

# Customer Complaints

*“Friend or Foe?”*

*Presented to ASQ Section 094- March 16, 2011 by:*

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# Learning Objectives

Converting customer complaints into a positive event is a challenge to all stakeholders.

The objective of this presentation is to offer an analysis path to utilize customer complaints as a tool for operational excellence. For this presentation, the chosen analysis model is based on LSS (**Lean and Six Sigma**) concept incorporated into the Quality System using the DMAIC Flow (**Define—Measure Analyze—Improve—Control**). This analysis model will be the roadmap to achieve the following:


- **Accurate** Problem identification (*Seneca*)
- **Effective** root cause analysis to align actions with problem resolution
- **Measurable** deliverables
- **Timely** responses 'acceptable' to customers
- **Continuous Improvement**

# Challenges of Customer Complaints

The common causes of unresolved or recurring complaints are :

- Incorrect “diagnosis” of the problem ;wrong root cause (*tunnel vision*)
- Vague plan, no measurable deliverables (“*it will work, trust me*”)
- No accountability and time frame (*moving target*)
- No verification of effectiveness (*fireworks*)
- Non-integration with improvement plan (*grass root*)

How do we turn this activity into a growth experience and revenue contributor?



“Recognize the positive ‘side’ of Customer Complaints and utilize this information to add value to the stakeholders.”

# "Benefits" of Customer Complaints

Based on Lean Six Sigma perspective, a complaint is a "*moment of truth*" customer perception that can impact a business partnership.

It is important for an organization to structure a program in capturing the Voice of the Customer (VOC) as it is a powerful tool in adding value to the system such as:

- Learning customer expectations (*Kano model/ Customer Focus*)
- Alignment of business direction (*Hoshin planning, not just any low hanging fruit*)
- Assessment of process control effectiveness (*Operational excellence*)

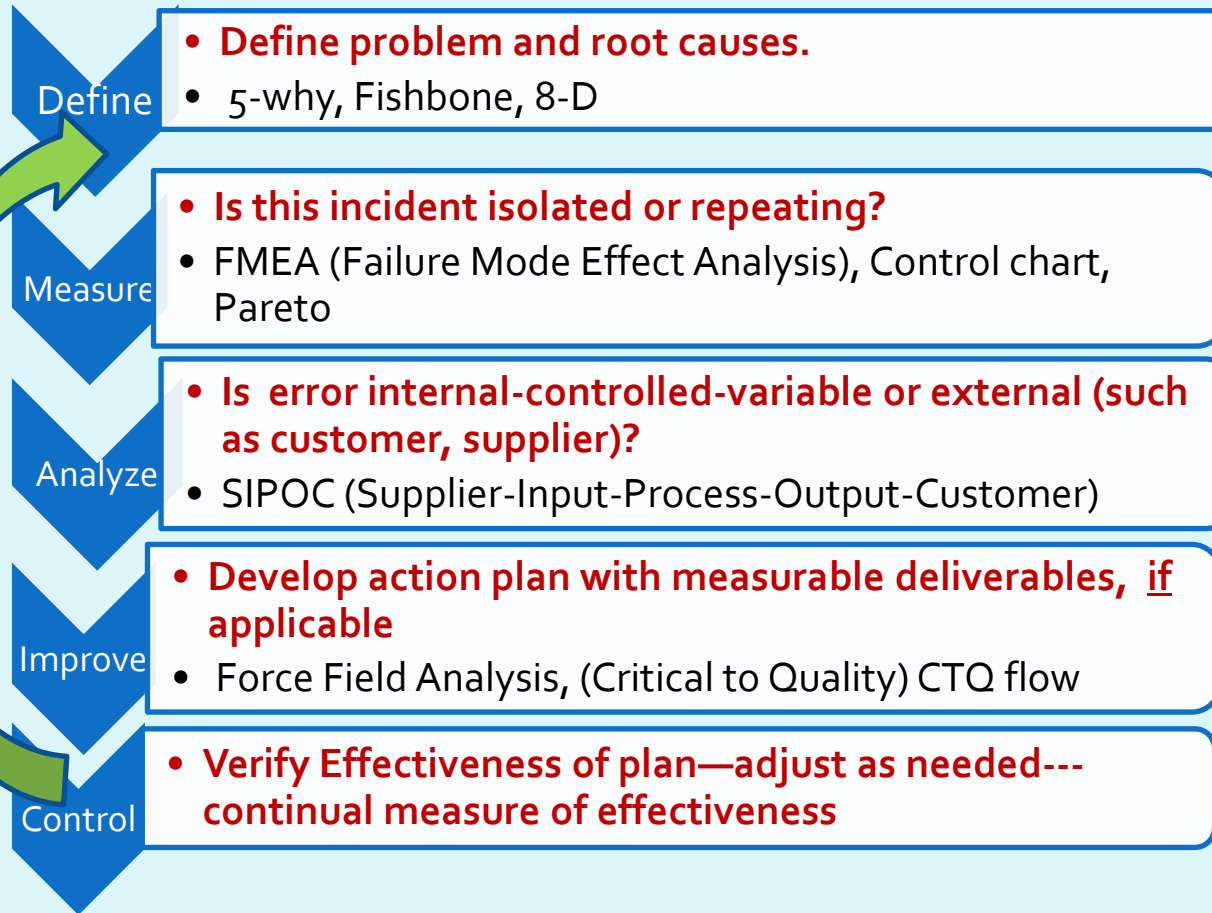
**What model should be used?**

# Friend or Foe? --It depends on the company's culture

- **Model based on LSS Culture**

- **Non-LSS Culture**

*"We have been doing this for 30 years, the customer must have changed something in their process."*



# LSS-based Customer Complaint Analysis Model

*The following pages demonstrate a customer complaint sample and the LSS tools used for analysis/resolution.*

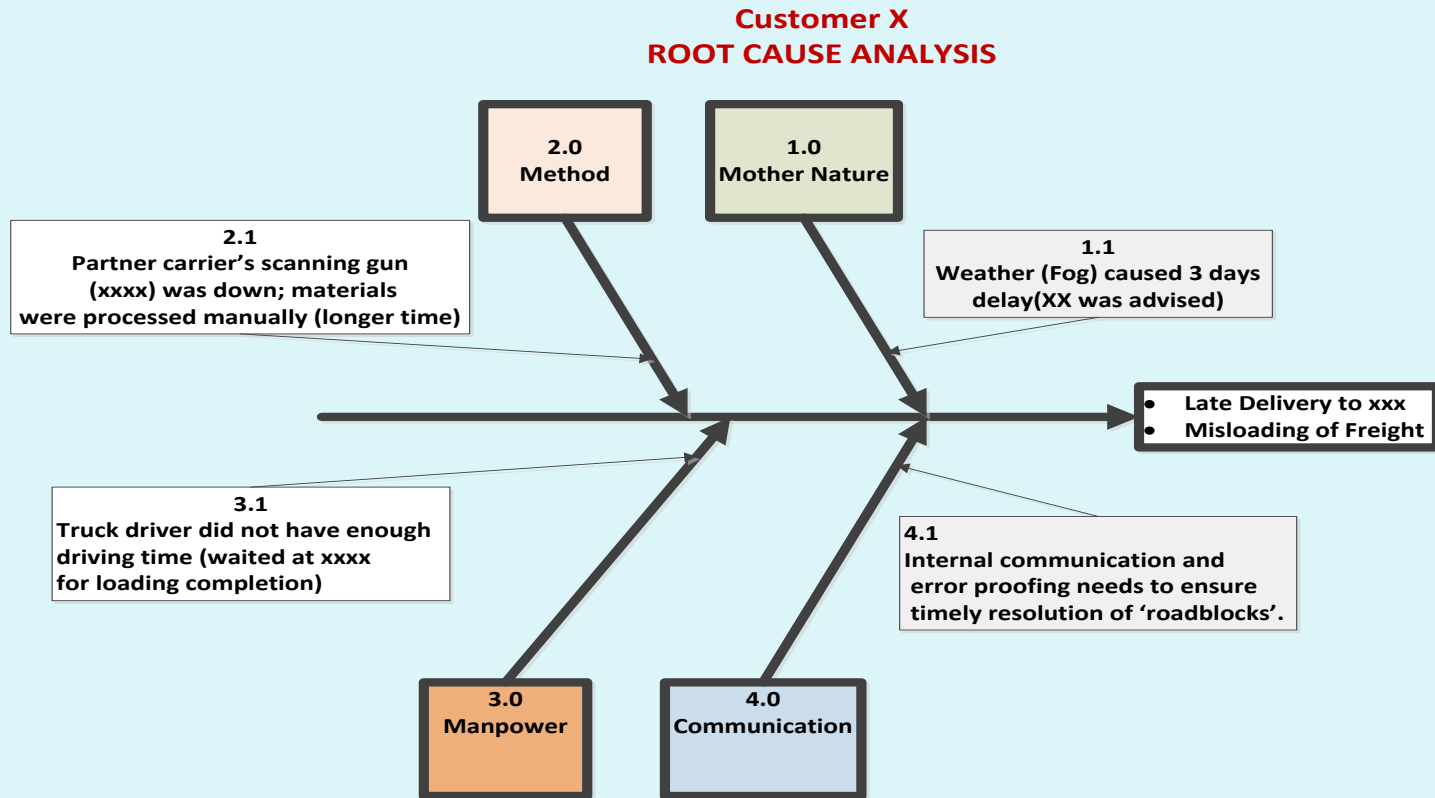
# Case Study:

Complaint from Company A:

*“The last 5 shipments this month were late and damaged. Respond with root cause, action plan and time frame to improve performance and prevent recurrence.”*

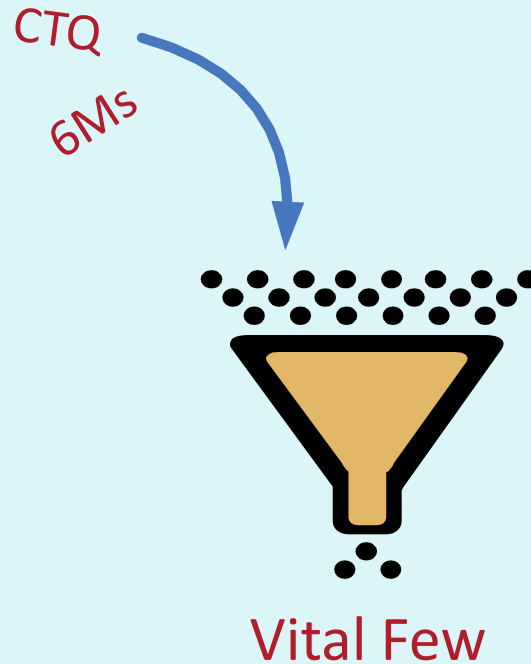
# Define

Define the problem/root causes using 6Ms - Fishbone



# Measure (data mining)

**Pareto Analysis: Identify / measure variables important to the customer?**

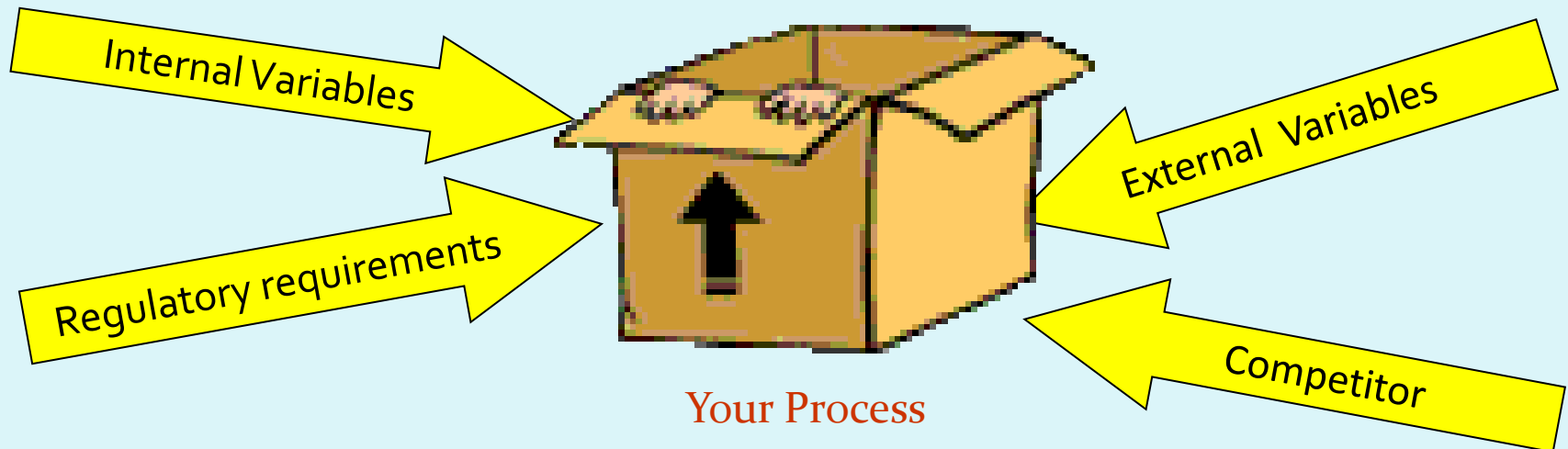


# Analyze

## SIPOC (Supplier-Input-Process-Output-Customer)

***“Think out of the box” when analyzing any process.***

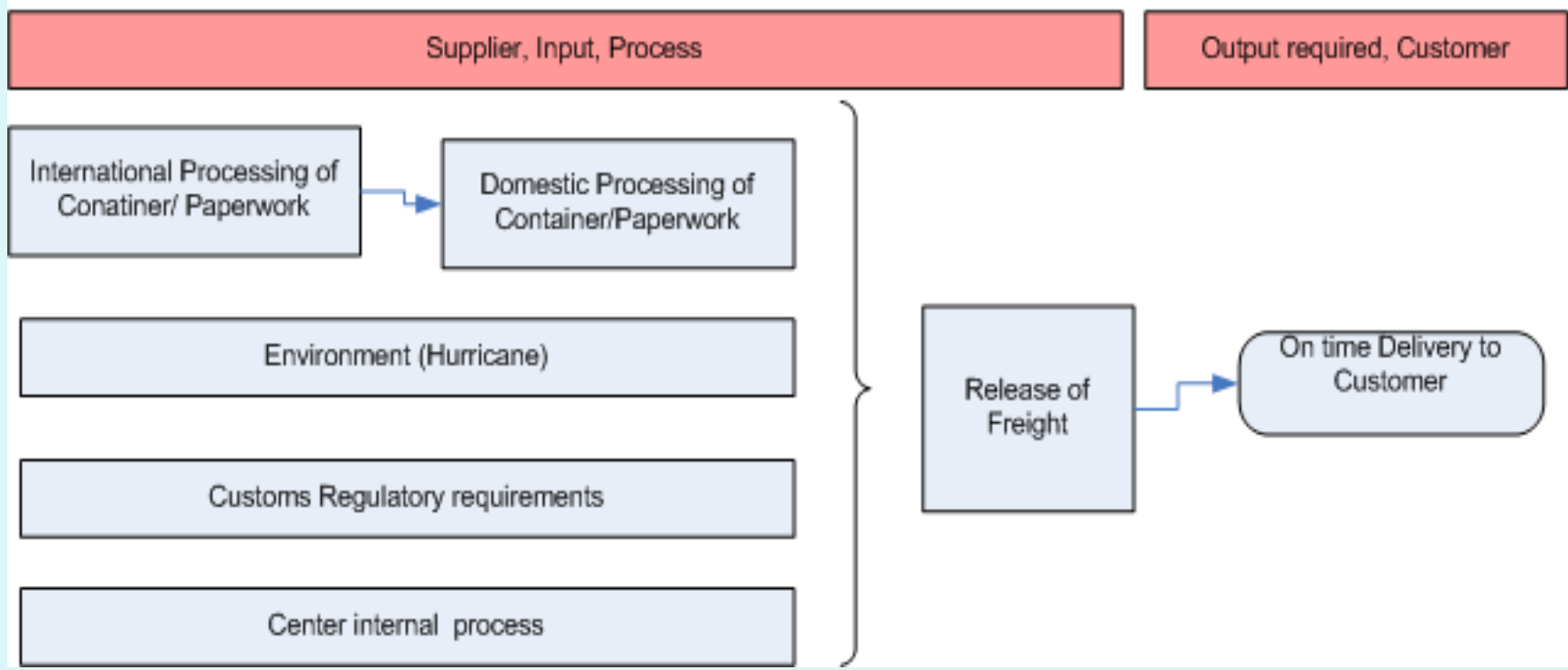
- All processes have input and output. These variables (signal) will help develop the detection mechanism to trigger continuous improvement efforts.



# Continuation-----Analyze

## Complaint: Late delivery SIPOC Analysis Sample – High level

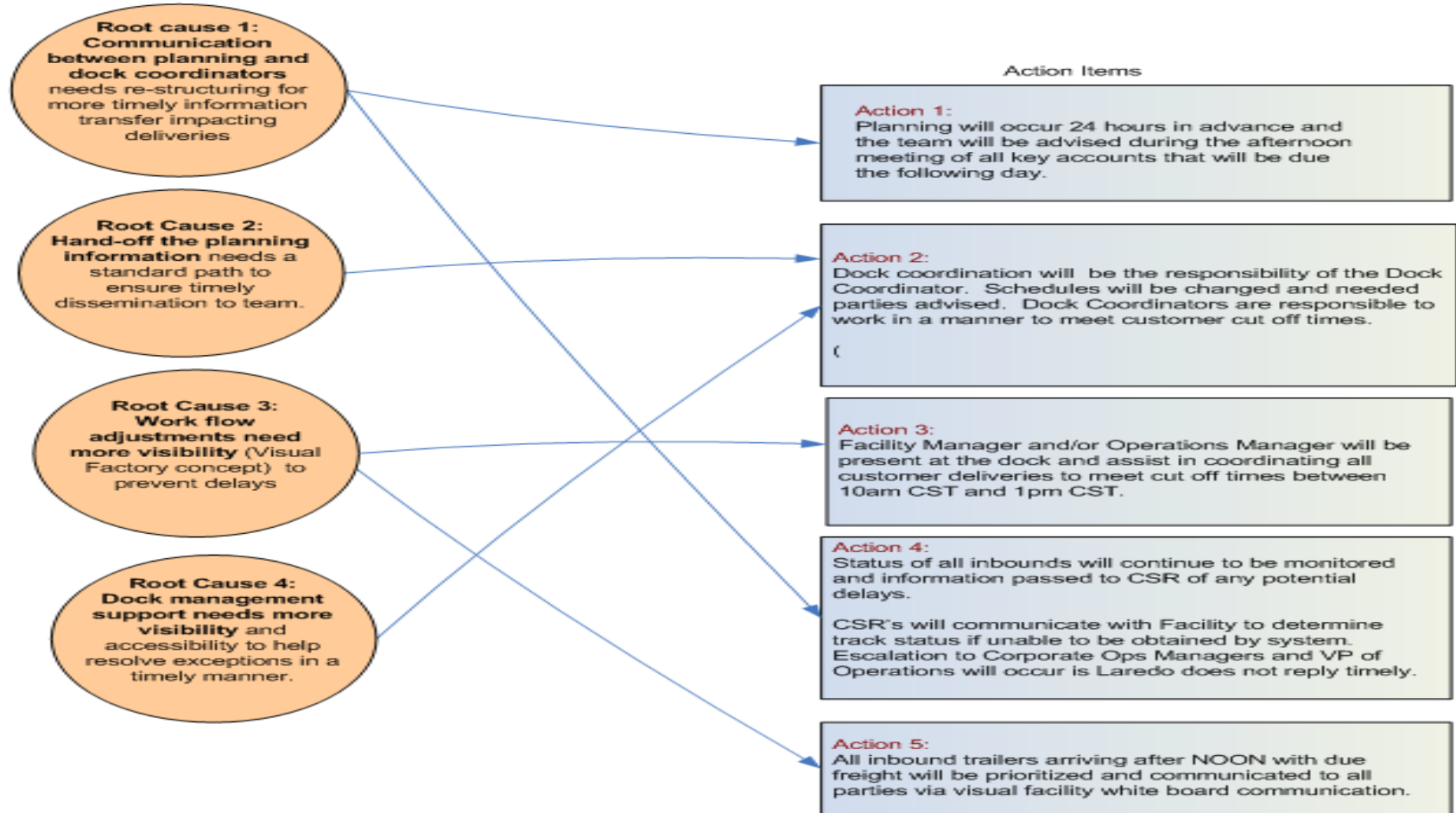
Flow of event was analyzed using the SIPOC (Supplier, Input, Process, Output and Customer) tool to identify key elements associated with this event:



# Analyze / Improve

## Spaghetti Diagram

**Customer Feedback:** Customer is dissatisfied with the current on time delivery of 90%; customer expects >95%



**Responsibility and Timeline:** Department X Management will be at the Center location on November 11<sup>th</sup> and 12<sup>th</sup> 2010 to implement these changes.

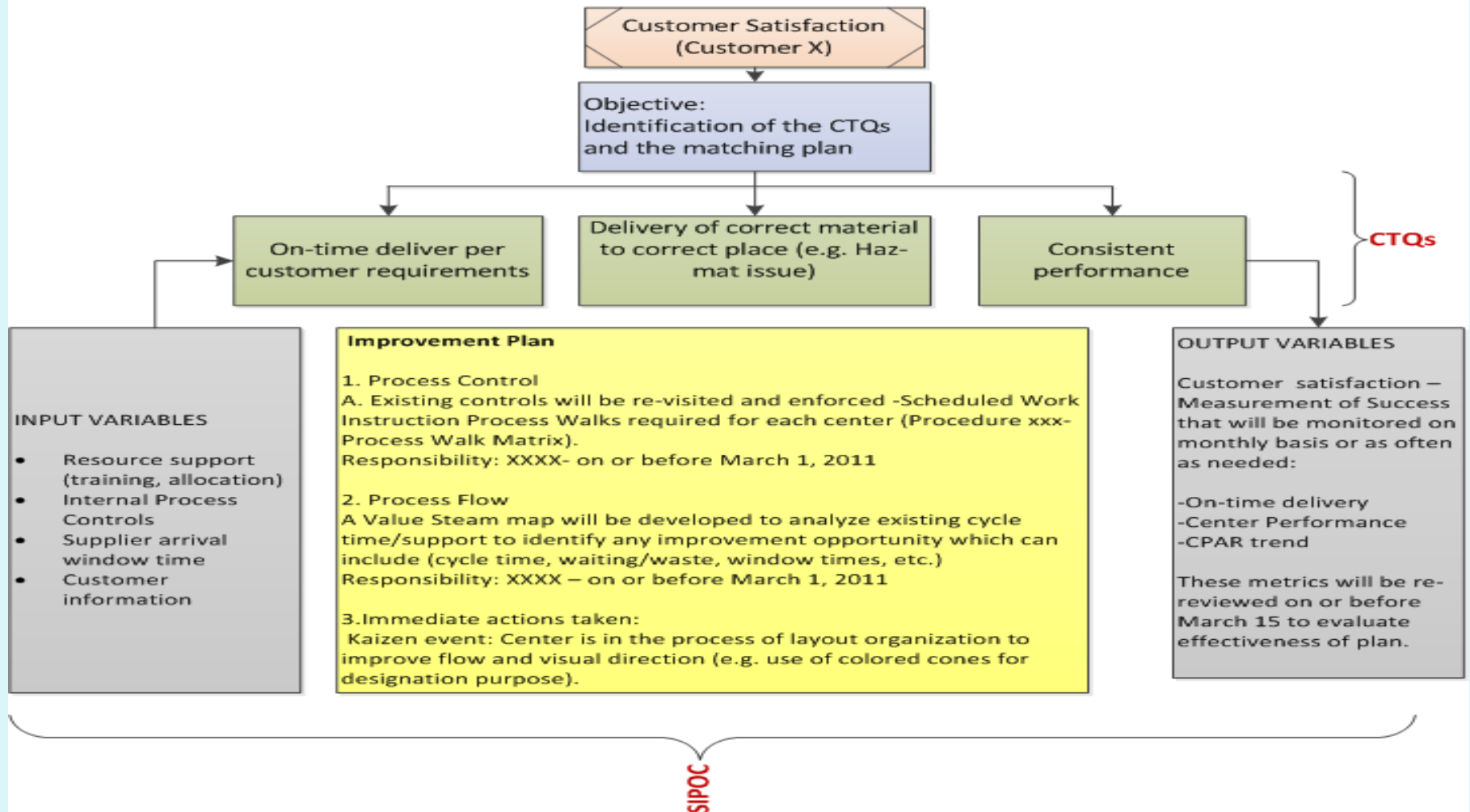
# Analyze / Improve

## Preventive

### VOC:

Sales conference call with customer on xx prompted additional evaluation of the variables impacting the customer freight before these elements become issues. Below is the CTQ flow down improvement plan showing SIPOC for each element. *Ref CPAR XXX*

### CTQ Flow Down Chart – Improvement Plan



# Analyze / Improve – Wheel of Waste

## *Preventive*



# Control Phase

The Control phase of the DMAIC will vary in scope depending on the objective of the program. The Control phase may be implemented at any stage of the system.

For this presentation, the following pages are examples of the **Control phase implementation focused on the core elements of the quality system**. Narrower scope can be applied as appropriate.

These core elements impact the Customer Complaint program.

# Control Phase –

## Incorporate LSS in core Quality Elements

### Robust QMS

Continuous Improvement program

Triggered by these “signals”:

- Internal Audit
- Process Waiver
- Management direction
- Customer / Market requirement

Customer Concern Program

Document Control

Internal Audit / Self Evaluation Program

Lean Champion through the application of lean tools

QMS – systems development / update to ensure regulatory compliance

# Control Phase

## LSS in Customer Concern Program

### Moment of Truth / Mitigation Process

- At the initial contact, the customer is already engaging in a “*moment of truth*” with the company. Customer’s first impression or *perception* plays a role in winning or maintaining a business relationship.
- Mitigation process is critical during the “*moment of truth*” to assess the customer needs and provide immediate response as possible.

# Control Phase

## LSS in Document Control

- Document Control is one of the key elements in **standardization** and **streamlining**.
- Enforcement of document control does not have to be the “*necessary evil*” –this concept went out with the *Dark Ages*. The new concept is optimize this program as an effective communication tool.

# Control Phase

## Incorporate LSS in Internal Audit

Lean Approach	Anti-Lean (old system)
Championship of Continuous Improvement	<i>Policing</i> approach
Grouping the <i>vital few</i> (affinity approach).	Individual observations
Resolution of the ' <i>big</i> ' problems	Address low hanging fruits (even if not aligned with mission)

# Control Phase

## LSS in Process Control

### Process

- **Identify** process requirements or CTQ parameters (*critical-to-quality*).
- **Address** constraints affecting the efficiency and effectiveness of the desired output.
- **Measure** effectiveness
- **Adjust and re-measure**



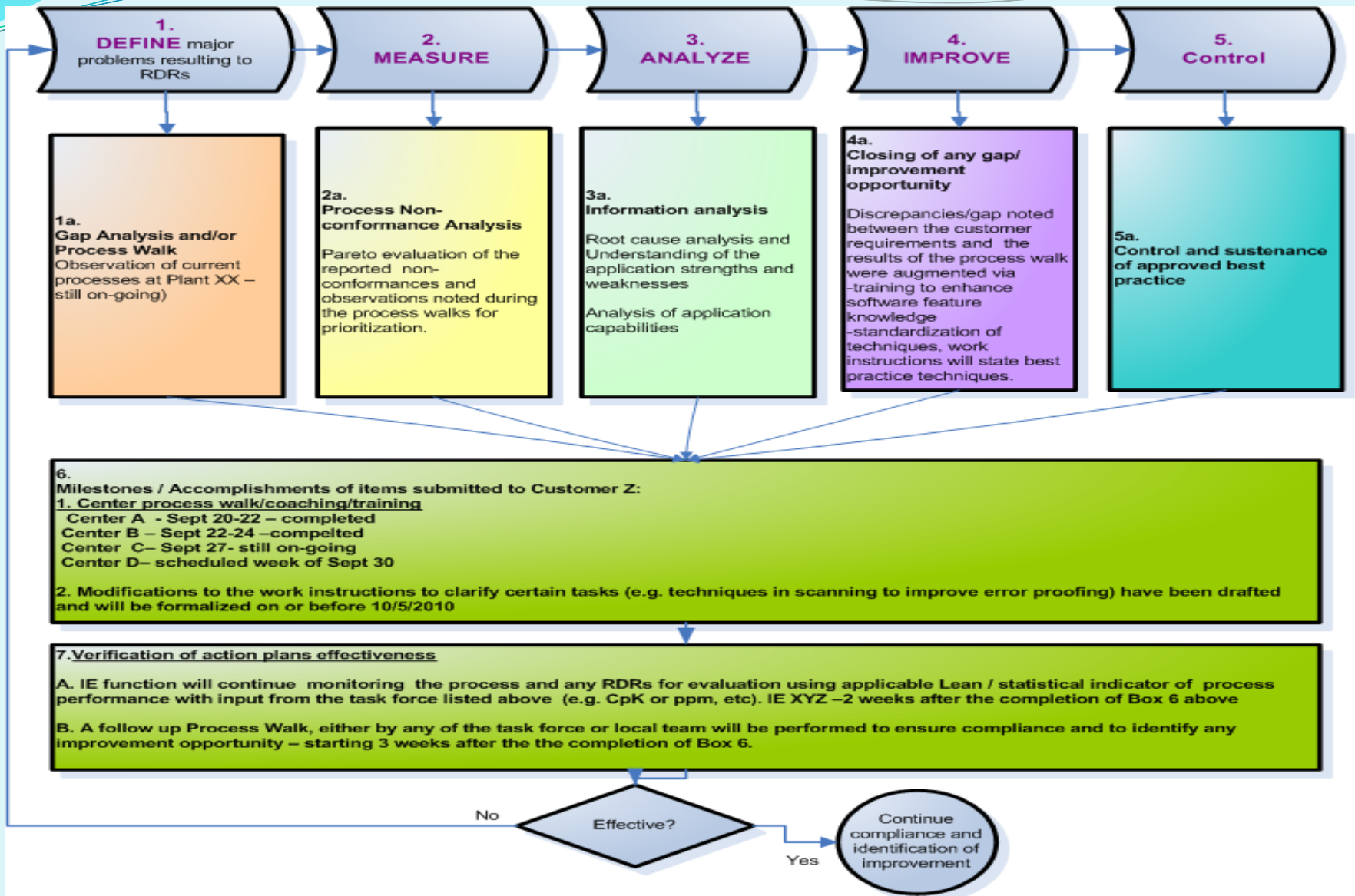
**Do you have to do these  
overall QMS evaluations for  
every complaint?**

# Sample of 8-D template



CPAR Sample

# Example of a DMAIC Analysis on a “small scale”



# LSS-Based Customer Feedback Program Highlights

- Focuses on the **continuous improvement partnership** with the different phases of the business (instead of finger pointing)
- Provides a **logical analysis tools for problem identification**/ root cause analysis
- Provides a **path to the evaluation** of other sources of non-compliance (process input), instead of using the **OE or TI** syndrome.
- Lean focuses on **measurable results**, therefore easier to verify success.

# Q & A