer service performance. The plan is developed based on identifying what needs to be fixed and how to fix it, prioritizing activities and, finally, matching against the available resources (i.e., customize on a case-by-case basis). Business process re-engineering, SOP development, information systems and organizational development generally will be included in some way.

This approach is more digestible for the organization and less visible to the customer. However, the organization must have the fortitude to stay with the plan, as the gains come in smaller increments and take longer to realize.

The stairway to service implies that improvement in this key business metric occurs in small steps. The model recognizes that most organizations cannot do everything at once. Activities to improve customer service encompass many areas of the organization. The stairway to service model also helps illustrate simply the order/timing/gain associated with all the business process improvements being pursued. □

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Food Forum is an opinion column designed to open discussion on industry issues. Submissions may be sent via fax to Priscilla Donegan at 203-730-9553 or e-mail to PrisDone@aol.com.



This chart demonstrates the complexity of the integration involved in the “stairway to service” approach. However, the components themselves are not complicated. Successful customer service is the measure of the entire supply chain. The business processes to be re-engineered or integrated in this example began with sales, went through the supply chain and ended up back in operations. The stairway is supported by policy/procedure development and key performance indicators (KPI), as these provide the structure for integrated business processes, operational excellence and continual improvement.