

We went out in a very organized way over a period of a couple of years and checked with people who knew how to better warehouse, knew how to better handle receivables, payables, invoicing, order processing, and soft processes as well as hard processes of manufacture. Then we went to our people, which is our normal propensity anyway, since we are genuinely a participative management organization. (Incidentally, we started this concept well before we had ever heard of it from the Japanese back in the early sixties.) We went to our people.

Let me personalize that in a way and link it to one of my associates who is on this panel. I was sitting in my office one day very early in this program. My secretary said: "Bill Smith is calling." I knew Bill Smith was a top engineer in our communications business though I did not know Bill very well. I took his call and he said: "Bob, I have got an important idea and a concept I have got to express to you, and I think it is very important to the company. I would like to see you."

I don't know if we saw each other that same afternoon or not. I do know that it was very prompt. Bill came to my office and unfolded to me a thesis about latent defects. I am not an engineer, but I listen well. I have to admit I did not understand what Bill was talking about. I was sure as the devil I understood that he knew what he was talking about.

He was very sincere and must have been right. I asked him to come back a second time so that I would have a chance to better understand the concept. It became clearer and now I knew he had something worthwhile, and that those who would truly be able to grasp it should carry the ball. He went on to talk to my two associates in the Chief Executive Office, who were both engineers and top managers. They grasped the concept immediately, and then they began to develop the thesis.

The details are not significant in this particular broadcast. The significance is that the Bill Smiths of Motorola took ownership of what they saw going on and said: "The company needs to embrace an idea we have; and we think it will help the whole system." We listened and we accepted and we

implemented. At the later part of this program we began to involve our suppliers more. Among the things I would do differently, in retrospect, would be to involve our suppliers more aggressively early in the program. We are always out visiting with our suppliers. As a part of this whole process we did a lot of visiting out in the field. I am going to describe that, among other things, in this next section, which is a litany form of recitation of the things that we did from a policy and process standpoint.

It is not important that we will be able to convey to you a specific technique. Whatever your business, whatever your institution, it is my guess that we can supply to you analogs of what you are going to be able to use. I hope that you are beginning to catch the flavor that a considerable amount of leadership has to be taken—an interest, a sense of humility, a personal involvement, ownership in starting a process, and a set of policies, the nature of which would then be particularized to your institution.

I wish we would have thought of it right at the first tee, but I think it was about the third hole of an eighteen-hole game, that we finally came to a realization of the overall banner that would become the most enlightening to our people. Most inspiring to our people was a genuine understanding of what "Total Customer Satisfaction" was.

This came through to us so vividly fairly early in the program when I decided to go back to school on that simple process of very detailed customer visits. Don't we all make customer visits? I decided to go out and talk to ten customers that year; I did not want to see any big shots, I wanted to see the people who installed, who serviced, who wrote the checks to us, who received the material, who assembled it into their product, the purchasing people, and so on. Our people set it all up.

After four trips, I could have written every trip review I had wanted to. All of our customers said: "We like doing business with you." (I know all of your customers would say the same.) "But, we would do ten, or twenty, or thirty percent—maybe even three hundred percent more business with you—if you would just stop making so many mistakes. In the time it takes to correct