

CRAFTSMAN'S CRIBSHEET

NUMBER
06

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 Technical Regulatory Quality Management

WHY SERVICE TRUMPS QUALITY AND PRICE

In the precision machining business, nobody sets up their machines based on the quality or price of raw material/bar stock. They set up their machines based on your delivery (service). The same is true for those buying parts from your machining shop.

Ability to provide your product on time and to specification is the true determinant in the real world of execution. That's why there is a gap between the dream world of business plans (what we think we can get) and the real world of monthly operating statements (what it is that we got).

The difference between what we think we can get and what we got is a failure of the supplier to service (provide what is needed as planned) the customer.

Why isn't Quality the determining factor?

1. The quality of the product meets requirements, or else you will get claim/return and won't get the order (again).
2. All suppliers have the same certifications, technology and/or level of product provision. Quality is a given, not a differentiator.

Why isn't Price the determining factor?

You will meet the market price for whatever comparable products exist for the same requirements, or else the lowest priced comparable product will be selected. Comparable in this case means "quality."

Your ability to serve the customer with immediate delivery, your ability to get to "yes" on their immediate and most troubling requirements are the only differentiators of any importance in the precision machined products market. A low price six months from now is of no impact when the need is for parts by Friday.



All Craftsman's Cribsheets are available for viewing and download at pmpa.org/knowledge-tools/craftsmans-cribsheets