THE FUTURE OF CUSTOMER-SUPPLIER COMMUNICATION

Richard T. McGlew, Jr.
Executive Vice-President
Information Systems Technologies, Inc.
15250 Mercantile Drive
Dearborn, MI 48120

Timothy C. Poirier, CSP
President
Information Systems Technologies, Inc.
15250 Mercantile Drive
Dearborn, MI 48120

SUMMARY

As businesses go global, sharing information becomes more complex. Now your supplier is in a different country and time zone, with different cultures and languages. In this paper, we discuss our perspective on how enterprises will respond to these challenges and suggest a community-based communication model. Based on experience planning and implementing globalization efforts, we relate typical initial assumptions about global teaming and the surprises that you might encounter, and we share the clear lessons we have learned from our experiences.

KEY WORDS

Communication, Distant Teaming, Globalization

INTRODUCTION

Global has been a popular buzzword over the past few years. As companies expand, as technology improves, as we seek closer partnerships with our suppliers, we constantly hear about "globalization" or "global trends." These trends have a direct, and in some cases immediate, impact on the customer-supplier relationship.

While technology may appear to make the world a smaller place, cultural and political boundaries continue to be inhibitors to your desired global presence. For the manufacturer—both as supplier and as customer—these boundaries define the barriers to communication.

Customer-supplier communication has many meanings. For the purposes of this paper, we focus on teamwork between a manufacturer and its external or internal suppliers. This paper is based on the authors' experiences assisting clients improve their processes to optimize communication and business performance as they migrate to a global environment.

TEXT

Challenging Some Communication Assumptions

In 1995, the authors began to assist a major automotive manufacturer migrate engineering responsibility from central staff to assembly plants worldwide. Through this experience, we exposed expectations our client held about communicating with remote teams and providing them with direction. These expectations are important to understanding the future of global communication. In this section, we explore four assumptions we were challenged to explode:

1. Global is local, only more of the same
2. Technology is the solution
3. Language and location are minor issues

4. National boundaries aren't an issue for a global company

1. Global is Local, Only Bigger

Our client's intent was to treat global teams the same as local teams. This intent was reflected in team-implementation principles that accounted for physical distance:

- The remote team engineer shall have equal access to the central engineering information.
- The remote engineer shall participate in the planning committees.

In operation, however, our client's local communication practices relied on tactical direction of responsibilities and interpersonal face-to-face relationships. These practices assumed common plans, goals, and vision in part because of a common paycheck.

These practices didn't work in a global environment for a number of reasons. Tactical direction required a visible, present manager. Tactical direction wasn't possible when the leader was removed from direct involvement in the process. We discovered this assumption was false when we set a standard for key business processes. We detailed out the procedures for remote teams to adhere to, but met with great resistance from the teams. We had invited the teams to participate in the definition, but that wasn't successful. Our detail-level implementation standard would never work across the variety of team situations globally.

Interpersonal relationships relied on face-to-face meetings. We attempted to create an environment for interpersonal face-to-face relationships using travel and video conferencing. Coordinating common meetings was often frustrating. A discussion between Europe, the United States, and Japan meant calling at 4 A.M. EDT to find the Europeans at 10 A.M. almost ready for lunch and the Japanese at 5 P.M. almost ready to go home. We tried site visits. As you can imagine, the initial travel expenses were impressive, but the results were not. We curtailed travel, but still had to develop innovative solutions to our reliance on face-to-face meetings.

Our assumption that the remote teams had the same motivation as the teams near headquarters was also challenged. Each remote team had an individual character and perspective that differed, sometime subtly, from the central view.

LESSON: Recognize that global is not the same as local. If we take the same approaches as we would locally, the remote team falls out of the process. You need to take special care to involve and include your remote team members from the beginning. Include building a network of common functions, not just the managers. Some of the tools we used to try to accomplish this were videoconferences and Internet conferences.

2. Technology as the Solution

Our client turned to technology to solve the teaming issues we faced. We recognized that the plants were not equipped to the same standard as the central engineering staff. As part of migrating responsibilities to the assembly plants, we provided desktop and server capability at each site that was at least equivalent to the central staff. Thus, we would ensure that the tools were in place and that technology would not be an impediment to our overarching vision.

In rolling out the technology, we found wide differences in team technology needs and readiness. In many cases, the central technology required a large, robust infrastructure. Some of our remote sites had very fragile or nonexistent networks, or had unreliable connections. In one case, it took us a week to get a fax from the remote site.

LESSON: Technology is not a panacea. Keep technical solutions small, fast, and flexible so that they will work across the range of environments. When we did this, we found that the solutions were easier to develop, implement, and support. Don't look for technology to replace people in the process, only to make them more effective. Even when you use technologies such as videoconferencing, it may not be effective until the people using it can first understand each other.

3. One Common Language?

We assumed that language and distance were minor concerns. In selecting a remote team manager, our client considered ability to communicate with the central office as a key requirement. All of the remote team managers were fluent in English. That wasn't enough, though, to ensure that communication would be effective.

Early on we discovered linguistic differences were a stumbling block. For example, when we agreed to "table" an issue, our American managers understood that we were holding the issue for later discussion. Our European managers understood that we were bringing the issue up for immediate discussion. Frustration ensued on all continents.

As we became more involved in implementing remote teams, we discovered that our common central processes didn't fit every location or local culture. Each remote location seemed to have a new title for every job, and many job functions we had never considered. For example, none of the United States teams had a team driver, while this was a culturally essential function in some emerging market locations. This was initially frustrating until we explored the root cause behind resistance to adopting the central standards.

LESSON: Declaring teamwork doesn't make it so. Language and culture can be real stumbling blocks, even if (or maybe because) we assume that they won't be. Distance is a barrier to teamwork. We need to recognize that some distance is in geography, while another kind of distance may derive from culture and language.

4. No Borders

We assumed that national boundaries weren't an issue for a global company. Because our client had declared itself to be global we expected that national boundaries would not be a significant problem for us. We were wrong. While functionally it was one integrated company with a global vision and product set, most of the legal, political, and financial boundaries were still in place. We found that global really meant multinational. The issues we faced before declaring ourselves global were still there. Funding each team had to make business sense on both a local and global scale.

LESSON: Requiring implementation steps to make good business sense both locally and globally actually was a major help to speeding implementation. It gave us checks and balances to ensure that that we spent money in the most effective manner and responded to customer and market needs and wants rapidly.

Most external supplier agreements take company boundaries into consideration from the beginning of the relationship. As more and more customer-supplier relationships span national boundaries, make sure that the potential issues are managed from the start. Set realistic expectations to foster a strong partnership for the future.

A Different Style of Management

Our primary client was responsible for the central staff. The central staff worked hard to provide as much direction to the remote teams as possible. The piles of paper they received in the mail frustrated the remote teams. The lack of compliance frustrated the central staff. Each remote team understood its mission: improvements to the products they produced. They couldn't easily connect this mission with the tactical direction from the central staff. We had to do something different.

We needed to LISTEN to the remote teams. We needed to integrate into one global team, not a disjointed hierarchy. When we did, we discovered that the remote teams truly had passion for their products. They had heard the challenge to improve product quality and were marching ahead. Our drumbeat of direction was out of sync with their pace. They did need tools and direction, just not at the detail level we were providing.

Once the central staff began to listen, their management style changed rapidly. From the beginning, they had worked from a vision of the end results. Now they developed a set of operating principles to guide both the central staff and the remote teams in a spirit of cooperative partnership. The central staff recognized that their role was to support the remote teams, not the other way around. They even changed the name of the central organization to reflect this new realization.

One clear indication of a change in management style was a change in the processes and procedures we published. Long, detailed write-ups were replaced with streamlined descriptions where the remote team could easily connect each step with a clear purpose. Involving the remote teams in developing processes and allowing them the flexibility to refine common processes to work with local realities worked. It gave the remote team a clear direction of the outcomes required of them and the empowerment to implement the process to achieve those outcomes in their unique environment. Once we had learned to listen better, we suddenly began to hear of local process successes. We shared these improvements with other teams, crediting the innovators, and saw many of the changes adopted across the teams.

LESSON: It became obvious as we took a step backwards that our distant team members had a desire to participate. We felt that we had brought them to the table yet they were reluctant to join the team. The real issue was creating a community of neighbors. This encouraged a freer sharing of successes across the remote locations. Processes and change were embraced more readily and effectively, and the total team became more responsive.

Implementation

After dealing with the assumptions above and embracing a new management style, we developed a new approach to implementing new teams. This streamlined approach has proven highly effective in adding teams to existing communities and in developing new communities. In this section, we provide an overview of the key steps in raising customer-supplier relationships from teams to a community.

1. Kickoff: Once in a While, Meet Face-to-face

When you begin a new customer-supplier relationship, start with a kickoff meeting where as many of the participants, and especially the leaders, meet face to face. Invite the executive sponsors to share their vision. Everyone hears the same vision, and then the executive sponsors

get off of the stage. Put the team to work right away on meaningful assignments that require interaction. We ask participants to begin development of processes, and to continue that development when they return to their home base.

Beyond the obvious team-building aspects, we found that this close interaction makes later video and network conferences more effective. The shared work experience seems to remove much of the distance between the team members.

We encourage community meetings once or twice a year to keep the teamwork fresh. New team members join an active community and find support and encouragement from the team. Invite people with common roles to work together. Include your suppliers and their suppliers. Rotate the meeting among remote locations to encourage an appreciation of the community's diversity.

2. Processes to Communicate Direction and Intent

We found that describing processes is a particularly good tool to foster communication within the community. An effective process description creates the common language among team members to keep focused on the team objectives. You should balance the level of the description to show required outcomes while encouraging flexibility in local implementation. Graphical descriptions are more easily understood across languages. We typically use process deployment flowcharts that graphically depict responsibilities and timing of process steps.

3. Small, Fast, and Flexible Solutions

Process development will show when tools are needed. Look for tools that are simple to operate and provide significant benefits. Focus on small, achievable solutions you can develop quickly and can be adopted by your community. Beware of solutions predicted to be available next year or beyond. Maximize use of the tools you have at hand. We ensured that every team had some simple Excel worksheets to track critical metrics and found, in most cases, that this was all they needed to manage their work. We created a web site to share information across the community.

CONCLUSION

Businesses today are forced to compete and produce globally. This creates new challenges for the customer and supplier to work more closely and to respond to change more rapidly. This drives higher levels of communication between customers and suppliers. Today, this challenge is being met by partnerships across organizations. We believe that this trend will continue, forcing teams to be more transient while creating ongoing durable communities. These communities differ from current teams in that they are capable of responding to new opportunities while maintaining individual business identities. We suggest the following principles to guide you.

1. Leadership

Start with a vision supported by senior management from all affected organizations. This vision must include both the short-term objectives and the shared long-range strategy. Use face-to-face meetings to communicate the vision and to build the foundation for distant teaming. Between meetings, however, you need someone to constantly represent the vision and to support the emerging community's needs. This person acts more like a community ombudsman than as the contractual point of contact.

2. People, then Technology

Focus first on the people doing the work. Ensure success by understanding potential cultural and communication issues before they derail your team. Involving affected organizations in defining the communication process will guide you to the tools that will have the most impact on your shared needs and objectives. By considering people before technology, you may find that your technology needs decline.

3. Flexibility

When you implement supporting tools, let them grow or change to meet evolving needs. We found that taking an "implement prototypes" mindset helped us remain flexible. It kept us focused on the people, not technology.

4. A Community of Partners

There are many borders you face in the customer-supplier relationship. Recognize and handle corporate, national, and cultural boundaries with a spirit of community.

5. Beware the Swinging Pendulum

We believe that communities of partners are the future of customer-supplier communication. We also believe, however, that this approach doesn't excuse either the customer or the supplier from their responsibility to meet both local and global business goals. Within a spirit of partnership, don't lose sight of clear roles and responsibilities and your shared business objectives.

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SPEAKER BIOGRAPHIES

Timothy C. Poirier, CSP, is Founder and President of Information Systems Technologies, Inc. Tim has assisted many Fortune 100 companies re-engineer business systems in Quality, Engineering, Manufacturing, and Information Systems. Tim developed three basic principles of partnering for enterprise success. Begin with Information, understanding who needs it, who has it, and the story it tells. Then, Focus on Systems, understanding the local and remote business systems that allow people to add value to the information. Finally, implement Technologies to bring people and information together. Tim spoke at the Association for Information and Image Management International annual conference in 1998. An overview of his presentation on global teaming is at http://www.qquest.com/ aiim_1998_presentation.htm

Richard T. McGlew, Jr., is Executive Vice-President of Information Systems Technologies, Inc. Rich has practical experience in Systems, Process Improvement, Quality, and Manufacturing

applications. Rich has shepherded small, focused efforts and multimillion-dollar projects. He has guided clients in strategic planning and implementation initiatives. He has led major client initiatives in problem prevention, supplier communications, and process optimization. Rich has supported automotive and other manufacturing and distribution industries. He recently assisted a Fortune 100 manufacturing company develop and implement a process communication strategy for over 50 globally dispersed engineering teams.