

Measure For MEASURE

How do you measure quality in B2B?

BY STEVE HEARON

One of the things I found perplexing in transitioning my career from the B2C world to B2B, was quality. How do you measure it, how do you impact it, how do you know you are making a difference? In the consumer/residential space, it is quite simple. Call, email, or snail mail the homeowner, have them fill out or take a survey, capture the “score,” and measure the data. But in B2B, it’s a different world...or is it? We’ve found the basic principles are the same.

1. The customer wants a quality job.
2. The customer will tell others about the quality of the job, both great and terrible (it is the “in betweeners” who typically don’t say much at all).
3. The customer is easily disappointed if expectations are not set, and met.

So the first challenge is, how do you define the customer? In the residential construction world, it’s easy. Nine times out of 10, the customer is the homeowner. In B2B, it is more complex. In the example of remodeling 30 locations for XYZ retailer or restaurant, you have multiple

customers. You have the corporate decision maker, the director of construction, working out of world headquarters. They want the job done on time, on budget, with no complaints to them or any of their counterparts in other departments (like marketing or operations). You have the project manager, who reports to the director of construction, who is actually the one executing the projects with the vendor/contractor partner. You have the store manager, or managers, and assistant managers who are responsible for delivering to their customers while the work is taking place. Finally, you have the store employees who have to work around the contractors who have invaded their space and made it more challenging than they are used to just to get their normal days’ work done.



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Once you have defined your “customer,” you need to identify what system or process you will use to consistently capture and measure quality.

Last but not least, you then must determine what actions will be taken to move the quality needle in the direction that drives future business — how to turn your “detractors” into “promoters.”

In our company, we decided to focus on the store or restaurant itself — the location where the actual work is being done. We figured that the way we’d know the project managers and directors of construction were happy is by them sending us/rewarding us with more work. However, the store employees don’t always have a voice in that decision, and they are the ones most impacted by what we do. They have face-to-face contact with our crews. They can see the work with their own eyes, often while it is happening. They are left with the after effects, which, if done right, leaves them with a very positive impression. If done wrong, it is they who suffer most.

Next, we chose NPS (“Net Promoter Score”) as our system of measurement. It is very easy to implement and understand. The “subject” is simply asked one question: “On a scale of 1 to 10, how likely are you to recommend us?”

How do you implement it? You hire a third party to make the calls to your chosen “customer” list. They do the rest, and report back to you with the data. The scoring model is quite simple. For those who rate you on a scale of 1 to 10 a 9 or 10, they are your “promoters” — those who truly liked what you did and in most cases will tell others how much they liked what you did. 7 and 8s are “passives.” They felt the work was not too bad, not great, but certainly not worth touting to all of their



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friends and coworkers. By the same token, they aren't bashing you all over town. Finally, anyone 6 or lower are your "detractors" — those most damaging to your business. Not only are they likely never going to recommend you to anyone, but they are actually quite likely to tell others how they feel about you. Your score is then derived by taking the percentage of your customers who are "promoters" and subtracting the percentage of customers who are "detractors." Very easy.

Now the hard part: What do you *do* with this information? We have chosen to do several things:

1. Call the store and find out what happened. Is there anything we can do to make it right? Communicate any subsequent action to the corporate client.
2. Address it with the crew leader responsible for the project — in many cases, he or she has no idea the customer was left unhappy.
3. Start using the data to measure your teams and challenge them to improve, month in, month out, week in, week out.

Net Promoter Score is used by many companies out there today from Apple Computers to American Express and Amazon. It is not new. It is also not the only method out there. The important thing is not *how* you measure quality, it's that you *do* measure quality — and then you do something about it. The rewards will be there. Just reducing your detractors will reduce your bad word of mouth and increase your chances of winning more business. Increasing your promoters will have the same effect. You will be glad you did. I know we are. We have established our benchmark this year and now the goal is to improve on it month in and month out, week in and week out.

For more on NPS, check out *The Ultimate Question 2.0*, by Fred Reichheld, the "Guru of Customer Loyalty." [RFB](#)

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