

CHIEF EXECUTIVE

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Success in Service

Don't let uncertainty threaten your performance
with customers. BY TOSHIYA MIYAGUCHI AND LARRY DENTICE

In tough economic times, maintaining connections with customers and delivering best-in-class performance can become more and more challenging. When things are changing rapidly and your organization is being called upon to make difficult decisions, the outcome can be cultural atherosclerosis. Uncertainty can have the same impact as plaque in the bloodstream—slowing down decision making until inactivity leads to paralysis and lagging performance.

Survival in this environment requires conviction and the kind of courageous customer commitment that positions winning companies well for economic recovery. Here, the CEO *must* lead. In “*What Only the CEO Can Do*” (*Harvard Business Review*, May 2009), A.G. Lafley includes “shaping values and standards” as one of the tasks of the CEO. “Values establish a company’s identity; they are about behavior,” he notes. When it comes to customer satisfaction, this translates to what your company stands for and ultimately how it treats customers—in good times and bad.

At Toshiba America Medical Systems (TAMS), we learned the price of indecision and inaction the hard

way. In 2007, our California-based company, a provider of diagnostic imaging systems, had enjoyed several years of successive sales growth and industry leading ratings in its premier CT product line. But that year, customer ratings started to decline, quarter after quarter, until the company no longer owned the top ratings position in customer satisfaction but shared its prized market differentiator with a formidable competitor. What follows is a case history in perseverance, research and an unrelenting focus on customer satisfaction leadership.

Defining Your Path

TAMS created its customer-satisfaction focused mission statement when the company faced a significant challenge early in the 1990s—flat to negligible sales in a growing market. Independent, third-party survey findings indicated current customers were just as likely to buy from our competitors as they were from us. At that time the company created its mission-marching orders: “to become the industry leader in customer loyalty by delivering quality products and services through long-term, customer-focused

relationships.” That very clear statement set the foundation for a company committed to reinventing itself and put in motion an evolution from industry laggard to industry leader.

Designing the Feedback System

Auto manufacturer Lexus served as the inspiration when Toshiba creat-

The Gift of Feedback

In *A Complaint Is a Gift*, Janelle Barlow and Claus Moller say that when customers are complaining they are invested in you. They take time to provide their perspective because they believe it will make a difference in your performance. It’s when they are quiet that you need to worry. Toshiba new-hires are indoctrinated

adjustment and scheduled two consecutive weeks of additional training to ensure that the customer understood how the system operated. Ultimately, the situation was resolved to everyone’s satisfaction.

Making Your Data Count

Company growth and success come from being in touch with your market. Early warning indicators can also help you protect your reputation. Toshiba’s survey process gathers customer feedback as close to the event as possible, allowing us to spot problems before they escalate into disasters.

A particularly challenging situation can occur when an institution currently using a competitor’s system purchases Toshiba. Systems work in diverse ways, clinical images can look different and protocols vary. Users often prefer the system they used when they learned their craft. A Pennsylvania hospital rated Toshiba’s applications and the MR product sub par. Careful investigation resolved product issues, but further communication turned up the fact that the technologists who had previously used another manufacturer’s system didn’t want to move their protocols to the new MR system. Ongoing communication with the customer via a weekly call eventually helped the hospital radiology team make the transition.

A data collection and analysis process can also help address issues before they become pervasive in the market. Sharing information with process owners and giving visibility to customer satisfaction measures throughout the organization allows Toshiba to maintain the industry’s top third-party ratings.

This data is given visibility in the organization at executive meetings,

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ed its customer satisfaction and feedback program. Launched in 1989, the Lexus marquee came to be associated with quality, luxury and superior customer satisfaction. The brand reputation grew quickly until, barely a dozen years after its founding, Lexus became America’s best-selling line of luxury motor vehicles. As anyone who has owned a Lexus can tell you, the company gathers customer feedback all along the purchase and service process. That feedback helps catch and correct problems early, protecting the company’s reputation in the market.

In 1999 Toshiba created a program to collect customer data. That data, gathered at critical junctures on the relationship timeline, is analyzed and provided to process owners. Also, it is compared with feedback from third-party analysts. Used together, these data sources help us understand where problems reside, implement improvements and then evaluate whether our changes are improving the customer experience.

early into this concept of gathering feedback from customers, working with their teams to provide solutions and responding to what we call performance alerts. A performance alert is generated when a surveyed customer gives Toshiba a rating of 6 or below on a 10-point scale.

For instance, a Washington hospital recently gave our company low ratings for applications, product performance and service after the installation of an x-ray system. The chief radiologist was not satisfied with the image quality of their pain management studies although the system met specifications. When viewing clinical images, beauty is often in the eye of the beholder. However, a dissatisfied customer is a dissatisfied customer with an issue that needs to be addressed. So a Toshiba team of national technical support, local service, senior applications and management visited the site. National technical support and management explained different options to the physician. We made a focusing

at companywide assemblies and in communications throughout the year. A recent educational video for our employees highlights the differences in our performance alert processes (if there is a low rating from a customer), how we address customer concerns and when and how we involve the customer as we resolve the issue. For instance, a problem emerged when a post-installation survey was conducted six weeks after a Maryland medical center purchased a Toshiba CT. The customer provided low marks on product performance and service support. The local service team found power issues, which they helped the customer correct, but that didn't resolve all performance issues. National technical support then came in and was able to help diagnose a problem with the power supply. Keeping in constant contact with the customer and involving greater levels of expertise as required helped ensure this situation's resolution.

According to John Goodman in *Strategic Customer Service*, gathering customer feedback, making changes and then communicating those changes back to the customer serve as a critical closed loop process that ensures on-target performance in a changing market.

Winners, Losers and Back on Top Again

Even in the best of circumstances, changes occur that can threaten the success of customer satisfaction programs, no matter how hard you work or how good your intentions. Few in customer experience circles are unfamiliar with Jet Blue's snafu in February 2007, when a New York storm kept passengers stranded aboard

planes on the tarmac, in one case for 11 hours. The incident led to Jet Blue's creation of its "Customer Bill of Rights" and the redesign of its operations. Jet Blue's actions following the disaster proved that even the best customer satisfaction programs could stumble and recover.

Similarly, eight years after we began our customer satisfaction survey program and achieved leading ratings by most industry measures, Toshiba's performance stalled. Our ratings with third-party providers in our top product line declined while the numbers of our internal performance alerts began inching up. Worse, the causes were not easy to discern.

Customer Support Managers

In his book, loosely translated as *Service of the Highest Quality Makes the Customer Revisit*, Kenji Kato, a former concierge of Capital Tokyu Hotel who could greet 10,000 guests by name, says that a strong organization is a group of people who can unite for the customer. When we hit our third month of declining ratings there was a lot of concern. Fear and uncertainty about the cause of the drop exacerbated the problem by delaying any action. Jack Welch once said, "Deal with the world as it is, not how you'd like it to be." It took us time to accept that our performance was not where we wanted it to be and that we needed to take action to improve.

Because we weren't finding clear indicators of the issues in our survey data, we tried some new things. We audited the organization and created a hit list of performance inhibitors. We assembled a cross-functional team to investigate and developed a priority action list. Finally, we took three major actions.

First, customer support managers (CSM) became the central focus for addressing customer issues. This moved the process from several different functions that contacted the customer when there were problems to one person, the CSM, being the central contact, with other functions providing needed background information. This one change centralized and simplified customer communication and made accountability clear. It was a clean, simple change that ensured smooth, professional customer interaction.

Second, we created a "voice of the customer" team, representing each function that reported to the general manager. This ensured that issues that weren't being addressed received senior management attention.

The third action required an investment of more than \$1 million to upgrade software at our CT sites to be consistent. Just as computer systems work off different software versions, so do CT systems. Investing in revision consistency made it easier for Toshiba employees to detect and resolve system problems. System downtime decreased.

Employees—Your Only Resource

It's often said that employees are a company's most important resource. Realistically, they are a company's only resource and therefore deserve your primary attention. If you don't have your employees, you don't have anything.

Three major areas can have significant impact on employee attitudes and behavior: training, incentives and knowing that you care about them. Just as important is understanding their issues and challenges.

RELATIONSHIP MANAGEMENT

The way to do that is to connect with them where they work. Catherine Jacobson, chief financial officer, Rush Medical Center in Chicago, walks each morning from the building that houses her office to get coffee in the building where Rush admits patients. She says she wants to be where she can connect with employees taking care of patients.

Similarly, Toshiba executives spend time with employees on the front line working with customers. We travel with our salespeople when they make calls and talk directly to customers about service concerns. With the local sales and service team, the president of Toshiba America Medical, along with the vice president of strategic planning from Toshiba Medical in Japan, recently visited Memorial Hermann Healthcare System in Texas, the site of five newly installed cath labs, for the grand opening of a new facility. Service engineers from Japan spent time on-site ensuring that image quality met expectations prior to turnover, and today support is ongoing.

When it comes to incentives, several of our front-line groups are compensated based on performance with customers and satisfaction ratings. For instance, the applications team's compensation is tied directly to customer ratings from post-install alerts. The better the ratings, the higher the compensation. Linking desired behaviors to financial incentives and performance evaluation raises awareness of appropriate customer interaction and

improves brand perception.

There are many great employee-training programs that focus on taking care of customers—in healthcare that means patient care. For example, Memorial Hermann Healthcare System implemented an employee-training program to improve patient safety.

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CEO Dan Wolterman described the goal as moving Memorial from a mediocre organization when the initiative began in 2002 to the leader in patient care quality and safety. This year, the healthcare system received the National Quality Healthcare Award from the National Quality Forum. Similarly, the Ritz Carlton's Piper Academy, which espouses a philosophy that its most important customers are its employees, seeks to create an environment where employees are engaged, empowered and valued for their contributions to the hotel's success. They invest many hours annually in staff training with the objective that everyone has a shared vision.

Toshiba's Future

As the market changes, so must our organizations. Currently, Toshiba

has slated customer interaction skills training for its employees next year. This training will consist of a computer-based introduction, six hours of classroom instruction, two hours of management leadership training and ongoing programs to ensure continued use of the new skills. The

training will help employees better deal with day-to-day challenges and stressed customers, as well as internal clients. Other initiatives include expanding market education, benchmarking against other companies and industries, and creating customer advisory boards.

A good diet of ongoing education, communication and a shared vision of the future helps ensure a strong brand and keep companies healthy—growing, evolving and competitive. With our ongoing customer satisfaction program, Toshiba's ultimate goal is to transition from best in class to best in industry and finally, best in business. ▲

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