

Factor in customer expectations before designing a product. Otherwise, it could cost you dear.

**SPEED
LEARNING
CAPSULE**

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3Cs-chairman, carpenter, consultant

The Vice Chairman of a quasi-government tractor manufacturing company was distraught. I had just announced the start of Qimpro. Facing each other, he and I sat on crates in my office, as the carpenters banged away. That was twenty-five years ago.

The visiting leader explained that he had taken on the challenge to compete with international brands of tractors in India, five years back. He believed in his technology and engineering abilities to design a tractor that the farmers wanted, feature by feature; and to manufacture that state-of-the-art tractor free from deficiencies.

He further explained that the production lines were streamlined. They had flexibility plus agility. The tractors conformed to every design

specification. His quality management practices were extracted out of *Juran's Handbook of Quality Control*. Storybook perfect.

So what was the problem? Apart from the carpenters banging?

The market share results did not translate to his expectations. He had barely managed a 3% market share, nationally. The leader in this business had a 30% share. The next five cumulatively accounted for 60%.

Why were the tractors unable to compete? They were, in fact, smarter in design, lower in cost, and had longer warranty periods. Besides, the tractors were assured of a proficient after-sales service.

It was late in the evening. The carpenters had closed shop for the day. There was a deep silence in the room. Only our minds were silently ticking.

Ten minutes later (which seemed like ten hours), the consultant in me asked two simple questions:



Have you met your customers? Have you met your competitors' customers? That was like dropping a bomb in a graveyard. The ghost of assumptions arrived laser sharp.

Our action plan was immediate. The Vice Chairman and I decided to conduct an autopsy. Our mission: why were farmers not purchasing our tractors?

It took a sample of only nine farmers to complete the research. The following were the type of responses:

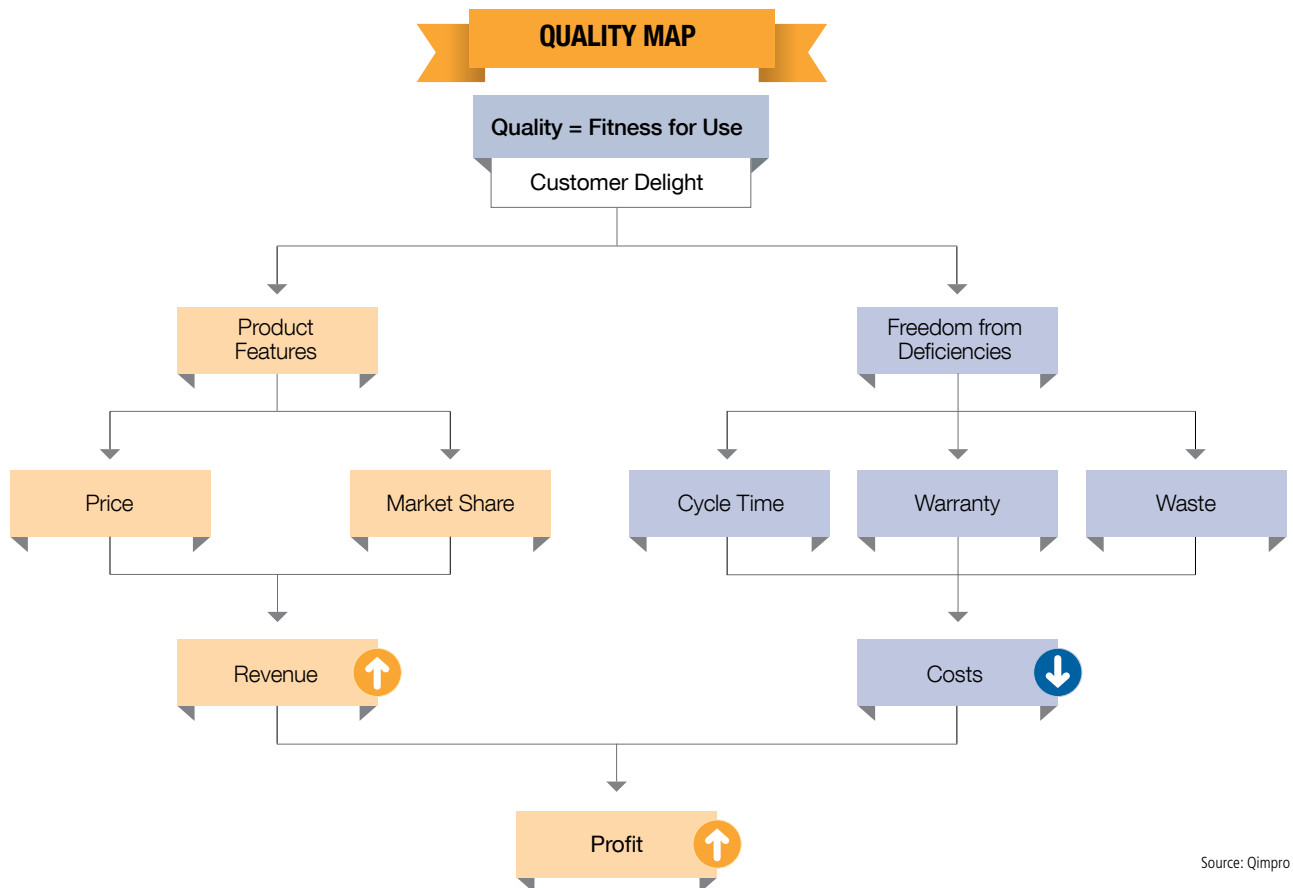
- Your tractors are not fit for social use.
- In particular, we need to use tractors during family wedding processions (*barat*).

- We cannot accommodate more than four family members on a tractor.
- The bumpers of your competitors tractors can carry the load of six more passengers. Your bumper collapses with four.
- We tried using the mudguard for seating our children. It collapsed.

The designer in the Vice Chairman took charge. Five years later, this company had galloped to 22% market share, ahead of the previous market leader.

Lessons Learned

1. Every leader must visit customers to understand 'fitness for use.'
2. Listen to the voice of customers.
3. The customer is always (almost) right.
4. Customer satisfaction is a ratio of customer perception and customer expectation



Source: Qimpro



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5. Customer expectation is the troublemaker.
6. Design capability is an unparalleled strength.
7. Do not design based on assumptions, particularly usage.
8. The vision should generate fire in the belly.

Over the years there have been innumerable definitions of 'quality'. Here are a few that I have come across:

- Conformance to requirements
- Fitness for use
- Features and characteristics of a product or service that determine its ability to satisfy stated or implied needs
- Degree to which a product, function, or process meets the customer's and user's requirements.

There are many more. However, I am most comfortable working with the definition articulated by Dr. Joseph M. Juran, quality guru of the 20th century. His definition: fitness for use.

On a closer examination of this definition, it is clear that fitness for use can only be accomplished by:

- Having the right product and service features
- Producing and delivering the right product and service free from deficiencies.

Having the right product and service features is the reason customers purchase your products and services, as against those offered by competitors. Customers vote for your products and services with their money. In turn, this builds the revenues of an organisation. Having the right product and service features also leads to customer satisfaction.

Producing and delivering products and services with some deficiencies results in customer complaints and, at times, even rebellion. Deficiencies burden the organisation with wasteful costs of rework, scrap, excess inventory, high cycle time, field failures, and more. It also leads to customer dissatisfaction.

Deficiencies create problems. These deficiencies can be found in the organisation's products and services, as well as functions, processes, and systems. **IM**

(This article is second in the three-part series on quality.)



ABOUT THE AUTHOR

Suresh Lulla is Founder and mentor, Qimpro Consultants Private Limited, a focused quality management consultancy. He is also the author of *World-Class Quality: An Executive Handbook and Quality Fables*.