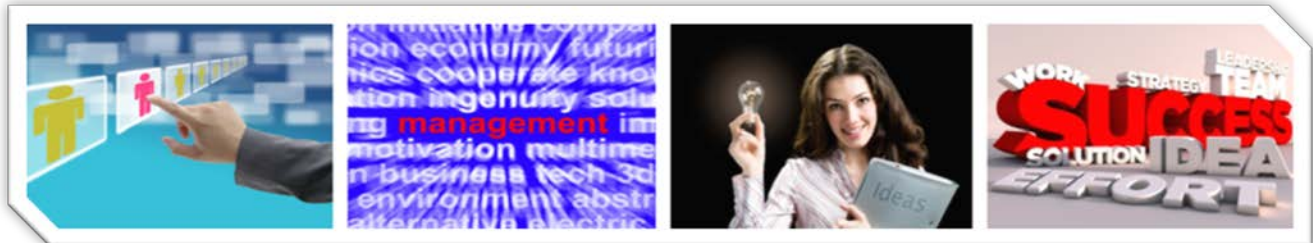


Operational Standards



of Performance

A guide to help you through the four part process of developing new standards and improving existing ones

Operational standards help to make life simpler and to increase the reliability 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.

Operational Standards of Performance

This guide is designed to help you to adopt a more structured approach to developing and implementing standards in your business and addresses the following content:

Introduction.....	3
Part 1: Develop your Operational Standards.....	5
1.1 Know your customers and services provided	5
1.2 Consult with customers and employees	7
1.3 Know the needs of the department	7
Part 2: Apply your Operational Standards.....	10
2.1 Empower and train service providers	10
2.2 Communicate operational standards.....	10
Part 3: Measure your Operational Standards	11
3.1 Deal with customer complaints	11
3.2 Measure performance against operational standards	12
Part 4: Action your Operational Standards.....	14
Conclusion.....	15



Introduction

What are Operational Standards?

At its simplest, a standard is an agreed, repeatable way of doing something. From a practical perspective, operational standards are those standards which are recognised by the organisation 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.

Operational standards help to make life simpler and to increase the reliability 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.

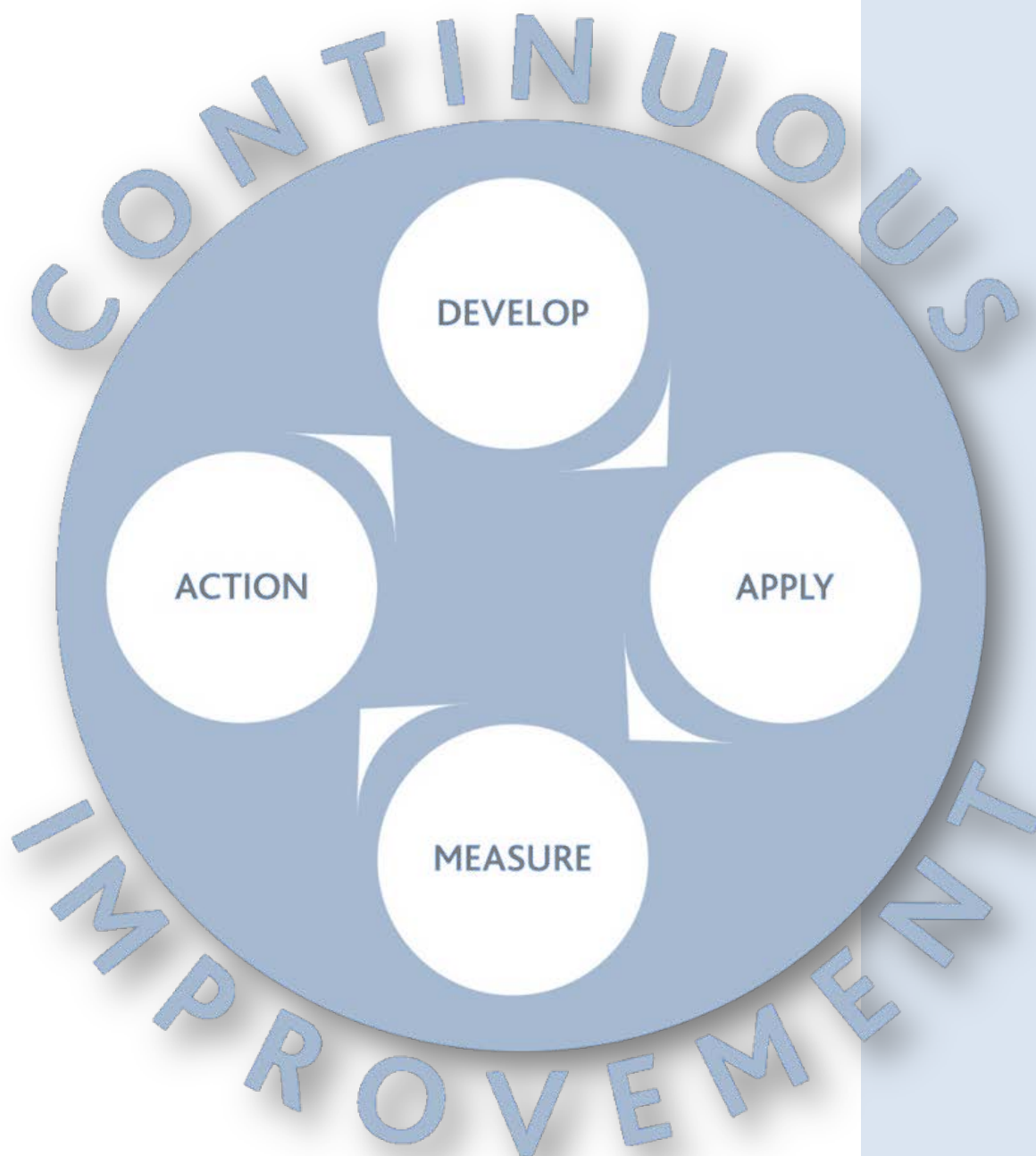
Key things to keep in mind about operational standards

A company's operational standards should be:

1. **Meaningful to individuals.** Operational 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.** Operational standards should be developed in consultation with deliverers of the service and, where possible, representatives of the customers who avail of them (e.g. focus groups);
3. **Attainable and challenging.** Operational standards should be realistic, based on analysis, consistent with your goals and objectives and achievable, while at the same time they should provide a challenge to service deliverers;
4. **Affordable.** Operational standards should be attainable within available resources;
5. **Owned by managers and employees.** Operational standards should be an essential management tool in service delivery. Setting and using operational standards should strive to continually improve the cost effectiveness of service delivery;
6. **Published.** Operational 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.** Operational 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.

This guide is organised in four parts. Part 1 discusses a series of steps that you can follow for the development of operational standards. Part 2 deals with applying your operational standards. Part 3 focuses on measuring and evaluating your operational standards so that you know when standards have been achieved and part 4 is concerned with action you will take to improve performance against those operational standards.



Part 1: Develop your Operational Standards

This is a good time to look at your existing standards to see if they are delivering on what they should. In other words, are your standards just a list of instructions on how to carry out a task (for example: how to set up a table, how to check in a guest, how to clean a glass washer, how to service a bedroom, etc)? While these instructions are likely to be very important to the way departmental tasks are carried out, they more often than not concentrate on the 'how to' rather than the 'what'. The 'what' in this case is the actual standard. In other words, how will you know if the standard is achieved, to the desired level, at the right time, within the appropriate guidelines?

So while the 'how to' is useful as a training tool, these instructions should not be confused with operational

standards. Indeed, before these instructions are written, you need to be clear about what the expectations are in terms of the standard (what do I want to achieve as opposed to how I am going to achieve it).

Focusing on the services you deliver will help identify where potential weaknesses may exist or where there are areas for improvement in the services delivered. From this, the operational standards should be developed or reviewed to ensure the services on offer relate as closely as possible to the expectations of your customers, the capabilities and skills of employees and the resources required to deliver on the standards.

This section outlines three key steps to consider when developing operational standards.

1.1 Know your customers and services provided

Who are the customers for your services? There may be several different customers for each service, each of whom has different requirements and expectations (for example leisure guests may have different needs from corporate guests). Furthermore, customers deal with your organisation and avail of the services you offer in a wide variety of ways. In all cases, there is an interaction

between the service personnel and the customer.

The complete customer interaction is made up of all moments where the customer has an experience and associates this with the name of your organisation. So, the interaction includes phoning your company, visiting your company, using its services and products, and so on.

Investigating the whole interaction may be impossible, so it is necessary to find a way to focus on areas where you can make a difference and on those that are important for success.

A useful focus is on those interactions where customers are in an important contact with your company or affected by behind the scenes

activities (such as preparation for service) and you have a critical opportunity to impress or disappoint them. There are, of course, other areas that may not be directly related to service but are nonetheless important and need to be addressed, such as safety, hygiene and maintenance.

These are often events we take for granted, and in a restaurant example may include:

- ☐ General Customer Care
- ☐ Safety & Security
- ☐ Operational Hygiene
- ☐ Handling, Using and Storing Equipment
- ☐ Handling, Using and Storing Cleaning Materials
- ☐ Preparation for Service
- ☐ Greeting and Seating
- ☐ Taking the Order
- ☐ Carrying
- ☐ Serving Food Items
- ☐ Serving Red Wine
- ☐ Serving Champagne/Sparkling Wine
- ☐ Decanting/Serving Vintage Port
- ☐ Serving other Beverages
- ☐ Clearing Tables
- ☐ Billing and Payment
- ☐ Maintenance Reporting
- ☐ Handling Lost Property
- ☐ Complaint Handling

A positive interaction with a customer takes you closer to the promised land of satisfied customers and repeat business. A negative interaction creates dissatisfied customers who look elsewhere to get their needs met.

So, who are your customers, what services do you deliver to them (direct and indirect), where are the important contacts between your

customers and those services. Once you have answered these questions you have made a decision on what are the critical areas you need to focus your attention on, in other words, the areas where standards need to be developed, applied, measured and actioned.

The next step involves finding out how well you currently perform at each important contact point.

1.2 Consult with customers and employees

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

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. As well, 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 looking back at previous comments and complaints, using questionnaires and conducting surveys, focus groups and site visits to corporate guests, among other methods.

Front-line employees are directly placed to facilitate customers 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. Front-line employees see their jobs as providing quality service to their customers. Operational standards must enable them to do so.

1. 3 Know the needs of the department

As you start out developing standards, you should ask yourself how you will know if the standard is right, if it meets your departmental expectations. For example, you may decide to measure your check-in activity and then set a target of one minute as the maximum time a guest will wait to be checked in. This is a clear, measurable target built into your standard and you can readily identify if departmental performance meets the standard by actually timing the checking in of guests.

So let's have a look at the needs of the department. Can you really deliver on this target? Do you have sufficiently qualified front office employees on duty during the times when there is a rush on checking in? Do you know when these rush times are? What about when employees are caught up with other tasks:

answering the telephone, dealing with room service enquiries, checking out late departures, providing information on local attractions.

All of these require face-to-face interactions with guests and cannot easily be postponed to deal with a check in within the required one minute. Can you address this by increasing staffing levels? What about the cost? You may find that in attempting to deliver a service to a particular standard, the cost of doing so may outweigh the benefits received. Furthermore, you now need to consider the customer. How do you know that one minute is the maximum time that a guest is comfortable with check in? How important is it to them to have a speedy check in? Have you asked them? If it is important then you may

investigate other ways to check in a guest without queuing at a desk (pre-check in through the internet or mobile phone, on the courtesy coach on the way from the airport, etc.).

Also, what resources are required to deliver the service to the required standard? Apart from staffing levels and skills as mentioned, you should adequately plan for the smooth delivery of the service by making sure that employees have the tools and equipment they need to perform to the standard, for example, sufficient utensils for mise-en-place, appropriate cleaning materials, up to date technology, etc.

One further consideration is, of course, the impact of legislation on your

standards. In areas such as hygiene health and safety your standards will be largely defined by issues outside your control. These legislative issues will need to be interpreted into the standard to ensure compliance.

So, by finding out who your customers are and the services they use, what your customers think about the services they receive and what their expectations are, consulting with your employees and being aware of the costs and resources involved in delivering services, you will find it easier to match your customers' expectations with what your department can deliver. You are now in a strong position to develop operational standards that are meaningful, relevant and within budgetary constraints.

Use the MARC acronym when developing standards:

Measurable The standard must be measurable to be of assistance in targeting improvement, and the more specifically the standard is defined, the more measurable it will be. Therefore, a standard should be measurable by quality, quantity and timeliness.

Achievable The standard must be reasonable and attainable, and should never be so easy that it requires no significant effort, or so difficult that it requires superhuman effort. In setting standards, you must take into account whether the people responsible for delivering the service have the skills and resources they require to meet those standards, supported by systems and policies that will allow the standard to be achieved.

Relevant The standard must reflect customers' expectations or be designed to create a benefit for the customer and must be relevant to your particular operation, not adopted/copied/borrowed from another.

Controllable Accomplishing the standard must be within the control of a specific department and the measurement tools for accomplishing the desired result must be set up.

Start by defining precisely what the overall standard is for the area in question. We'll use the example of Greeting and Seating here but there are examples of operational standards relating to all areas of food service and food production in the accompanying templates. Now look at what must be done to achieve this standard, in other words, the key steps that must happen if the standard is to be achieved.

Follow this by identifying, in greater detail, the measurable tasks that must be carried out for each of these key steps.

This identifies precisely what must be done to achieve the standard and will help later on when you want to measure how effective performance is in relation to the standard (see Part 3: Measure your Operational Standards).

Your operational standard for Greeting and Seating should now begin to look like the example here:

Our Standard Is: To greet all guests in a timely and friendly manner, then seat in an efficient and polite manner. To take food and beverage orders correctly and process the orders efficiently.	
How to achieve our Standard:	How we will know it is done correctly:
1. Acknowledge and greet guests, as soon as they arrive, with a smile	<ul style="list-style-type: none"> - Guests are greeted with a smile, good eye contact and an interested facial expression. - Guests are addressed by their names (if known).
2. Offer to take coats	<ul style="list-style-type: none"> - Coats are treated with care and stored safely and securely.
3. Lead guests to the table and ensure they are happy with table allocated	<ul style="list-style-type: none"> - Guests are checked that the table chosen is suitable.
4. Seat guests, present menus and drinks list	<ul style="list-style-type: none"> - Chairs are withdrawn to allow guest to sit easily. - Clean menus are opened and presented to each guest and inform of any specials or off dishes. - Clean wine list is presented to the host and offer of assistance is made with selecting wine, if required. - Any wines unavailable are explained.
5. Offer to take a drink/water order	<ul style="list-style-type: none"> - Pre-dining drinks order is offered. - Water is offered and served to guests.
6. Allow guests sufficient time to study menu	<ul style="list-style-type: none"> - Knowledge of the menu and wine list is displayed. - Assistance is offered, recommendations are made, if required. - Service personnel are attentive, but not obtrusive whilst guests are selecting.
7. Adopt a smiling, confident and attentive approach when dealing with customers	<ul style="list-style-type: none"> - Service personnel establish empathy with customers and are responsive to their needs.
8. Take the food order in a courteous, friendly and professional manner	<ul style="list-style-type: none"> - Service personnel are alert to sales opportunities and adopt a positive approach to selling. - The food order is taken correctly and written legibly. - Cooking instructions are requested and recorded, where applicable. - Order is re-checked for accuracy with customer (if appropriate).
9. Take the beverage order correctly	<ul style="list-style-type: none"> - Knowledgeable of the composition of the beverage and wine list is displayed and recommendations are made, as appropriate.
10. Distribute dockets to the appropriate departments, i.e. kitchen, bar, cashier	<ul style="list-style-type: none"> - Duplicates are retained in order pad, for reference and control purposes.
11. Use the electronic order system where applicable	<ul style="list-style-type: none"> - All appropriate service personnel are competent in using the electronic system.
12. Ensure that all items are charged to the guest's account	<ul style="list-style-type: none"> - Items are charged correctly to the guest's account and appropriate back up is available.

Establishing operational standards and making them part of the way work is carried out will take time. However, rather than wait until complete and 'perfect' standards are developed, you should develop your operational standards progressively. Publish standards in areas of greater

importance or impact first, i.e. those critical for operational success.

Initial standards may be incomplete in some aspects. As you gain experience, you can improve these standards and extend the range of services they cover.

Part 2: Apply your Operational Standards

2.1 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 information they need to deliver quality service. Furthermore, employees cannot be responsive to customers if they are overly restricted by rules and regulations or if they are not encouraged to be innovative and to take measured risks.

2.2 Communicate operational standards

Operational 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. However, you can only do so if operational 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, indeed, to report performance against those standards, see Part 3).

a. Make communication clear and effective

To be effective, communication must capture the audience's attention and be easy to understand. Use 'plain language'. Write your operational standards using words and language that are familiar to your employees. Pilot test them, 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 operational standards. Identify all current internal communication methods you use. These may include posters, pamphlets, newsletters, circulars, meetings, letters, email, training sessions, briefings, shift changeover meetings, induction packages and bulletin boards.

Then determine if any of these are cost-effective ways to communicate (and especially reinforce) your standards. Always look for innovative and cost-effective ways to communicate with your employees, taking into account their characteristics and needs.

Part 3: Measure your Operational Standards

We now look at measuring the effectiveness of performance against the operational standards that have been developed and communicated. Firstly, however, there will be a need to deal with complaints as they arise, and they inevitably will.

3.1 Deal with customer complaints

Complaint and redress mechanisms should be constantly revisited, be fully communicated and form part of on-going training sessions. 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 clear and consistent approach 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 organisation.
- ✓ Recording and reporting complaints (number and type).
- ✓ Analysing, prioritising, interpreting, sharing and acting upon complaints information regularly in a simple and concise manner.
- ✓ Reviewing services by taking into account customer complaints.

3.2 Measure performance against operational standards

To know if your standards work you must measure them or, to be more precise, you must measure how well actual performance relates to the standards. When measuring performance against the standards and setting targets for improvement, you will need to give some thought to how you will gather the information.

The complaints you receive from your customers do not show the full picture. Indeed, the absence of complaints does not necessarily imply satisfaction with the service provided. Where service delivery is concerned complaints are only a partial indicator of quality.

Rather than make a fuss, many dissatisfied customers simply decide never to return. You must therefore take the initiative and actively solicit feedback.

There are a number of feedback tools you can use to determine if performance is delivered according to targets set:

- ☐ Feedback questionnaires/calls
- ☐ Comment books
- ☐ Comment cards
- ☐ Mystery guest
- ☐ Team self-assessment
- ☐ Employee comments
- ☐ Online reviews (for example Trip Adviser)

Another important tool to use when measuring performance is an internal audit. This gives an opportunity for employees to take control of their standards and measure their actual performance against these standards. It will involve an honest appraisal of how they feel they deliver against the criteria set out in the standard. Taking our earlier example of Greeting and Seating, we looked at what must be done to achieve this standard (the key steps that must happen if the standard is to be achieved). By identifying, in greater detail, the measurable tasks that must be carried out for each of these key steps we were able to identify precisely what must be done to achieve the standard.

How to achieve our Standard:	How we will know it is done correctly:
1. Acknowledge and greet guests, as soon as they arrive, with a smile	<ul style="list-style-type: none">- Guests are greeted with a smile, good eye contact and an interested facial expression.- Guests are addressed by their names (if known).



This now helps to measure how effective performance is in relation to the standard. The following example takes the above step and converts it into an auditing tool:

Our Standard Is:

To greet all guests in a timely and friendly manner, then seat in an efficient and polite manner. To take food and beverage orders correctly and process the orders efficiently.

Standard	Measure	Yes	No
1. Greeting and Seating <i>To greet all guests in a timely and friendly manner, then seat in an efficient and polite manner. To take food and beverage orders correctly and process the orders efficiently.</i>	Are guests acknowledged and greeted with a smile as soon as they arrive?		
	Is an offer made to take coats?		
	Are guests led to the table and checked that they are happy with table allocated?		
	Are guests seated and presented with menus and drinks list?		
	Is an offer made to take a drink/water order?		
	Are guests allowed sufficient time to study the menu?		
	Is there a smiling, confident and attentive approach adopted when dealing with customers?		
	Is the food order taken in a courteous, friendly and professional manner?		
	Is the beverage order taken correctly?		
	Are dockets distributed to the appropriate departments, i.e. kitchen, bar, cashier?		
	Is the electronic order system use where applicable?		
	Are all items charged to the guest's account?		

These internal audits are important in identifying gaps in performance and it is recommended they be carried out on a monthly basis. A rule of thumb may be to carry out monthly audits on all operational standards to start with, then concentrate on selected ones once customer satisfaction has increased and leveled off – however if customer satisfaction dips then more comprehensive monthly audits may need to be looked at again until the situation has stabilised/rectified itself.

These gaps in performance from internal audits will likely concentrate on employee related aspects of the service where the focus may be mostly on skills. Other feedback tools mentioned above (feedback questionnaires/calls, comment books, comment cards, mystery guest and Trip Adviser) focus on the customer

service while team self-assessments and employee comments, together with management input, can help focus on the resources needed to deliver the service. For any measurement system to be effective it will require a balanced view of the employee, customer and resource elements of the service, otherwise, you run the risk of not addressing the real gaps in performance when it comes to taking corrective action (see Part 4: Action your Operational Standards).

Whatever feedback tools you use, it is important to note that they are only as good as the information you get in return for the effort you put in and, subsequently, what action is taken when the feedback tools show below-par performance (actual versus potential score).

Part 4 – Action your Operational Standards

Having developed ways to measure your performance against standards you must now monitor performance constantly. Setting customer-driven standards and measuring how well the department is doing is an ongoing activity. It should quickly identify problems with customer service. All employees in the department should be involved in finding solutions to these problems. Otherwise, there is a tendency for busy employees to lose sight of the ultimate objective of performance improvement, and treat the measurement activity as a mere data collection exercise for management.

When performance does fall below the defined standard it will be necessary to find out the reasons why, put in place an appropriate solution and monitor the performance to ensure the problem is not repeated.

An analysis of the internal audits, combined with the customer related feedback tools (while taking into account the resources available to achieve the standards and systems and policies that may prevent the standard from being achieved) will have identified a number of gaps between actual performance and the

relevant operational standards. The findings of the audit and feedback tools should be communicated to all employees involved and a corrective action plan should be drawn up and agreed, the criteria for which may include:.

- ✓ Identify the problems (performance gaps) that need to be addressed and prioritise them.
- ✓ Identify the cause of each problem. Make sure you gather all the facts to understand the cause(s) of the problem. Is the problem customer related (service), employee related (skills) or resource related?
- ✓ Identify how the problem will be eliminated. Look at possible options and solutions and consider and compare the pros and cons for each. Choose the best option for improvement.
- ✓ Set targets and timeframes for improvement.
- ✓ Allocate responsibility for implementing the action points.
- ✓ Communicate the action plan to everyone in the department to ensure understanding and commitment.
- ✓ Keep the action plans for review purposes.

Show continuous improvement

Targets set for performance improvement are tracked over time, using the feedback and audit results, in order to show real improvements. These targets, and the actual performance compared against the targets, should be openly displayed and available to all employees.

Showing continuous improvement also involves reviewing your operational standards 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 (see Operational Activities, Section 2).
- ✓ Simplifying or getting rid of unnecessary rules and practices.

Continuous improvement will allow you to set higher and higher operational standards and maximise customer satisfaction. By consulting customers, monitoring performance and encouraging innovation, you will be able to deliver better service. But continuous improvement is less about big changes and more about constantly introducing small

incremental changes in order to improve quality and/or efficiency. This approach assumes that employees are the best people to identify room for improvement, since they see the standards in action all the time. By using this approach you are promoting a culture that encourages and rewards employees for their contribution to the standards, the key features of which are:

- ✓ Improvements to the standards are based on many, small changes rather than the radical changes that might arise from formal surveys.
- ✓ As the ideas come from the employees themselves, they are less likely to be radically different, and therefore easier to implement.
- ✓ Small improvements are less likely to need major financial investment than major changes.
- ✓ All employees should continually be looking for ways to improve their own performance.
- ✓ It helps encourage employees to take ownership for their work, and can help reinforce team working, thereby improving worker motivation.

Over the years, the sheer volume of these small improvements can lead to major advances for the department.

Conclusion

A final point. You are only as good as your standards and your standards are only as good as the performance of your people, which in turn is only as good as how your customers perceive it. Make sure, then, that what your customers experience are the standards you set out, performed by well trained, customer-focused employees, supported by the resources they need!



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