

MANAGEMENT EFFECTIVENESS

If you are interested in achieving quality management, service excellence and customer satisfaction, this is the audit used by Ritz Carlton to earn the national quality award.

1. LEADERSHIP	90
2. INFORMATION & ANALYSIS	80
3. STRATEGIC QUALITY PLANNING	60
4. HUMAN RESOURCE DEVELOPMENT & MANAGEMENT	150
5. MANAGEMENT OF PROCESS QUALITY	140
6. QUALITY RESULTS	180
7. CUSTOMER SATISFACTION	300
	Total Points 1000

AUDIT OF TQM, SERVICE EXCELLENCE AND CUSTOMER SATISFACTION

LEADERSHIP	Senior Executive Leadership Management for Quality Public Responsibility
INFORMATION & ANALYSIS	Performance Data Competitive Comparisons & Benchmarks Analysis & Use of Company-Level Data
STRATEGIC QUALITY PLANNING	Planning Process Quality & Performance Plans
HUMAN RESOURCE DEV & MANAGEMENT	Human Resource Management Employee Involvement Employee Education & Training Employee Performance & Recognition Employee Well-Being & Morale
MANAGEMENT OF PROCESS QUALITY	Design & Intro of Quality Products/Services Product/Service Production Processes Business Processes & Support Services Supplier Quality Quality Assessment
QUALITY RESULTS	Product & Service Quality Results Company Operational Results Support Service Results Supplier Quality Results
CUSTOMER SATISFACTION	Customer Relationship Management Commitment to Customers Customer Satisfaction Determination Customer Satisfaction Results Customer Satisfaction Comparison Customer Future Requirements & Expectations

AN AUDIT
OF TQM, SERVICE EXCELLENCE & CUSTOMER SATISFACTION
FOR HOTELS & HOTEL COMPANIES

Category	Points
1. LEADERSHIP	90
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1.0 LEADERSHIP

90 Points: Score_____

1.1 SENIOR EXECUTIVE LEADERSHIP: How are senior executives personally involved and visible in developing and maintaining a customer focus and an environment for quality excellence?

1.2 MANAGEMENT FOR QUALITY: How are the company's customer focus and quality values integrated into day-to-day leadership, management and supervision of all company units.

1.3 PUBLIC RESPONSIBILITY: How does the company include its public responsibility for health, safety, environmental protection and ethical business practices into its quality policies and improvement activities?

How does it provide leadership in external groups?

2.0 INFORMATION & ANALYSIS

80 Points: Score_____

2.1 PERFORMANCE DATA: How does the company use its database and information for planning, day-to-day management and evaluation of quality?

How reliable, timely and accessible is the database and information?

2.2 COMPETITIVE COMPARISON & BENCHMARKS: How does the company select data and information for competitive comparisons and benchmarks to support quality planning, performance evaluation and improvement?

2.3 ANALYSIS & USE OF COMPANY-LEVEL DATA: How are quality and performance-related data analyzed and used to support the company's overall planning and operational objectives?

3.0 STRATEGIC QUALITY PLANNING

60 Points: Score_____

3.1 PLANNING PROCESS: How does the company develop plans and strategies for the short term (1-2 years) and the longer term (3 years or more)?

How are plans implemented and resources committed?

How does the company evaluate and improve its planning process?

3.2 QUALITY AND PERFORMANCE PLANS Plans: For the products, services, markets and directions chosen, summarize the company's key quality factors and performance requirements to achieve leadership?

What are the short term goals and performance indicators deployed to work units and suppliers?

What are the resources committed to each goal: capital, facilities, education, training and people?

How are the longer term goals being addressed?

4.0 HUMAN RESOURCE DEVELOPMENT & MGT **150 Points: Score_____**

4.1 HUMAN RESOURCE MANAGEMENT: How well do human resource plans and practices support the company's quality and performance objectives?

How are human resource plans derived from quality and company performance plans?

What are major initiatives regarding: education, training and skill- building; recruitment; involvement; empowerment and recognition?

What are the key quality goals, response times and improvement methods for personnel practices and services to employees?

How does the company use all employee-related data to improve effectiveness of entire work force?

4.2 EMPLOYEE INVOLVEMENT: What mechanisms does the company use to promote employee contributions, individually and in groups, to quality and company performance objectives?

How and how quickly does the company give feedback to contributors?

What is the company doing to increase employee empowerment, responsibility and innovation?

What methods are used to involve all categories of employees?

Summarize trends in employee involvement.

4.3 Employee Education & Training: How does the company determine the types and amounts of quality training and related education that is needed by each category of employee? Address: relevance to company plans; needs of individuals; and work units access to skills training for problem analysis, problem solving and process simplification.

How relevant is employee training to company plans?

How well does employee training meet the needs of individuals?

What access do employees have to skills training for problem analysis?

What are the methods for delivery of education and training?

How does the company reinforce on-the-job use of knowledge and skills learned?

Summarize extent of quality and related education and training received by employees: orientation of new employees, percent of employees trained in each category, average hours of training per employee annually?

How does the company evaluate and improve the effectiveness of training delivery, on-the-job performance improvement and employee growth?

4.4 EMPLOYEE PERFORMANCE & RECOGNITION: How does the company's performance, recognition, promotion, compensation, reward and feedback processes support the attainment of the company's quality and performance objectives?

What are the trends in reward and recognition by employee category for contributions to quality and performance?

How does the company evaluate and improve its performance and recognition system: cooperation, participation and employee satisfaction?

4.5 EMPLOYEE WELL-BEING & MORALE: How are well-being and morale factors such as health, safety, satisfaction and ergonomics included in quality improvement activities?

How does the company provide for mobility, flexibility and retraining to grow employees and accommodate change?

What special services are provided to employees?

How and how often is employee satisfaction determined?

What are trends in satisfaction, safety, absenteeism, turnover, attrition rate for customer contact employees, grievances, strikes and worker compensation? For any adverse results, how were root causes determined and corrected?

5.0 MANAGEMENT OF PROCESS QUALITY

140 Points: Score_____

5.1 DESIGNS & INTRODUCTION OF QUALITY PRODUCTS & SERVICES: How are designs of products, services and processes developed so that: (a) customer requirements are translated into design requirements; (b) quality requirements are addressed early in the design phase by everyone; (c) designs of production and delivery are coordinated and integrated; and (d) a process control plan is developed?

How are customer requirements translated into design requirements?

How are quality requirements addressed early in the design phase by everyone?

How designs of production and delivery coordinated and integrated?

How is the process control plan developed?

How does the company improve its design and introduction of new products and services to improve quality and reduce response time?

5.2 PRODUCT & SERVICE PRODUCTION & DELIVERY PROCESSES: How does the company maintain product and service quality?

What is measured and how often?

How are out-of-control occurrences handled, including root cause, correction and verification?

How are product and service quality assurance processes analyzed and improved: simplification, waste reduction, testing, alternative technologies and benchmarks?

How does the company integrate its quality assurance improvements with day-to-day management, verification, and use by all company units?

5.3 BUSINESS PROCESSES & SUPPORT SERVICES: How does the company maintain the quality of its support services -- finance, accounting, sales, marketing, information services, purchasing, personnel, legal, research and administration?

How are customer requirements used to define support services, achieve better quality, performance and response times?

How are the following considered: process performance data, organizational simplification, use of alternative technologies, benchmark information, customer information?

5.4 SUPPLIER QUALITY: How is the quality assured and continuously improved for materials, components and services furnished by other businesses?

How does the company communicate its requirement for quality and responsiveness to suppliers?

Describe any partnerships, training, incentives, recognition and how the company selects its suppliers.

5.5 QUALITY ASSESSMENT: How does the company assess the quality and performance of its systems, processes and practices and the quality of its products and services?

What is assessed, how often, by whom?

Is the assessment document adequate?

How are assessment findings used to improve?

How does the company verify that findings are acted upon and that actions are effective?

6.0 QUALITY RESULTS

180 Points: Score_____

6.1 PRODUCT & SERVICE QUALITY RESULTS: What are the measurements that best represent the most important factors that predict customer satisfaction and quality in customer use: accuracy, reliability, timeliness, performance, behavior, delivery, after-sales service, documentation and appearance?

Are these factors measured for each department and customer transaction?

What are the trends and current measures of product and service quality?

What are current quality levels compared with those of competitors in key markets, industry leaders and industry averages?

Explain any independent surveys, studies, testing and company evaluations in terms of objectivity and validity.

6.2 COMPANY OPERATIONAL RESULTS: What are the best measures of overall company operational performance: productivity, efficiency, effectiveness?

What about waste reduction, energy efficiency, response time reduction and environmental improvement?

What financial results can be clearly connected to quality and performance improvements?

Compare this performance with competitors, industry leaders and industry averages.

6.3 BUSINESS PROCESSES & SUPPORT SERVICE RESULTS: What are the trends and current quality levels -- productivity, response time, cost -- for each business process and support service?

6.4 SUPPLIER QUALITY RESULTS: What are the trends in quality and current quality levels of suppliers?

Compare the company's supplier quality with that of competitors and key benchmarks.

7.0 CUSTOMER SATISFACTION

300 Points: Score_____

7.1 CUSTOMER RELATIONSHIP MANAGEMENT: How does the company effectively manage its relationships with its customers?

How does the company use information gained from its customers to improve customer relationship management strategies and practices? Address:

(a) how the company determines the most important factors in building and maintaining relationships with customers;

(b) how the company provides easy access for customers to seek assistance, to comment and to complain;

(c) how the company follows-up with customers on products, services, recent transactions and to seek feedback for improvement;

(d) how service standards are set and monitored;

(e) how complaints and feedback received by all company units are aggregated for overall evaluation and use throughout the company;

(f) how does the company evaluate and improve its customer relationship management practices, and how does this lead to improvements in strategy, training, technology and service standards; and

(g) how are the following addressed for customer-contact employees: selection factors, career path, special training to include product knowledge, listening, soliciting comments, how to anticipate and handle problems or failures, skills in customer retention, how to manage expectations, empowerment and decision-making, attitude and morale determination, recognition and reward, and attrition.

7.2 COMMITMENT TO CUSTOMERS: What commitments does the company make to promote trust and confidence in its products, services and relationships?

Do these promises address concerns of customers?

Are these promises free from conditions that might weaken customer confidence?

How have quality improvements in product and service been translated into stronger promises to customers?

Compare promises with those of competitors.

7.3 CUSTOMER SATISFACTION DETERMINATION: What are the key satisfiers of each customer segment the company is serving?

What is the company's method for determining customer satisfaction and customer satisfaction relative to competitors?

How are these methods evaluated and improved?

7.4 CUSTOMER SATISFACTION RESULTS: What are the trends in the company's customer satisfaction for each customer segment?

What are the trends in key indicators of dissatisfaction for each of the company's products and services?

7.5 CUSTOMER SATISFACTION COMPARISON: Compare the company's customer satisfaction results with those of competitors.

By segment, what are trends in gaining or losing customers to competitors?

By segment, what are trends in gaining or losing market share to competitors?

7.6 FUTURE REQUIREMENTS & EXPECTATIONS OF CUSTOMERS: How does the company determine future requirements and expectations of customers: timing; how customer data is projected; how customers of competitors and potential customers are considered; how technological, competitive, societal, economic and demographic factors are considered?

How does the company determine future product and service features and the relative importance of these features to customers?

How are groups of customers considered for new products and services?

How does the company evaluate and improve this process of determining future requirements?

For more information regarding Quality Audits and Assessments, contact:

Jeff Coy
JLC Hospitality Consulting
3320 Mayowood Rd SW
Rochester, MN 55902
507 289-7404 TEL
507 289-7404 FAX
jeffcoy@aol.com