**Kudler’s Notes:**

The founder of Kudler Fine Foods based the entire company on ethical principles that are expected to be followed and ingrained in each of the employees. As Kathy Kudler founded the company to help others learn about gourmet foods, how to use the foods in a manner that would keep the customers coming back to her store to obtain the specialty foods she sells. Keeping the ethical foundations of honesty, loyalty, and responsibility in mind in Kathy Kudler's business an ethical business was created. When Kathy Kudler found herself teaching cooking and creating a frequent shopper program she ingrained customer loyalty into her ethical foundation. Without giving up her personal ethical standings, Kathy Kudler created a successful organization that is expanding through innovation and experience. Kudler Fine Foods is an ethical and successful organization with a positive and successful future ahead.   
Kudler Fine Foods is an organization that is starting to expand and offer possibilities for employees in the future. This promise of a future with an organization also encourages employees to examine personal ethics and personal beliefs.   
After understanding how personal ethical standards can define a business, has allowed for a closer examination of the employee's personal ethical standards. Working for an unethical organization or an organization where the ethical standards are not the same for the organization and the employee never works. Working in an ethical organization with employees who are unethical is also a situation that never works. Finding the right fit for an employee and the organization is necessary for a successful and profitable business.   
Kathy Kudler had the ability to create a successful, profitable, and lasting organization without compromising integrity or dignity in the process. There has risen a universal need for ethical behavior in organizations today (Moses, 2006). Creating an ethical business environment, a formal ethical business program, and a statement of ethical behavior allows organizations to make ethical decisions that align with many personal beliefs of the founders of the organization and the employees. With an ethical business statement, organizations will find honesty, loyalty, responsibility, and ambition from all the employees, thus moving the organization in the right direction.

Kudler’s Mission and Objectives

Kudler Fine Foods is a local upscale specialty food store located in the San Diego metropolitan area. The company has three locations, La Jolla, Del Mar and Encinitas. Each store has approximately 16,000 s.f. of retail space located in a fashionable shopping center. The stores are stocked with the very best domestic and imported foodstuffs and divided into five departments: Fresh Bakery and Pantries, Fresh Produce, Fresh Meat & Seafood, Condiments and Packages Foods, and Cheese’s and Specialty Dairy Products.

Kudler Fine Food Mission is to provide our customers the finest in selected foodstuff, wines, and related needs in an unparalleled customer environment. Our selections, coupled our experienced, helpful and knowledgeable staff, merge to offer each customer a delightful shopping outing. We will provide this service because we “shop the world” for our products; purchase only the finest of products; are highly selective in acquiring our team members; and will go to extensive lengths to assure that Kudler’s is the purveyor of choice for customers aspiring to purchase the finest epicurean delights.

Since Kudler Fine Foods has experienced a significant growth and wants to expand its services, Kudler’s main objectives are to improve the efficiency of its operations, increase the consumer purchase cycle as a means to increase the loyalty and profitability of its customers. Kudler’s wants to increase customer loyalty by offering added high-margin services, leveraging the firm’s better understanding of customer purchase patterns and providing more efficient operations. As a result, profitability will increase by cost reductions accomplished trough supplier partnering programs, and new customers will be acquired trough social network marketing as well as word of mouth. Will Kudler be able to utilized TGM to obtain its strategic objectives?

Kudler Total Quality Management

An organization must pay to achieve quality, but it also pays for the lack of quality, companies now day have a cost of quality, which means that the best quality product or service will win the market. There are three-cost category, the prevention cost, the appraisal cost and the failure cost. In our service as a fine cuisine, we really need to implement TQM as a strategic level for our organization. By performing quality training and education to all of our employees, also, we need to implement a quality awareness and motivation, but most important we need quality products to create our meals.

Some of the appraisal components that we need are walkthroughs and inspection of quality control in our produces and ingredients that will be utilize in the kitchen. We also have to do a preparation of product testing and quality audits. Since we will be dealing with food is very important that all products are fresh and top quality. Some typical failure component that we may encounter is the cost of recall products, the staff turnover and the lost of production due to low quality service.

Quality is the idea of producing error-free products and being proud of the outcome of the service provide and the quality of our gourmet foods, employees usually like the idea of less work and by using the term quality instead of productivity make the visualize that is less work and better product. Our company believes in top quality service. But also believe that quality brings productivity up to the top.

Quality and Strategic Objective

Kudler’s mission is to provide their clients with the finest products from all over the world. The company’s entire strategy is based on this mission. Kudler carefully selects staff and products that will both purvey this message continually to all those that choose to shop there. The quality of the entire experience from the time a customer enters into the store all the way until that customer pulls a Kudler product from their refrigerator to share it at their next dinner party is the responsibility of the strategic plan. The plan must be well organized, managed, and regularly reviewed for improvement. Quality is in fact what Kudler is selling.

Quality is linked to Kudler’s strategic plan from start to finish. The first part of the plan is to hire and train the right people. The staff must be knowledgeable, friendly, have a willing attitude, and be fully dedicated to Kudler’s mission. The staff is a reflection of the company and is often the first impression for a majority of customers. Also, the buyers in charge of selecting foods from all over the world must be professionals in their field of expertise. Customer must come to rely on Kudler’s expertise in fine foods and trust that the buyers know the best products. The floor staff must also be able to explain the origin to customers and how to prepare and keep these products fresh in their homes. These are very key factors in regards to maintaining quality in order to achieve objectives.

Also, products must be selected carefully to ensure they will still be fresh and marketable once they are received in the locations. Because many of the products come from oversees, it is imperative that the plan includes close monitoring of all perishable goods and the schedule for them each. Once received, they must be signed off by management before placed on display. Many items will need to be purchased within 48 hours of receipt. The staff in charge of inventory will have to maintain and manage a pos system that will provide t hem with the data needed to deliver just-in-time inventory for Kudler and their customers.

Analysis of a Process Improvement Plan

Kudler Fine Foods utilizes primary data to help them analyze both quantitative and qualitative data. According to the information provided in the virtual organization for Kudler Fine Foods, KFF has Finance and Accounting Financial Modules to keep track of all the quantitative data which includes all the daily transactions. These modules include General Ledgers, Accounts Payable, Accounts Receivables, Bank Reconciliations, Asset Management and Accounting; all of these modules serve as a source of data to do monthly, quarterly, and annual reports that shows the company’s profit or lost.

In addition, the use of POS (Point of Service) module which captures and reports all retail sales in details helps KFF to determine what products are being successful and which ones are not. Kudler Fine Foods also provides a flow cart of the POS Process which makes it easier to understand, and it appoints everyone’s responsibilities to complete the POS process. Reports are then used to make sales decisions such as which department needs to improve its sales. As mentioned on the KFF virtual website, Kudler has tracked historical data which includes dollar value and profit margin per transaction, dollar sales and profit levels by day, and dollar sales and profit margins by item; this data is very useful for financial and sales purposes.

Now, KFF wants to leverage the information to create a more intimate relationship with their customers; that it is why Kudler is integrating a system to track customer purchase behavior over time. KFF will keep track of their customer’s behavior based on an individual customer level, by providing high value incentives through a partnership with a loyalty points program. The idea is to have a purchase behavior pattern that will help Kudler refine its process and offerings to best satisfy their value customers; these customers are focused on quality and finding specialized items. Kudler wants to make sure that their customers are truly happy and satisfied with their quality and customer service.

Kudler is also using surveys to obtain qualitative data. By distributing surveys among the customers, Kudler Fine Foods receives constructive feedback. The survey method lets KFF how customers feel about their services and what opinions customers have about their product quality. Once the surveys are reviewed, the comments are taken under consideration to make improvements and give the customer what they are asking for. There are many reasons why collecting data is so important; as mentioned by Burrill, there are four major reasons which are to manage a process, to understand a process, to control a process, and to improve a process (Burrill, 1999). Kudler wants to improve their quality and their customer service, so collecting data will definitely give the organization a good starting point, and as the improvement process continues more modifications will be added as needed.

Examples of the tools and techniques used to measure quality and customer satisfaction within your selected organization

Quality Assurance

Kudler’s objective is to provide thorough, comprehensive and effective evaluations of company product the highest [Quality Assurance](http://www.globalqualityassurance.com/quality_assurance.htm) methods, both domestic and international. Quality Assurance can be defined as the planned or systematic activities taken to ensure that a product or service will satisfy a given requirement. The goal of most quality assurance activities focus on preventing quality issues through effective organization, planning and early detection and prevention.

Quality Auditors

Kudler’s has an established network of Quality Auditors strategically located through out their stores. The team of experienced professionals is always available for domestic and international quality auditing and/or source surveillance services. Quality Assurance provides feedback and works directly with the training department to ensure each employee understands what their job and what is expected. Human Resource provides each employee with an “Employee Handbook” that reminds them the customer is the center of their business. As per Kudler's handbook:

*Customer Relations*

Our customers are very important to us. Every employee represents KFF to customers and the public. Our customers judge all of us by how we treat them. One of the highest priorities at KFF is to help any customer or potential customer. Nothing is more important than being courteous, friendly, prompt, and helpful to customers. Your contacts with the public and any communications you send to customers reflect not just on you but also on the professionalism of KFF. Good customer relations can build greater customer loyalty and increased profits. (Kudler)

Yvonee Reynolds is the Senior Director of the Operational Functions. Her role is to ensure that all business units obtain a high level of quality product, customer service, cleanliness and representation. Kudler's quality assurance program involves management, peer review and quality measurement studies. Managers have the day-to-day overall responsibility for quality management. They work on a Quality Management Committee that includes management staff who assists in quality and utilization management coordination, as well as implementation and coordination of all quality measures.

Kudler’s quality measurement studies are comprehensive and involve surveys, and outcome reviews. They regularly survey customers regarding their satisfaction with experience and then provide substantial feedback Kathy Kudler and her leadership team, on the customer’s experience. They automatically track all suggestions and opportunities and apply them to reach company goals. In addition, Kudler’s analyze the data to detect patterns or trends. The result of these practices is achieving the balance between controlling cost and quality of service.

True "customer satisfaction" is an organization's ability to attract & retain customers and enhance the customer relationship over time. Every interaction a customer has with a company's products & services is a reflection on quality." (ISO, 2007) This paper will discuss how quality is link to Kudler's strategic plan and strategic objectives. Also this paper will show examples of tools and techniques used to measure quality and customer satisfaction.   
Passionate about gourmet cooking and frustrated at having to travel all over town to gather the ingredients for one simple meal, Kathy Kudler decided to open her own gourmet food shop. Her vision was to create one store that would stock a wide selection of the freshest ingredients as well as all of the tools a gourmet cook could ever want. Kathy was certain that combining the convenience of one-stop shopping with reasonable prices would be a recipe for success.   
  
Importance of Customer satisfaction   
  
  
One of the most important elements in creating a successful business is having happy, satisfied customers that keep coming back and it also leads to word of mouth advertising. Customer satisfaction is one of the toughest areas to evaluate. However, with a strong quality management plan, a company can better strive to meet the demands of customers. In this paper the strategic plan in relation to quality, objectives for the company's strategic plan, improvement methods or suggestions for this plan and how these subjects relate to quality management will be discussed. Assuring the quality management and where this responsibility lies will also be evaluated.   
  
Quality and the strategic plan and objectives.   
Customer service which is "the behaviors and attitudes of a company and its personnel toward customers, during all interaction and communication with them" (Swartzlander, 2004, p. 1) is the heart of an organization.  As today's consumers are becoming more price conscious, technologically advanced, demanding and convenience driven.  Thus, the key for success in today's tumultuous marketplace is exceptional customer service as this allows an organization to prosper in this highly competitive marketplace.  (Kotler, 2003) Thus the organization's objectives are to ensure it process quality products, that the customer is satisfied, and that it keeps the price at a level that is comfortable for the consumer.   
  
  
  
Tools and Techniques   
Kudler Fine Foods has tracked information such as dollar value and profit margin per transaction, dollar sales, profit levels by the day, dollar sales and profit margins by item. In an effort to leverage the information to create a more personal relationship with their customers, Kudler is developing a system to track a customer purchase behavior overtime" (Apollo Group, Inc., 2004). Thus One of the tools is the use of a Customer Relationship Management (CRM) database to track historical sales. Instead of manually recording and analyzing the sales and marketing data it is much more convenient through  use of a new information system. The organization can record valuable historical data about sales orders, product information, and customer sales information, including prices paid, costs, margins, and discounts given to make important decisions. It will help in understanding the customer   
and providing in  good service   
Using CRM Companies would be wise to consider the different sub-groups of customers they have and how they differ in terms of types of purchase, cost of purchases, servicing needs, communication methods, total purchase transaction time, post-purchase needs, complaint issues, and others. Even more important to identify may be the commonalities between these same customers, and the characteristics that seem to be present for most or all of them.   
This type of analytical dissection of a company's existing customer base will allow for customer profiling. Profiling is key to eventually understanding everything from how to best service the customer to delineating the best methods for marketing, selling, and retaining these customers (and more just like them). The rule of the thumb is to never assume anything about your customers.   
  
New Customer Focused Programs: "One of the most unique forms of marketing was formed with the use of  Cooking Class Socials.   
Issues: In order to increase the consumption of high margin products such as Kudler's sixteen different type of apples, Irish Butter, organic milk and bakery goods without preservatives" (Apollo Group,Inc.,2005).   
            These classes are usually held in the store and have world famous chefs, local celebrities and other food experts teaching the classes. A customer can also hold a class in his home for a price premium.   
            The classes have established customers and they learn new ways to cook and let them have more time in the store to get them to purchase these high margin products. Second, it will draw new customers into the store through direct mailings.  Thus I will suggest continuing these programs in order to achieve customer delight.   
  
Measuring Quality and Customer Satisfaction   
Most emerging approaches to the measurement of overall productivity and management results agree on the importance of customer capital, as expressed in sales, satisfaction and reputation. The higher the innovative and service component, the more the customer becomes part of the performance equation. Customer feedback helps continuously to improve product and performance, with the peripheral benefit of inspiring employees to increase efforts toward better results.   
As for customer satisfaction, it is not only the satisfaction of the end user  but also the stakeholders / partners and also the employee satisfaction (Miller, 2005). Some tools and techniques that can be used to measure customer satisfaction are:   
• Primary Surveys - measuring customer satisfaction on factors like innovative solution, quality of food, variety of Menu, business attitude, pricing etc.   
• Primary Surveys - to understand the relationship customers have developed with the firm   
• Conducting personal interviews with stakeholders to partners (customers) to understand the relationship with the firm and the extent to which they are satisfied with the relationship   
• Personal Interaction with Channel Partners to understand their satisfaction levels with the firm.   
• Number of repeat orders from customers   
• Understand satisfaction levels of employees (Internal customers) through Voice of Workforce Surveys measuring morale of the employees, commitment etc.   
• Understanding satisfaction levels of employees by looking at the attrition percentage on a monthly basis   
  
Quality Assurance   
Quality assurance is one of the toughest jobs so that it will develop a high quality training program for each manager to attend. This training program will also need to be updated periodically in order for each line manager to maintain the highest level of commitment to quality assurance. An open door policy is also another way for the line managers to interact with all employees in order to help assure that the quality of products and services are not below the expected levels.   
The company should also adopt Six Sigma to manage and identify process variations that may cause defects in its products. Six Sigma is a methodology by which business processes can be improved through understanding and managing customer requirements, to allow management to adjust business processes in order to meet these requirements. Six Sigma is a:   
    \* A Quality Philosophy. It's a philosophy that talks about attainable short-term goals while striving for long term objective.   
    \* A Tool. Six sigma is a statistical and problem solving tool.   
    \* A Management Strategy or a Business Process. That allows companies to design, operate, control and monitor everyday processes.   
    \* A Concept or an Idea. Which has to be first understood and then merged into the organization’s culture?   
    \* A Process. Business revolves around processes. A process is any activity or group of activities that takes an input, adds value to it, and provides an output to an internal or an external customer. Six Sigma provides it's inputs in the form of measurements of the company's existing set standards, working on them to get the desired output i.e.; less number of defects and higher quality.   
    \* A Measurement. Of total quality as well as the defects that might have been overlooked till now.   
Applicability of Six Sigma to the organization   
Process improvements;   
Product and Services improvement;   
Supplier improvement;   
Design Methodology;   
Training and improvement.   
Thus Six Sigma is a long-term, forward-thinking initiative designed to fundamentally change the way corporations do business.   
It is first and foremost "a business process that enables companies to increase profits dramatically by streamlining operations, improving quality, and eliminating defects or mistakes in everything a company does".   
  
Conclusion   
In order to remain a competitive force in the business world, the company must continue to develop the quality management programs and exceed the goals that the company has set.