

Key Words and Phrases

Define or describe the key words and phrases listed below.

The strategic definition of quality

Work process measures

Output measures

Voice of the process

Voice of the customer

Outcome measures

Implicit customer expectations

Explicit customer expectations

Latent expectations

Questions and Exercises

1. Draw a work process model that depicts one of the processes you engage in at work.
2. Identify at least one process measure for the work process model you drew for Question 1.
3. Several processes at the IIA Insurance Company resulted in issuing a Businessowners Policy to Sarah and Walter Raleigh, the owners of a bookstore. Can the policy be described as an output? What would the outcome be in this case? Give reasons for your answers.
4. Give an example of an output measure and an example of an outcome measure that could be applied to your answers to Question 3.
5. Of "faster, better, cheaper," which of these three criteria is easiest to measure?
6. Discuss the eight dimensions of quality and how they might be applied to the insurance business.

7. Name and discuss in your own words each of the RATER criteria.
8. Name and describe in your own words the three levels of customer expectations.
9. Describe “delight” as it relates to customer satisfaction.
10. What might cause an insurance consumer to feel that an implicit expectation has not been met?
11. Discuss the relationship between the levels of customer expectations and an organization’s ability to retain customers.
12. The turnaround time established for issuing an insurance policy is a(n):
 - a. Work process measure.
 - b. Organizational measure.
 - c. Outcome measure.
 - d. Output measure.

13. What the customer does with an output is the basis of:
 - a. Implicit expectations.
 - b. Latent expectations.
 - c. Process measures.
 - d. Outcome measures.
14. Researchers have found that:
 - a. Customers are indifferent to price.
 - b. Customers always buy the cheapest products and services.
 - c. Customers are not sure what they want.
 - d. Customers consider price to be a criterion of quality.
15. The RATER criteria include which one of the following?
 - a. Relaxation
 - b. Attitude
 - c. Tangibles
 - d. Energy

Faster Is Not Enough

Customer expectations are determined in large part by past experiences. These expectations change rapidly now because of what is sometimes called the electronic revolution or the information explosion. As technology increases the speed of transactions, the patience of customers seems to decrease.

Jane Shaw is a producer who has specialized in writing motorcycle coverage for years. She originally pursued this specialty because she owned and drove a motorcycle herself and was a member of a local motorcycle club. The specialization allowed her to combine business with pleasure.

She began to write this business by obtaining expiration dates from club members, talking with them about their insurance needs, and quoting on the business of club members. She often met with prospects in their homes, at their places of business, or in her office and completed an application while discussing the relative merits of their bikes or chatting about events sponsored by their club. She then sent the application to the insurer and waited for a quote she could present to the prospect. There was a certain amount of pleasure associated with this leisurely process, and no one thought about the time it took.

Recently, Jane chuckled to herself when one of her oldest and best customers called to say he had just bought a new bike. Jane cranked up her computer, asked a series of questions, keyed in the information, and waited for the software package to produce an estimated premium she could give her client over the phone. While she was waiting for the quote, her client broke the silence by asking, "What's the holdup, Jane?"

After giving her client the quote, it occurred to Jane that while his reaction made her chuckle, she would do things a little differently in the future. She realized that what had made a very brief period of time seem long to her client was her silence.

Silence is to the ear what darkness is to the eye—an aid to rest and relaxation but a perceived obstacle to accomplishing things. It can cause uncertainty and frustration. Many of us have to do things to help customers while the customer merely waits. You can make that wait go quickly and relieve anxiety and frustration by talking to the customer. The most useful way to avoid silence is to tell the customer exactly what you are doing each step of the way—the equivalent of adding an announcer's voice to a ball game on television.

The next time Jane gave a client a quote over the phone, she found it a little awkward but she gave the client a play-by-play description of what she was doing. When neither of them had anything to do but wait for the computer to calculate the premium, she talked about bikes, the club's activities, and mutual friends—the way she used to do when she met with clients and prospects in person.

1. List any processes you have to perform while a customer merely waits—either on the phone or in person. (If you never find yourself in this situation, go to 3.)

2. Time each of the processes you've listed in 1, and prepare a brief script that describes the steps in the process. Read your script aloud and time your reading. Can you think of ways to fill any periods of silence your script will not fill? Skip Question 3.

3. Assume that Jane Shaw works with you and has asked for your help. Prepare a brief script that could assist Jane in describing what she has to do while her client waits. Read your script aloud and time it.

Before You Go On

_____ I have achieved the educational objectives for this assignment.

_____ The one idea from this assignment I want to try immediately is