

Customer Driven Companies

Customer Orientation

Basically, a company cannot survive unless it makes a profit, and continues to consistently do so. This will only occur if the customers perceive that the goods provide, at the price asked, a satisfactory degree of value. And such value cannot be achieved, or maintained, without quality. So the survival of a company depends largely on how its customers perceive its quality performance.

Companies tend to be driven either through a customer orientation or through a financial orientation. In Australia, this has widely - and falsely - been blamed on the "fact" that most Australian companies are managed by accountants. Even if this last element were true (and this is debatable) the reality is that a customer orientation derives from a completely different management perspective than a financial focus: one that is less quantitative and analysable, and normally generated by the presence of a customer culture, and frequently by one or more "champions" - people whose individual focus is so strong as to alter the overall focus of the company. The contrast between customer driven companies and financially driven companies can best be seen in a table:

Difference Between Customer & Financially Driven Companies	
Financially Driven Companies	Customer Driven Companies
Defects are measured in percent	Defects are measured in parts per million
Focus is on the owners' needs and wants	Focus is on the customers' needs and wants
Geared towards short term interest (profit)	Geared towards long-term interest (survival)
People seen as a cost	People seen as a resource
Quality interferes with normal operations	Quality is a management philosophy
Quality tools considered a drudgery	Quality tools used as second nature
Maximised profit an obsession	Reasonable profit an expectation
Requires domestic protection to survive	Self-image is world competitive
Unplanned hit and run investment	Steady program of planned re-investment
Superficial improvement only when forced	Structural, ongoing improvement a business strategy
There is an acceptable level of defects	Zero Defects is the objective

Corporation, n. An ingenious device for obtaining individual profit without individual responsibility.