Customer-centric Position Descriptions

Since the beginning of industrial distribution — nearly 150 years ago — we have claimed to value the customer, to be customer-conscious, or — in the words of one of the *Facing Forcing of Change* — to be "close to the customer." And that was true in some cases. However, in most cases, our job descriptions, our compensation, and our general world-view had more to do with ourselves than our customers.

Perhaps the best evidence of this is in our job descriptions, our official explanation to our employees of what we expect from them. Traditionally these have been stated in terms of *tasks* that the employee performs for the company rather than results to be obtained and often the interests of the customer are completely ignored.

It is possible and profitable to develop the company around the customer and what the customer needs, helping to ensure that everyone in your company remains customer conscious.

Nearly twenty years ago, the research of Reichald and Sasser showed that 15 to 20% of the typical company's customers defected every year, and that a relatively small reduction in the defection rate resulted in a large increase in company growth. Despite that, most companies have gone on creating processes that had more to do with company needs that customer needs. The process described in this article is an important first step toward building a customer-centric company.

Developing customer-centric position descriptions consists of successfully completing three steps:

1. Defining the customers
2. Defining customer expectations
3. Creating the position description

Defining the Customers

The position descriptions are based on the expectations of three sets of customers: external, internal, and the company itself. External customers are the ones we usually think of as customers; we sell them products and we send them invoices. However, as noted below, properly defining them is not as simple as being able to find them on the accounts receivable report.

Internal customers are people who work for our company and our vendors who use the output of a position as the input for their work. For instance, the order puller is an internal customer of the inside salesperson. If inside salesperson does not enter the order accurately, the picking ticket will be wrong, and the warehouse person cannot pick the order properly.

Finally, there's the company. Seeing the company — the employer — as a customer is a concept that some people have difficulty with, but in the next step — defining expectations — it's one of the easiest to deal with. Every position has components that contribute to profitability and productivity. All that is required is to determine what those components are.

Defining the external customer begins with a definition of the company's desired customer. Most companies today have given up on the "all things to all people" business model and have made some efforts toward defining the type of customer they serve best. For instance, a company concentrating on the OEM market might have the following description of their desired customer:

> A manufacturer with a highly critical need for quality and certainty of supply who is intent on improving processes and reducing overall cost.

The description might also include account size, geography, or any number of other factors.

Once the desired customer is defined, the positions within the customer organization that are directly impacted by our company are identified. For instance, with most industrial customers, the list would include purchasing, receiving, and accounts payable. It might also include engineering, manufacturing, and quality.

Internal customers are somewhat easier to identify for any particular position, although some associations may be confusing. For instance, the salesperson is an internal customer of the sales manager; he or she requires clear direction and communication. At the same time, the sales manager is an internal customer of the salesperson. The sales manager requires — in addition to direct sales results — prompt and accurate reports so that the manager can provide that information to others.

Defining Expectations

The next step is to define the customers' expectations of the specific position. For instance, in creating a position description for a warehouse employee and having identified the receiving clerk as an external customer, by considering what makes the clerk's job easier or more difficult, we can identify accurate order pulling and proper boxing and labeling as a customer expectation. Similarly the manufacturing employee using the product or the maintenance person (in the case of MRO) needs that same accuracy.

In defining expectations the essential question is "What does this person do to help each of the identified customers reach his or her objectives." If, for instance, one of the objectives of the shipping department is to ship all orders received by noon on the same day, and UPS picks up at 4:00, then one of the expectations of shipping (an internal customer) is that all orders received in the warehouse by noon and to be shipped UPS must be pulled, packed, and to shipping prior to 4:00. The expectation can be generalized by saying that "orders will be pulled and packed in a timely manner, allowing the company to meet its delivery commitments." By generalizing the expectation, the position description doesn't have to be changed if pickup times or company standards are changed. These details are simply furnished to the warehouse employees.

In identifying the expectations of the company, the question to be answered is, "How does the person in this position make the company money and serve the customer?" Obviously, pulling accuracy is an expectation since warehouse error create additional expense and cause customer problems, but productivity — lines pulled per hour — is also a company expectation, since increasing the number of lines pulled per hour's personnel expense makes the company money. In this example you also find the not-unusual contradiction between doing it right and doing it quickly. However, resolving the contradiction is not part of the position description; it is an on-going management task.

Creating the Position Description

The position description itself is the result of the two preceding steps. The expectations are composited into a single, easy-to-understand paragraph that deals not with the tasks, but the outputs of the positions. Typically, instead of the usual two or three pages we find in a job description, this paragraph will be five or six sentences long. The result for a basic warehouse position might look like this:

The warehouse associate at the basic level will pull orders accurately and pack them according to company standards. He or she will assist in receiving and putting away incoming shipments promptly and accurately, communicating receiving variances promptly to the warehouse manager. The warehouse associate (basic) will handle paperwork efficiently and according to company policies. He or she will work effectively with other warehouse associates and coworkers in other departments.

Notices that the outputs (pull orders, communicating receiving variances, etc.) are all qualified (accurately, promptly, etc.) The employee is evaluated according to how well he or she meets those qualifiers.

It's all about the customer.

Creating customer-centric position descriptions is one step toward creating a company that is truly focused on the customer, one that does more than lip service to what we've been saying for more than a hundred years. And beginning with that first step, we can use position evaluations, and performance based compensation and incentives based on the position descriptions to change the culture of the company.

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