

has a guaranteed contract, more time can be spent on quality issues."

To Scott, who is currently studying Japanese management models and the environments in which they work best, the key is for American managers to provide their workers with the right tools, the right environment and the proper motivation to ensure that quality manufacturing standards are met.

"One important area where U.S. industry is falling short is its investment in its workers," adds Carlton. "You cannot produce high-quality manufactured goods without adequate training of your workforce."

However, attention to quality issues alone will not allow the U.S. to recapture lost ground. Quality is now minimal table stakes to play; competition has shifted to cycle time which is the time from product inception to delivery to the customer.

In order to survive in the interior climate of global competition, it is imperative that U.S. companies leverage managerial talent with the use of quantitative methodologies.

While Scott examines quantitative modelling issues, Mary Gilly looks at improving quality from a very different perspective—handling the customer in the service sector.

Treating the customer like a king is something Mary Gilly knows quite a bit about. As Assistant Professor of Marketing at GSM, one of her research interests is enhancing service quality through consumer complaint management in service industries.

"I've been documenting the flow of consumer complaint information in several service industries to determine how that information can be used effectively by decision makers in a marketing context," explains Gilly. "In many cases, the systems are in place to handle complaints, but front-line people are not trained adequately to handle the information. Other times, there are barriers to the flow of information. Often, the 'kill the messenger' syndrome takes over where a supervisor associates the problem with the bearer of the bad news."

Gilly, who received her Ph.D. in Marketing at the University of Houston, has studied complaint management in a variety of service



Mary Gilly, Assistant Professor, Marketing

fields including the health care and oil industries.

"U.S. companies tend to take a legalistic view of complaint management and simply strive to avoid litigation," she says. "Unfortunately, setting up an effective consumer complaint system is not seen as an opportunity to improve the quality of a service product."

Gilly, who teaches services marketing as an elective in the M.B.A. program, believes more companies should be making a commitment to customer satisfaction.

"There's no way to attain zero defects in service industries," explains Mary. "Employees have bad days and things will go wrong. Complaint management is important so decision makers can use feedback from complaining customers to help set up systems for employees to do their job more effectively."

According to Gilly's research, effective complaint-handling can result in such benefits as consumer satisfaction, company and brand loyalty, favorable word-of-mouth publicity, decreased litigation and ultimately greater profitability.

"Too often, complaint-handling is thought of as a cost rather than as an opportunity," she says. "If potential benefits were considered, firms could use complaint management as a strategic marketing tool."

Gilly's most recent work examines how customer information flows through an organization to the relevant policy makers.

"By better understanding complaint management, service organizations can become more responsive to their customers; first, by satisfying individual complainants and second, by changing policies and procedures to prevent the recurrence of the problem for all customers."

"Ultimately, the consumers' perception of the response is more important than the actual response. It's also very important to keep customers informed about the progress of their complaint," says Mary.

"Finally, service firms should train and motivate all of their employees to handle complaints. A commitment to effective complaint-handling, one that starts at the top and is communicated to front-line employees, can greatly enhance the quality of a service firm's offering."