

APPLYING PRINCIPLE OF CUSTOMER FOCUS IN BUSINESS PRACTICE

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Abstract: Every organization depends on its clients, therefore it has to understand their current and future needs, it has to meet their requirements and strive to overcome their expectations. The article is focused on implementation of the principle of quality management "customer orientation" as one of the fundamental principles of quality management. The article presents the part of the results of the survey which was realized in the framework of the research project VEGA no. 1/0229/08. One of the objectives of the research project was to map the current state of implementation of various principles of quality management and consecutive comparison of the level of realization of quality management in industrial sectors with the requirements of various models of quality management system.

Key words: quality management system, customer's request, customer's satisfaction

1. INTRODUCTION

Every effort in organization must lead to satisfy customer needs as in a competitive environment the satisfying of customer's needs is not only the main condition for the survival of any organization but also a prerequisite for long-term success. Characteristics of a successful business are given by the ability to consistently exceed the expectations of customers. To meet the expectations of customers only means to satisfy them, to overcome their expectations means to please them. Many of today's customers want the highest quality, additional services, great user convenience, individual adjustment, the possibility of returning unsatisfactory goods, warranty and all these for the lowest price. (Šatanová, 2000)

2. PRINCIPLE OF CUSTOMER FOCUS

Customer focus is one of the fundamental principles of quality management on these principles are based international standards for quality management systems but also the concept of Total Quality Management (TQM). The realization of this principle according to ISO 9000 means that "the organizations depend on their customers and therefore should understand their current and future needs, should meet customers' requirements and strive to exceed their expectations."

The standards strongly encourage focus on defining the needs of all stakeholders, who are internal customers, agents, external customers and end-users.

Applying the principle of customer focus in the organization leads to the following activities:

- Examining and understanding the needs and requirements of customers
- Harmonizing the goals of organization with the requirements and expectations of customers
- Customer satisfaction measurement and action on the basis of the results
- Systematically management of relationship with customers
- Ensuring a balanced relationship between customers and participated sides (owners, employees, suppliers, region,..).

Customer's orientation is the first level of programming quality. It focuses on knowing the customer, his requirements and understanding these requirements. Customer orientation, therefore, begins by clarifying customer requirements, assessing the current level of processes with regard to these requirements, by assessment of planning steps to meet customer requirements and ends with creating action plan which contains a definition of the individual time steps aimed at improving of processes. To meet the needs and expectations of customers and end-user management of the organization has to:

- understand the needs and expectations of their customers, including potential customers,
- identify the key characteristics of product for their customers and end users,
- identify and assess the competition on the market,
- identify the market opportunities, weaknesses and future competitive advantages. (Šalgovičová, 2006)

3. RESULTS AND DISCUSSION

In the framework of a research project aimed to developing a quality management perspective in relation to requirements of the Slovak market we are dealing with issues of application of eight fundamental principles of quality management in business practice. The project aims to draft a system solution for efficient and effective application of fundamental principles of quality management requirements with regard to business practices in accordance with the assumed directions of development of quality management theory and the needs of today's market. The basis for this proposal is to examine the current state of theoretical knowledge of quality management and analysis of the principles of quality management in business practices.

In the first stage of the project, we conducted a survey to assess the current status of the application of fundamental principles of quality management and compare the level of meeting the various requirements in different industries in Slovakia. The survey was conducted by method of questionnaire and was attended by 124 organizations in Slovakia from different industries. During evaluating data, we divided the organization into three groups according to the kinds of industry. Structure of surveyed firms according the kinds of industry was as follows: 33% automotive industry, 30% the engineering industry, and 37% other industries. The vast majority of organizations surveyed have implemented and certified quality management system.

In the questionnaire were questions aimed to find, how are realized in practice the activities concerning principle of customer focus to two areas of issues:

- identifying the requirements of customers and their conversion into products' characteristics,
- monitoring and measuring customers' satisfaction

1. Can you identify and define your customers?

In determining whether the organizations can define and identify their customers, the overwhelming majority of

respondents (from 124 surveyed organizations as many as 105) answered positively, 15 respondents said that they can identify their customers only partially, and only four organizations responded that they cannot identify their customers. The results are shown in Fig.1

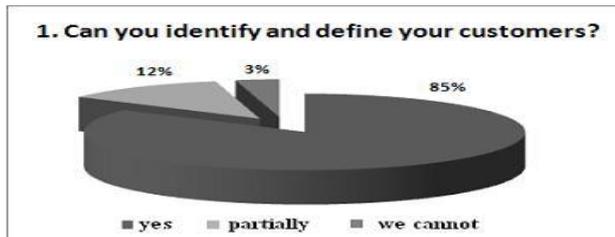


Fig. 1. Graphic representation of responses to questions

2. How do you identify requirements of customers?

During examining how the organizations identify the requirements of their customers, the respondents had choice of the following responses: via questionnaires, direct interviews with competent people, via market research by external organizations and others. The respondents could select multiple options from answers. 33 of all respondents indicated the questionnaire as the survey of requirements, 91 respondents indicated a direct conversation with competent people and only seven respondents indicated a market survey by an external organization and 26 respondents indicated other forms of survey of customers' requirements (e.g., marketing surveys, meetings with customers, monitoring complaints, etc.)

3. When do you perform a review of customers' requirements?

Asked about the implementation of the review requirements of the customers most of the surveyed organizations said that they have always carried out a review (85 respondents), 17 responded that a review is carried out for each new customer, 13 respondents conducted a review, if required by the organization's management and four stated that only for large contracts. Graphic representation is on Fig. 2.

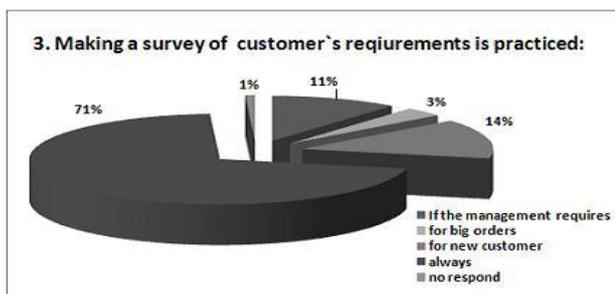


Fig.2. Graphic representation of responds to question no.3

4. How do you inform customers about the products of your organization?

When asked about informing customers about the products of organization, the following answers were presented: 22 respondents use the media, 87 apply personal contact, 37n apply product presentations and seminars, 77 inform via web sites and other options stated 16 (e.g. participation in trade fairs, through offer letters, etc.).

5. How is the communication with customer provided?

In applying the principle of the organization's focusing on customer the key area is communication with customer not only in pre-production stages in identifying customer's requirements and their projections into the characteristics of the products but also throughout the life cycle. In the survey, we have found very positive facts (shown in Fig.3). Communication with customers is provided (Fig.3.):

1. throughout the product life cycle (from survey of requirements to survey of needs satisfaction) in 87 respondents

2. from the signing of contract until the delivery of the product and feedback survey in 27 respondents

3. when signing the contract and the delivery of the product in 12 respondents

4. when handling claims respectively complaints in 10 respondents

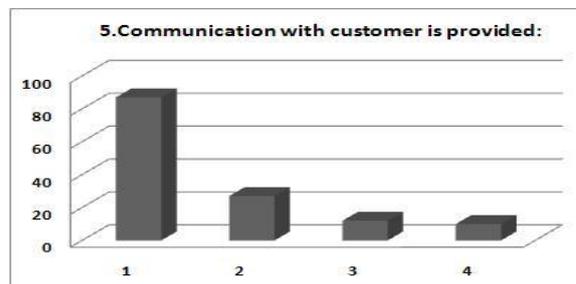


Fig. 3. Graphic representation of responds to question no.5

4. CONCLUSION

With regard to the processes related to customer, based on the requirements of standards and made analysis, we can allege that the vast majority of organizations understand the need for customer focus principle and its application in industrial practice is quite good. Determining of requirements for the product is not only important for the implementation of new products to the market but also for continuous improvement in quality management. Processes related to the customer play an important role. (Paulová, 2009)

During their implementation, the communication is very important, both for the organization as well as for the customer. The customer usually wants to find the most information at the time of purchasing the product and putting it into service. The customer communicates less over the use of the product. Organization in turn communicates with customers at this stage information on the evaluation of performance, durability, safety and reliability. Proper communication helps to optimize processes after the delivery of the product. The relationship of producer to customer does not end with a successful sale. Through after-sales activities, management should fulfil the principle of customer orientation to analyze all relevant factors affecting the perception of the quality of the product users. Customer relationship management, which includes all the important processes associated with customer relations, is a key factor in company success. It enables organizations to achieve optimum customers' satisfaction in accordance with the principle of customer focus. (Kučerová & Ml̄kva, 2010).

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