

Customer Feedback

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If a customer has an issue with your products or services, some customers will complain; some will say nothing; other customers will simply take their business elsewhere, and unfortunately, you will probably be the last to hear about it. Your customer's perception of your performance varies considerably from your own, and in most cases, you're not doing as well as you think.

Repeat orders don't indicate satisfied customers. What they do indicate, is that your customer hasn't found an alternative supplier that does a better job. While some customers are extremely loyal, many are just waiting for a better option to come along. You won't have high customer retention rate if you don't do a good, make that great, job.

We can often relate "good" to degree that we were able to meet customer requirements and needs. The term "great" however, is much more ambiguous; it relates more to customer wants and expectations, as well as our ability to surpass them. If we do what we've agree to, on the date it's agreed, for the price agreed, we can assume we've done a good job. Our internal perception of our performance is of little value; the only opinion that matters is the customer's.

Only by continuously meeting the requirements of our customers, and relentlessly working to exceed their wants and expectations, can we ensure genuinely satisfied customers (and long-term customer retention). Customer requirements continuously evolve and their wants and expectations are dynamic. Perception is just as important as actual performance, and there's no way to gauge a customer's overall experience without asking – How well did we perform? What can we do better?

Below is an overview of a basic customer feedback process, which breaks down each activity into one of four primary steps: Development, Distribution, Recovery, and Analysis/Reporting. There is no one-size-fits-all solution or approach, but this should be enough to get you started.

Development

There are a variety of methods for acquiring customer feedback; each method has its own particular strengths and weaknesses, and requires varying degrees of resources. Methods for obtaining feedback may include surveys or questionnaires, user groups or smaller focus groups, one-to-one interviews and more. For the sake of brevity, I'll stay away from any discussion on survey design here, but such methods for monitoring and measurement should be controlled appropriately; the development process should ensure that the method is reliable, repeatable, and that the information it obtains must not only be quantifiable, but must also be relevant to the organization, and to the achievement of its stated goals and objectives.

Distribution

In order to obtain useable, relevant information, we need to ensure that we reach the right personnel within the customer's organization. In larger organizations, this can be a daunting task; with silo-like structures common to both organizations, it is not unusual to end up approaching the wrong individual or department. While obtaining information from the purchasing department, accounts payable, or

another party that wasn't directly involved in the work performed may help your feedback rating (most will say "great job- excellent!"), it will accomplish little more than a virtual "pat-on-the-back" – this information is useless. The only source of information that matters is from the actual user of your products or services. Your sales, production or service personnel usually know who to contact and can often provide valuable assistance in collecting this feedback.

Recovery

While finding and contacting the right people can be a challenge, it is a minor setback when compared to soliciting a response to our feedback request. The primary obstacle is that we really don't have any sort of "carrot" – there's no reward to offer our customers for its timely (if ever) return. Feedback tends to come quickly if there's a problem – the customer wants the prompt resolution of their issues. If there's no issue (except possibly marginal performance), feedback becomes much harder to solicit, as there's little to no motivation to respond. Some retail chains have found that by offering coupons or other incentives for completed questionnaires it is easier to obtain this information. Other companies may hold a drawing or offer prizes, as appropriate; some companies may make a charitable donation each time feedback is given. Again, there are no one-size-fits all solutions, and trial and error may be needed to determine the one that works best for your situation.

Analysis and Reporting

The final step of this feedback process is the analysis and subsequent reporting of the information that has been obtained. How this analysis is performed is going to really be based upon the feedback methods used, the type of information that's acquired, and the degree of reporting that is required by the organization's management. Quite often, advanced statistical techniques are unnecessary, and tend to serve the ego of the analyst more than the needs of management.

Reporting may trigger other processes, such as those used for corrective or preventative action, and this data may subsequently be used as input as part of the organization's process for management review. As I mentioned above, the information that is obtained through this process must be relevant to the organization, and to the achievement of its stated goals and objectives. Not only must this data be informative, it has to be actionable.

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