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Malcolm Baldrige National Quality Award 1996 Recipient Custom Research Inc.

Custom Research Inc. (CRI), a national marketing research firm, leverages an intensive focus on customer satisfaction, a team-oriented workforce, and information technology advances to pursue old-fashioned ends: individualized service and satisfied customers. Since 1988, when CRI adopted its highly focused customer-as-partner approach, client satisfaction has risen from already high levels, and gains in productivity, sales volume, and profits have outpaced industry averages.

CRI's steering committee, composed of partners Judith S. Corson and Jeffrey L. Pope and two executive vice presidents, is responsible for crafting CRI's goals and strategies and views customer loyalty as the firm's most valuable business asset. With all CRI employees as members of customer-focused teams, a flat organizational structure helps make executives immediately accessible to employees, customers, and suppliers. Well-developed systems are in place for understanding customer expectations, soliciting customer feedback, and monitoring each facet of company, team, and individual performance. Together, these systems help set the course for CRI efforts to meet or exceed customer expectations that can serve as a model for other professional services firms.

A Quick Look

Founded in 1974 and based in Minneapolis, privately owned CRI conducts survey marketing research for a wide range of firms. The bulk of its projects assist clients with new product development in consumer, medical, and service businesses. Revenues of more than \$21 million in 1996 place CRI among the 40 largest firms in the highly fragmented, \$4 billion marketing research industry that is characterized by low entry costs and tough competition. The firm credits a reputation for quality for making it one of only a handful of companies that has remained independent while growing over the past two decades.

Besides its Minneapolis headquarters, the firm has electronically linked offices in San Francisco and Ridgewood, N.J., as well as telephone interviewing centers in St. Paul, Minn., and Madison, Wis. It employs approximately 100 full-time staff members, most of whom are cross-trained to create the flexibility needed to accommodate the demands and schedules of research projects. Contractors assist CRI in doing the interviewing.

Choosing in 1988 to concentrate its business on high-volume, repeat customers, CRI has reduced the number of clients it serves. In 1995, CRI's clients numbered 67, down from 138 clients in 1988; the number of larger clients during this period increased from 25 to 34. This emphasis on large accounts has paid off with a doubling in revenues, achieved without increasing staff size.

'Surprising and Delighting' Customers

In recent years, CRI senior management aimed for a new level of consistency and competence in delivering quality services by organizing, systematizing, and measuring quality. CRI's steering committee distilled requirements for each research project to four essentials: accurate, on time, on budget, and meeting or exceeding client expectations. Before the first survey data are collected, criteria defining these requirements are determined in consultation with clients when CRI executives and project team leaders interview clients and they do that extensively.

The company was reorganized to make maximum use of customer-focused teams and to merge support departments in order to reduce cycle time a growing client priority. All CRI teams have the same goal of "surprising and delighting" their clients. CRI captures the essence of this goal in its Staricon. Quality at CRI is client driven the center of the Star and is integrated into the company's business system as captured by the five key business drivers that are the points of the star: people, processes, requirements, relationships, and results. With extensive employee involvement, the steering committee annually sets corporate goals for the company, which then tie to the goals for each work unit. Quarterly, account teams review with the steering committee the business plans and results for each client.

Meeting customer-specified requirements depends on efficient execution of well-documented, measurable processes. Most professional services firms believe their services cannot be "standardized." At CRI, while each project is custom-designed, the process for handling it flows through essentially the same steps across all projects. CRI developed and heavily uses a project implementation manual for interviewing. Internal "project quality recap" reports completed for every study track errors in any step of the project flow. CRI measures the accuracy of results and the quality of personal and telephone interviewing. For example, over the last several years ratings for interviewers show sustained average quality scores of approximately 95 points out of 100, up from 83 points in 1990.

Customers have ample opportunity to advise and critique CRI. At the end of each project, clients are surveyed to solicit an overall satisfaction rating based on the customers' expectations. Each month the results of the client feedback are summarized and distributed to all employees. Internally, end-of-project evaluations also are conducted for CRI support teams and key suppliers. Personal interviewing contractors, for example, are evaluated on performance and contribute ideas for improving the quality of their service.

People Make the Difference

CRI uses a "high tech-high touch" approach to satisfying customers. On the "high touch" side, CRI uses its flat organizational structure and relatively small size to assure that information flows freely within the company. Just as importantly, they view continuous improvement as part of their jobs. Staff members are surveyed annually, giving CRI senior managers specific feedback, including data on their own performance as viewed by CRI-ers.

A variety of recognition programs; bonuses based on achievement of corporate, team, and individual goals; and a peer-review system for evaluating personal performance serve to reinforce worker commitment to continuous improvement.

CRI has a company-wide education plan, used to align individual training with business and quality goals. Each employee has a development plan, which sets annual and long-term goals for improvement and helps to identify training needs. In 1996, the average CRI employee received over 134 hours of training. All new employees receive company-wide and job-specific training that addresses quality and service issues. CRI bases company-wide training requirements on client feedback, performance reviews, CRI's education plan, CRI development plans, on-the-job reviews, interviewer monitoring, and employee surveys.

A Technology-Driven Approach

The "high tech" component to CRI's business is reflected by its alertness to technological opportunities to improve its performance or to devise new services that respond to customer needs. "Managing work through technology-driven processes" is one of CRI's key business drivers. CRI led, for example, in the use of computers to assist in telephone interviewing, data collection, and analysis. Software enables CRI to use technology to integrate all stages of a project: produce a questionnaire for computer-assisted interviewing, control the sampling and autodialing for interviewing, edit and then tabulate the answers from the questionnaires, display them in tabular format, and generate report-ready tables for the final report and presentation. The use of computers has reduced cycle time for just one of these steps tabulating data from two weeks to a single day.

CRI views its major software supplier as a key partner. The long-standing relationship extends to annual planning sessions during which CRI shares its goals and the two firms determine how the software maker can contribute to meeting the goals.

These and other quality-promoting actions including an unconditional satisfaction guarantee aim to build client confidence and loyalty, which, in turn, generate a variety of business benefits. Since 1988, feedback from clients on each of its projects shows steadily improved overall project performance. CRI is now "meeting or exceeding" clients' expectations on 97 percent of its projects. Seventy percent of its clients say the company exceeds expectations. CRI is rated by 92 percent of its clients as "better than competition" on the key dimension of "overall level of service."

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