

Financial training For non financial staff



The financial training specialists

Good, better or best? (profit)

The quality of what we do has an impact on our costs, and therefore our profit.

If we don't do it well enough, we end up doing it a second time to get it right, and that increases our costs. And if it isn't good enough we've probably got customer complaints to deal with too – and that also increases our costs.

So it's important that we know what "good enough" looks like. We might call it "fit for purpose" or "meeting customer needs".

That's the quality benchmark that we have to meet, or preferably exceed.

But how much should we exceed that threshold by? Quality costs. The higher the level of quality, the more expensive it is.

Where do we draw the line between "good enough, and profitable"; and "extraordinary quality, but prohibitively expensive"?

And who bears the cost? If our customers are prepared to pay the price, that's fine. Rolls Royce drivers seem to be prepared to pay the price. But if the additional cost makes us unprofitable, that's not so good!

I've always maintained that perfectionism is dangerous. We spend all our time and resources doing one or two things really well, but everything else gets neglected.

But I've just been reading "Good to great" by Jim Collins. He maintains that "Good is the enemy of great", and that we shouldn't compromise.

I haven't got a simple answer. But I do know that we must consider costs when we're having the discussion about quality.