How to Develop Standards

A guide to help you develop operational standards in departments and functions within your business

This guide is organised in four parts. Part 1 discusses a series of steps that you can follow to plan for the development of standards. Part 2 deals with action – implementing your standards. Part 3 focuses on evaluating your standards and Part 4 is concerned with improvements you make to those standards, together with managing your company based on standards and service quality.

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At its simplest, a standard is an agreed, repeatable way of doing something. From a practical perspective, standards are those that are recognised by a business as important enough to be published and monitored for continuous improvement. In tourism businesses, they relate primarily to service, and contain precise criteria designed to be used consistently as a rule or guideline.

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1. Introduction

What are Standards?

At its simplest, a standard is an agreed, repeatable way of doing something. From a practical perspective, standards are those that are recognised by a business as important enough to be published and monitored for continuous improvement. In tourism businesses, they relate primarily to service, and contain precise criteria designed to be used consistently as a rule or guideline.

Standards help to make life simpler and to increase the reliability and the effectiveness of many practices that guide us and the services we provide. They are intended to be aspirational - a summary of best practices rather than general practice. Standards are created by bringing together the experience and expertise of all employees and the expectations of the customers.

"Let us raise a standard to which the wise and honest can repair."
George Washington, first US president

Principles in Developing Standards?

A company's standards should be:

1. **Meaningful to individuals.** Standards should be responsive. In other words, they should be meaningful to the individuals delivering the service, expressed in terms to which they can relate and refer to aspects of the service customers find important. Typically, standards should cover elements of service that are visible and measurable;
2. **Based on consultation.** Standards should be developed in consultation with those who deliver the service and, where possible, representatives of the customers who avail of them (e.g. focus groups);
3. **Attainable and challenging.** Standards should be realistic, while at the same time they should provide a challenge to service deliverers;
4. **Affordable.** Standards should be attainable within available resources;
5. **Owned by managers and employees.** Standards should be an essential management tool in service delivery. Setting and using standards should strive to continually improve the cost effectiveness of service delivery;
6. **Published.** Standards should be published and made known to all concerned;
7. **Used to measure performance.** Performance achievements should be measured against the standards, as well as customer satisfaction with the service provided. The performance measures used should be comparable over time and tracked to demonstrate improvements;
8. **Reviewed and updated.** Standards should be reviewed regularly and adjusted to reflect new circumstances.

These principles are intended to provide useful guidance in the development of operational standards in departments and functions within companies.

Part 1: Developing Standards: Steps to Consider

This section outlines key steps to consider when establishing standards. The process is evolutionary and part of a continuous improvement strategy. You should regularly review and revise standards as your service becomes more efficient and as delivery methods change.

1.1 Know your business

Knowing your business entails:

Identifying your customers;

Identifying your services; and

Knowing what is being done now.

Identify your customers

Who are the customers for your services? All those who have dealings with the company. There may be several different customers for each service, each of whom has different perspectives and expectations. Customer management is the art of balancing these differing expectations.

There are many stakeholders of the organisation (the owners and employees, the local and environmental community, legislative and governing bodies, suppliers, etc.). While these stakeholder needs are critically important for the company to identify and satisfy, our concern here lies primarily with the external customer.

Identify your services

Customers deal with your company and avail of the services and products on offer in a wide variety of ways. In all cases, there is a transaction or interaction between the company's personnel and the customer.

The key to identifying your services is to identify the various interactions or dealings you have with the customer.

This is where the concept of 'Moments of Truth' may help (coined by Jan Carlzon, who managed the Scandinavian SAS Airlines). The complete customer interaction is made up of all moments where the customer has an experience and associates this with the name of your company. Therefore, the interaction includes looking at your adverts, phoning your company, visiting your company, using its services and products, and so on.

Investigating the whole interaction is impossible in a single session, so it is necessary to find a way to focus on

areas of service where you can make a difference. A useful focus is in situations where customers are in an important contact and the company has a critical opportunity to impress or disappoint the customer.

These Moments of Truth are often forgotten events, for example when they walk through the door to a reception desk. A positive Moment of Truth with a customer takes you closer to the promised land of satisfied customers and repeat business.

A negative Moment of Truth creates dissatisfied customers who look elsewhere to get their needs met.

Focusing on the services you deliver by using Moments of Truth will help identify where potential weaknesses may exist or where there are areas for improvement in the services delivered.

From this, the standards should be developed or reviewed to ensure the services and products on offer relate as closely as possible to the expectations of your customers.

Know what is being done now

As well as developing standards to meet financial realities and customers' expectations, you must assess these standards in light of your current ability to meet them and your past performance. To determine your current level of service delivery, you will need an appropriate performance measurement and monitoring system. Monitoring performance, which includes assessing customer satisfaction, is essential if you want to establish and work to operational standards.

1.2 Consult with customers and employees

Consult with customers to find out what is important, how satisfied they are with current service delivery, what's working well and what needs to be fixed.

By being aware of the costs of delivering services, consulting with customers about the services they receive, and inviting them to contribute to improvement ideas, you will find it easier to match your customers' expectations with what your organisation can deliver. Customers should ideally be partners in the delivery of services.

Research has shown that customers regard the following factors as critical to good service:

- responsiveness
- easy access
- good communication
- reliability and accuracy
- appearance of employees

- competence
- courtesy
- credibility
- security
- attractive physical facilities

Keep these characteristics in mind when you develop operational standards. In addition, you should consider feedback from employees and customers, and your employee's capabilities.

Consultation with customers is important for two reasons. If you form your own ideas of what customers want, you run the risk of being out of touch with what your customers actually consider to be the most important aspects of service delivery. Also, customer satisfaction depends not only on the quality of the service, but on customers' initial expectations. In addition, such consultations will indicate where you can improve service to provide the greatest pay-off in terms of increased customer satisfaction.

You can assess customer satisfaction and expectations by providing suggestion boxes, monitoring the number and nature of complaints, using questionnaires, carrying out mystery guest appraisals and conducting surveys, focus groups, customer panels and site visits, among other methods.

Consult with your front-line employees to find out how they think service can be improved within existing resource levels.

> ❝ ❞
> *ideas*

Front-line employees are directly placed to facilitate customers by delivering the service and can often generate innovative ideas for improving service at no extra cost. Through open and honest consultations, such suggestions can be aired and examined. In addition, to gain their commitment to any new processes and new standards, it is essential to involve front-line employees in their development. Front-line employees see their jobs as providing quality service to their customers. Standards must enable them to do so

Part 2: Implementing Standards

2.1 Set customer-sensitive standards

Establishing standards and making them integral to management will take time.

As mentioned, you need to develop a careful, well-thought-out strategy that recognises the different types of services and customers you have and your knowledge of how well standards are delivered.

However, rather than wait until complete and 'perfect' standards are developed, you should develop your standards progressively. Publish standards in areas of greater importance or impact first, i.e. those critical for operational success.

Use the SMART acronym when developing standards.

Specific:	A specific, clear standard has a much greater chance of being achieved than a general one.
Measurable:	Establish clear criteria for measuring progress toward achieving each standard.
Attainable:	When you identify standards that are most important to you, you begin to figure out ways you can make them happen.
Realistic:	To be realistic, a standard must represent an outcome toward which you are both *willing* and *able* to work.
Timely:	A standard should be set within a timeframe, i.e. it must relate to the *now* with a view to the *future*.

2.2 Empower and train service providers

Front-line employees should have the authority and accountability to make the decisions that matter to customers. They should be properly trained and equipped to make those decisions, and should have access to the tools they need to deliver quality service.

Employees cannot be responsive to customers if they are overly restricted by rules and regulations, if the information they need to deliver good service is not readily available, or if they are not encouraged to be innovative and to take measured risks.

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2.3 Communicate standards and report on performance

Standards are intended to let your employees know the level of performance expected of them. Reporting on performance against standards is critical if you are to make operational standards achievable.

> ❝ *standards are understood* ❞

However, you can only do so if standards are readily available to and understood by employees involved in their delivery, and if they are clear and easy to understand. The following principles will help you decide the best way to publicise your standards and report performance against those standards.

a. Make communication clear and effective

To be effective, communication must capture the audience's attention and be easy to understand.

> ❝ *test the standards* ❞

Use 'plain language'. Write your standards using words and language that are familiar to your employees. Test the standards, if necessary, to determine how well employees understand and receive them.

b. Build upon current communication methods

Look at the way you are communicating with your employees now and use those methods to start communicating your standards and performance measurements.

Identify all current internal communication methods you use. These may include posters, circulars, meetings, letters, email, training sessions, briefings, induction packages, bulletin boards and suggestion boxes.

> ❝ *communicate your standards and performance measures* ❞

Then determine if any of these are cost-effective ways to communicate (and especially reinforce) your standards and performance measurements.

Always look for innovative and cost-effective ways to communicate with your employees, taking into account their characteristics and needs.

"Think like a wise man but communicate in the language of the people." William Butler Yeats, poet

"The two words 'information' and 'communic-ation' are often used inter-changeably, but they signify quite different things. Information is giving out; communic-ation is getting through." Sydney J Harris, American journalist

Part 3: Evaluating Standards

Service delivery targets (dealing with responsiveness, reliability, accuracy, etc., as above) and complaint systems should be openly displayed or available to employees. Standards are meant to be monitored, changed *and improved* over time. They are not cast in concrete once they are set.

If you are actively using standards in managing your company, you will be measuring performance against your standards and striving for continuous improvement.

Throughout the implementation of your standards, there is a need to constantly focus on the critical goals that can bring visible progress and enhancement.

" performance

improvement "

Otherwise, there is a tendency for busy employees to lose sight of the ultimate objective of performance improvement, and treat its implementation as a mere data collection exercise for management. Your team must create measures that support their standards, or they will not fully exploit their ability to perform to the standard. In addition, to remain competitive and relevant, the measures need to be continually reviewed and revised as the environment and economy changes.

So, develop ways to measure your performance against standards, and monitor performance constantly.

" continuous

process "

Setting customer-driven standards and measuring how well your company is doing is a continuous process. It should quickly identify problems with customer service. All parts of the business should be involved in finding solutions to these problems and discussing these solutions with customers, where appropriate.

Examples of Standards Measurement Tools:

• Feedback Questionnaires
• Complaints Analysis
• Mystery Guest
• Team Self-assessment
• Employee comments

There are a number of measurement tools a company can use. The selection of appropriate measures will depend on the value of the information received in return for the effort put into the measurement activity, what action is taken when the measures show below-par performance and how performance can be tracked over time using the measures in order to show improvements.

Part 4: Improving Standards

4.1 Continually improve delivery systems and standards

Review policies, procedures and practices periodically to ensure 'customer friendliness' and to find new ways to improve services through initiatives such as:

- ✓ Using new technology where cost-effective;
- ✓ Cutting red tape;
- ✓ Using plain language;
- ✓ Re-examining and redesigning or streamlining work flow; and
- ✓ Simplifying or getting rid of unnecessary rules and practices.

Continuous improvement will allow you to set higher and higher standards and maximise customer satisfaction. By consulting customers, monitoring performance and encouraging innovation, you will be able to deliver better service.

4.2 Deal with customer complaints

Complaint and redress mechanisms may already exist, even if not written down and fully communicated. In other areas, it may be necessary to revisit existing complaint systems from the customer's perspective and make them more visible to customers. In some cases, simple complaint procedures can be established. In all instances, you should have a coherent and consistent strategy for dealing with complaints from customers.

Handling customer complaints properly means:

- ✓ Offering many different ways of complaining to customers (web, e-mail, survey, complaints card...). Customers have their preferred ways of communication;
- ✓ Encouraging customers to complain;
- ✓ Making sure customers only need to mention the problem once;
- ✓ Making sure customers feel trusted when they complain;
- ✓ Making sure customers' expectations are managed; they are told when they will get an answer;
- ✓ Establishing clear limits on when to say NO to a customer;
- ✓ Documenting and managing complaints in a consistent way across the business;
- ✓ Recording and reporting complaints (number and type), if necessary;
- ✓ Analysing, prioritising, interpreting, sharing and acting upon complaints information regularly across the business in a simple and concise manner;
- ✓ Reviewing services by taking into account customer complaints.

"Customers don't expect you to be perfect. They do expect you to fix things when they go wrong." Donald Porter, V.P. British Airways

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