

Key Words and Phrases

Define or describe the key words and phrases listed below.

Malcolm Baldrige Quality Award

Arthur Quern Quality Award

Questions and Exercises

1. List and describe the stages of continuous maturity improvement.
2. Why do very few organizations reach the integration stage of maturity in continuous improvement?
3. Researchers argue that it is extremely difficult for organizations to move from Stage 3 to Stage 4 in the maturation of their continuous improvement efforts. Why should this be so?
4. Does the fact that ECS is in the insurance business make its experience more or less useful for other insurance organizations? Explain.
5. Based on the reading, what stage of maturity has USAA reached? Give reasons for your answer.

6. Of the insurance organizations, other than your own, with which you are familiar, which one do you admire most? Why? Can you establish the stage of maturity it has reached from your knowledge of it? If so, what is it?
7. How do awards encourage continuous improvement efforts?
8. "For continuous improvement efforts to succeed, they must be industry wide." Does the reading material support this statement? Explain your answer.
9. What are some of the advantages and disadvantages of competing for the following awards:
 - a. A continuous improvement award that is restricted to one industry
 - b. A continuous improvement award that is open to representatives of many industries

10. The owner and president of Fairshake Insurance Agency announces at a staff meeting that the agency will launch a major continuous improvement effort the next month. After the meeting, the office manager tells CSRs, "The latest fad. The program of the month. Don't worry about it." What must the president do to reach the first stage of continuous improvement maturity?
11. The members of the underwriting department of Shakey Casualty recently completed a course in continuous improvement and statistical tools. A combination of consultants and in-house trainers offered the courses. "I thought we were supposed to start using what we learned," one of the underwriters complained to a trainer a month later. "We're doing the same old stuff." What stage of maturity has Shakey apparently reached? Give reasons for your answers.
12. Compare the continuous improvement methods used by USAA and ECS with those described in this course. How are they similar? How do they differ? Why?
13. Which of the following stages of maturity is considered a "breakthrough"?
 - a. Consensus
 - b. Deployment
 - c. Integration
 - d. Education
14. Organizations that engage in continuous improvement are often described as "learning organizations" because of the activities associated with which one of the following stages of maturity?
 - a. Integration
 - b. Consensus
 - c. Education
 - d. Deployment

15. Problem solving, the third stage of organizational maturity, is characterized by:
 - a. Widespread study of continuous improvement concepts and tools.
 - b. The promulgation of mission and vision statements.
 - c. A senior management commitment to quality.
 - d. Departmental or functional improvements.

16. Education, the second stage of organizational maturity, includes:
 - a. Learning mission and vision statements.
 - b. Merging continuous improvement and the business strategy.
 - c. Formation of teams or quality circles within departments.
 - d. Tackling cross-functional processes.

Faster Is Not Enough

If most of the calls you receive are attempts to have questions answered or problems solved, why can they become confusing and time-consuming? In general, there are two reasons.

First, the motives of the calls imply that there is some difference between your level of knowledge or access to information and that of your callers. Second, human speech can be comprehended much more rapidly than it is usually spoken. Some researchers have concluded that while most people speak at the rate of 120-160 words per minute, we can fully comprehend up to 500 words per minute. In even a brief conversation the listener has to guard against daydreaming, doodling, or trying to do something else while listening to a caller's problem or question. You can help minimize both of these causes of confusion by establishing a pattern for handling calls.

The steps in this pattern are:

1. Listen to the caller's problem or question in full.
2. Ask questions about the caller's statement.
3. Restate the caller's problem or question and ask for confirmation that you understand what the caller wants.
4. If possible, solve the problem or answer the question and ask the caller whether your response is satisfactory.
5. If you cannot immediately solve the problem or answer the question, tell the caller what you propose doing and ask whether that will be satisfactory.
6. Jointly outline with the caller what is to be done next, by whom, and when.
7. End the conversation in a way that invites the caller to clarify any possible doubts or misunderstandings—"Do you have any other questions?" or "Is there anything else I can help you with?"

LARAPOE—Listen, Ask, Restate, Answer or Propose, Outline, and End—may help you remember the steps to this conversational pattern.

It is a good idea to make notes while you are on the phone. Preparing notes will not only help you focus on the caller's problem or question, but also will keep you from relying on your memory when it comes time to follow up. Some people find it helpful to write LARAPOE across the top of their note pads and check off the steps as each conversation proceeds through them.

Some students of continuous improvement argue that the single biggest cause of customer dissatisfaction—and multiple phone calls—is the real or perceived failure of service providers to perform as promised. This cause of dissatisfaction can be avoided if you follow the pattern described here, make notes, and follow up in the way you agree to do.

Before You Finish

- _____ I have achieved the educational objectives for this assignment.
- _____ I am prepared to take the national examination and have arranged to do so.