Creating a Customer-Driven Organization

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What do these three things have in common?
- A Hospital
- A Corporate CEO
- A University
- and the Office of Physical Plant

Successful organizations have one common central focus: CUSTOMERS. It doesn't matter if it's a business, a hospital, a university, or, yes, even a government agency like the Smithsonian Institution.

In March of 1993, President Clinton announced a six month review of the federal government and asked Vice President Gore to lead the effort. The goal of the effort was to focus on how government should work, how to reduce waste, eliminate obsolete functions, improve services to taxpayers and to create a smaller but more productive government. This effort produced the National Performance Review (NPR).

The NPR developed a vision for the federal government which has been adapted by the President and Vice President as the vision for their Administration:

A government that works better and costs less.

The NPR looked to see how successful organizations had made savings and efficiencies. The successful organizations had several things in common. These became the four key themes around which the NPR recommendations were based:

Putting Customers First — listen to them, restructure basic operations to meet their needs, and use competition and choices for customers to create incentives for success.

Cutting Red Tape — shift from a system based on accountability for following rules to one where employees are accountable for achieving results.

Empowering Employees To Get Results — decentralize authority and empower those who work on the front lines to make more of their own decisions and solve more of their own problems.

Cutting Back To Basics — abandon the obsolete, eliminate duplication and end special privileges.

From the recommendations in the NPR have come several Executive Orders and Presidential Memorandum designed to help the government accomplish these key themes. These orders and memorandum cover customer service, streamlining bureaucracy, eliminating half of the Executive Branch's regulations and labor-management partnerships.

The training program created in response to the NPR focuses on four key areas of development to help the organization become customer-driven. To become customer-driven requires change in a variety of ways and by all employees. To understand the changes needed means understanding who an organization's customers are. Customers come in a wide variety of shapes and sizes and aren't always easy to recognize. Planning and measurement are valuable in helping the organization gauge its successes and areas for improvement, continuous improvement. For all of this to be successful an empowering environment must be created. An empowered workforce is a high performing and motivated workforce working together to provide quality customer service. The organization successfully "wow's" its customers.

Transforming into a customer-driven organization requires the organization to look at the total organization and how it works and examine how the changes in each part will affect the rest of the organization. The
means for implementing change has as its driver a customer-driven **vision** , **mission** and **values** . These must be articulated by the organization. The people in the organization share a common understanding of their vision, mission and values and have a sense of commitment and teamwork in accomplishing the goals of the organization. The tension between this vision and the current reality of the organization is what stimulates the changes needed. For the change to be successful it needs to be both systematic and behavioral. Not only must the work processes be improved to make them more efficient, effective and flexible, but also the people must change their behaviors so that there is open communication and workforce empowerment at all levels of the organization.

In order to set customer service standards and meet customer expectations, an organization must identify its customers. For an organization to provide superior customer service to its most obvious customer, the people requesting the service or product they provide, it must understand that the employees within the organization are also **each other's** customers, the **internal customer** . If the employees within the organization do not view and treat each other as customers, when they go to provide service to an outside or **external customer** that service is not going to be of the highest quality possible. It requires teamwork and respect. If an organization is dysfunctional internally that will have a negative impact on the customer service provided externally.

To become customer-driven also requires the organization to change its systems for how work is done. Such systems include strategic planning, performance measurements and analysis, and managing processes. A customer-driven organization develops and uses customer feedback systems to keep abreast of their requirements and measure how well the organization is doing in meeting those requirements. It continuously analyzes performance data and uses information to improve work processes and services delivered to customers.

Changes in the behavior of the employees include the actions the leadership must take and the actions to ensure workforce empowerment. Customer-driven leadership creates and communicates a shared vision, develops performance agreements at all levels to reflect customer satisfaction, employee empowerment and continuous improvement, and improves communications at all levels and in all directions of the organization. Leaders exist in all parts of the organization and at all levels, but do not necessarily have to have a title to be one. All the people in the organization are responsible for creating an **empowered environment** . An empowered environment means delegated authority and accountability; training and development opportunities; encouraged employee involvement, feedback and suggestions; and rewards and recognizes risk taking and creativity. All employees are equal stakeholders in the success of the organization.

The process of creating a customer-driven organization can be disruptive and very stressful to the employees of an organization. It requires a great deal of patience to allow the changes needed to take place. It is also a time consuming process. The changes needed will not happen over night. The outcomes are invaluable. The benefits yielded are: open and flowing lines of communication; a culture change to one of unity, teamwork, and commitment to collective goals; continuous dialogue about problems and solutions for solving them from all employees not just those in positions of authority; and a willingness to take risks to make the organization work better and more effectively.

Whether you are in a university or government setting, customers will always be customers. The faces may change, but the name remains the same. The basic common principles of the training program readily apply to any work environment. They cover the most basic needs of customers and of good customer service.

*Identifying all the customers of an organization*
*Asking customers what they need and expect*
*Setting organizational standards of good customer service*
*Planning and measuring performance and customer satisfaction*
*Empowering and motivating employees to provide good customer service*
This is true of the tools and skills developed from such a training program.

- Improving communication skills
- Developing performance standards and measurement
- Analyzing information and processes
- Collecting data
- Developing teamwork
- Creating an empowering environment

Any organization that applies these ideas, principles and skills of creating a customer-driven organization will almost always see the same benefits and outcomes from such an initiative. The outcomes are universal.

We in Physical Plant have come a long way in our customer-driven journey. We have had much success in the last two years in beginning to make the changes needed to achieve our goals. The most noticeable change for us has been in improving our communication internally. Previously, information was power. It was a precious commodity for only those in positions of authority and was very rarely shared. What was shared most often was inaccurate and destructive to the morale of the organization. Now, employees at all levels get information about anything and everything happening in the organization, in the Smithsonian Institution and in the government. For many it has been an overwhelming experience of information overload. However overwhelming it has been, it has stimulated a positive change in the Physical Plant culture. The culture is becoming one of building trust between supervisors and employees, of mutual respect among all employees, and of an openness and a willingness to put problems on the table and working as a team to find the solutions. We still have much work to do, but the training program has provided us with a road map and useful tools to help us get to our final destination. To be customer-driven is not just a Federal Government issue, but a basic business issue. All of us have much to do in creating a customer-driven organization.