Key Words and Phrases

Define or describe the key words and phrases listed below.

Process improvement model

Flowchart

Scrap

Pareto Principle

Root cause

Variation

Common causes of variation

Special causes of variation

P-D-C-A cycle

Questions and Exercises

1. Restate the following result-oriented objective in terms of a process: Decrease litigation costs.

2. List the six steps of the Process Improvement Model.

3. Restate the following specific objectives in terms of the process.

   a. Hire and train two new CSRs within the next ninety days to prevent customers from hanging up before their telephone calls are answered.

   b. Generate $100,000 in premium volume from new commercial accounts during the next quarter.

   c. Establish an 800 telephone number with operators available twenty-four hours a day, seven days a week, so that claims can be reported at any time.

   d. Revise the guidelines on requests for loss control inspections of manufacturing risks by January 1 because of rising costs.

   e. Automate the underwriting of personal lines submissions to decrease expenses over the next two years.

4. Is it always necessary to test ideas for process improvement before implementing them? Give reasons for your answer.

5. Compare the six steps in the process improvement model with P-D-C-A.

6. Briefly describe the role of flowcharts and diagrams in process improvement.

7. Patrick Allnutt, team leader of a personal auto data entry group, finds that data entry personnel must set aside some personal auto applications because they are incomplete. An analysis of one week's worth of applications shows seventy-three lack signatures, twelve lack information on past accidents, six give no deductible amount, five do not provide the applicant's age, and four do not give the distance driven to and from work.

    Apply the Pareto Principle to this situation and write a recommendation on how you think Patrick should proceed.

8. In the P-D-C-A cycle presented by Shewhart and Deming, the C stands for:
    a. Check.
    b. Compare.
    c. Control.
    d. Conquer.

9. Which one of the following tends to view processes as tasks and specific jobs for which they have responsibility?

    a. Departments.
    b. Work groups.
    c. Organizations.
    d. Employees.

10. Causes inherent in a process that produce variations with predictable limits are:

    a. Root causes.
    b. Common causes of variation.
    c. Special causes of variation.
    d. Scrap.

11. Ultimate causes that are masked by less important causes are:

    a. Root causes.
    b. Common causes of variation.
    c. The Pareto Principle.
    d. Special causes of variation.

Faster Is Not Enough

Despite the best intentions and the best phone systems, it is sometimes necessary to place callers on hold or to transfer calls. What is the best way of doing so?

The writer Amanda Bennett found that customers are not very specific when asked what they want. She reports customers frequently make general statements about how they would like service providers to behave: "I'd like them to be nice, helpful, courteous." While these generalities might not help your organization determine its overall strategy, they do help answer the question about how callers should be placed on hold or transferred. What's wrong with saying, "There's a call on the other line. Please hold." and then hitting the hold button? What's wrong with saying, "You need to talk to someone in the billing department. I'll transfer you." and then transferring the call? In both cases, these statements may be "helpful," but are they "nice" and "courteous"? And are they most helpful to you or to your caller?

Consider the grammatical construction of these statements. The first is a command—"Please hold." The second is a declarative sentence—"I'll transfer you." In both cases, the speaker takes away the caller's options. But what happens if you turn these sentences into questions—"Will you hold, please?" or "Will you hold while I transfer you, please?" Asking these questions and waiting for a response takes a little time, but they keep the caller's options open and firmly establish that you are concerned about the caller's time.

    a.   Make a list of commands or declarative sentences that you use or hear on the phone.

    b.   Practice turning those commands and declarative sentences into questions.

    c.   Write a brief greeting you could use when renewing a conversation with someone who has been on hold.

    d.   Write a brief greeting you could use with a caller who has been transferred to you.

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