

All consumer problems solved

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One of these days I will summon up the courage to telephone my broadband service provider. I am not looking forward to it; my last call was answered by someone who clearly could not wait to get rid of me.

The reason I need to call is that a gadget the Financial Times has given me to read my office e-mail from home does not work. Actually, the gadget does its job of constantly generating new numerical passwords very well. It is just that the FT's e-mail site keeps rejecting the passwords. The FT's IT support people have patiently attempted to solve the problem, but they have now run out of ideas. They say it must be my broadband provider who is blocking my access - hence the need for the call I am so reluctant to make.

Why is everything so difficult? We can now buy a huge range of electronic products at ever-lower prices. We can read independent consumer reviews, compare prices online and have goods delivered to our door. And we can do all that in the certain knowledge that what arrives will not work.

At least I know I am not alone in these problems. "Why do we routinely encounter the custom-built computer that refuses to work with the printer, the other computers in the house and the network software?" James Womack and Daniel Jones ask in the March issue of the Harvard Business Review.

It is not just technology that frustrates consumers, they say. "Why does the simple process of getting the car fixed require countless loops of miscommunication, travel, waiting and defective repairs? Why does the diligent shopper frequently return from a store stocking thousands of items without having found the one item that was wanted? And why is this tiresome process of consumption backed up by help desks and customer support centres that neither help nor support? In short, why does consumption - which should be easy and satisfying - require so much time and hassle?"

The answer to all these problems, they say, is lean consumption. An excellent idea, you may think. Rather than buying all these defective products and services, we should try to do without them. How much do we actually need, after all? We managed perfectly well before personal computers, personal digital assistants and the rest came along. It is far friendlier to the environment and easier on the wallet to do without.

But that is not what the writers mean by lean consumption. Their idea is an extension of lean production, as practised, pre-eminently, by Toyota, the Japanese car manufacturer. If that jogs the memory, it is because Mr Womack and Mr Jones were, with Daniel Roos, the authors of a celebrated book, published in 1990, called *The Machine that Changed the World*, which was all about lean production.

The book, based on a five-year Massachusetts Institute of Technology study of the car industry, explained a set of manufacturing practices that seem commonplace today, but sounded revolutionary then. The authors examined American and European car

manufacturers' reworking areas, where faults in the completed vehicles were corrected, and discovered that Toyota did not have reworking areas. This was because Toyota employees were encouraged to eliminate faults during the manufacturing process. Workers who saw faults occurring could stop the assembly line to ensure they were corrected.

Remarkably, the assembly line had to be stopped less frequently as time went by. This was because the Toyota workers were using the information from the shutdowns to solve the faults permanently, meaning there were fewer and fewer of them. There were other related drives to improve quality throughout the manufacturing process, such as "total quality management" and "quality circles", all of which attempted to make the elimination of faults and defects every employee's responsibility.

Toyota also adopted a different attitude to suppliers. Instead of drawing up specifications for components, asking potential suppliers to bid and then selecting the cheapest, Toyota developed deep relationships with suppliers, taking equity stakes in some of them.

The company took the same attitude with dealers. In contrast to western manufacturers' often prickly relations with their dealers, who were expected to stock models whether consumers wanted them or not, Toyota's close ties with retailers - and their links, in turn, with customers, helped the company forecast demand.

Mr Womack and Mr Jones argue that the same principles can be applied to solve consumers' problems today.

How would it work? Take helplines, for example. At present, they serve the same function as the western car companies' reworking areas: they try to solve problems after they have occurred. They do not do it very well either. Helpline workers are rewarded for their "efficiency", in other words how many callers they deal with - which is why they are so eager to move on to the next one. Helplines should do more than help people with problems, the writers say.

The helpline staff should use the calls to identify common problems, which can then be solved - the equivalent of the stopping of the Toyota line.

There is a big opportunity, too, for companies that can manage consumers' lives. Companies such as Toyota rely on a smaller number of suppliers than their competitors, using those that understand their needs best.

"This same concept can be applied to the process of consumption," the writers say. "For example, why can't a single provider solve your computation and communication problems by evaluating your specific needs and then determining the best equipment, software and services? The provider could then obtain, install, maintain, upgrade and replace the required items for a standard fee, with no unpaid work or hassle for you. And why can't another solution provider put the vehicles in your driveway, then maintain, repair and dispose of them as appropriate, for a simple usage fee, without consuming any of your time or attention?"

They stress that they are not talking about "concierge services", which are "actually a

step backward into a world where the well-to-do hire staff to cure their consumption headaches, which are caused by broken processes". The integrators they are advocating could improve the processes, eliminating problems and lowering the cost of lean consumption. Let us hope it happens soon. Now for that dreaded call to my broadband provider.

HOW FUJITSU SMOOTHES OUT THE WRINKLES

That company exemplifies lean consumption in the way that Toyota did lean production? James Womack and Daniel Jones, authors of an article in the latest edition of Harvard Business Review, offer as a candidate Fujitsu Services, which provides technical support and customer service for companies that want to outsource them.

This is usually a recipe for customer dissatisfaction - but Fujitsu does it differently. When it took on the task of help desk support for BMI, the UK airline, it analysed problems to see which came up most often. It found that 26 per cent of calls were about malfunctioning printers, which were preventing check-in staff from printing boarding passes and baggage tags.

Instead of struggling to find technicians to fix every printer that had gone down, Fujitsu persuaded the BMI management to buy better printers. The number of calls about jammed printers fell by 80 per cent in 18 months.

Many outsourcing companies charge for the number of calls handled, ensuring callers are dealt with as quickly and abruptly as possible and that underlying problems are never solved. Fujitsu charges a set fee instead.

Its way of working enables it to spot ways of improving the customer's business that the customer may not have thought of. "As a result, satisfied clients have rewarded Fujitsu with extra work previously divided among competing subcontractors - a win-win for both parties," the writers say.