Benchmarking Corporate Web Sites of Fortune 500 Companies

READING

More and more people are using the Internet. And when these people want information about a company's products or services, they often go to the company's Web site. In a study of the home pages of Fortune 500 companies, 13 factors were deemed critical to quality. Those factors, and the survey results, are shown below:

1. Use of meta tags (e.g., keywords used by search engines) Yes, 70%; no, 30%
2. Meaningful home page title Yes, 97%; no, 3%
3. Unique domain name Yes, 91%; no, 9%
4. Search engine site registration 97% (average)
5. Server reliability 99% (average)
6. Average speed of loading (seconds) 28k, 19.3; 56k, 10.9; T1, 2.6 sec.
7. Average number of bad links .40
8. Average number of spelling errors .16
9. Visibility of contact information Yes, 74%; no, 26%
10. Indication of last update date Yes, 17%; no, 83%
11. A privacy policy Yes, 53%; no, 47%
12. Presence of a search engine Yes, 59%; no, 41%
13. Translation to multiple languages Yes, 11%; no, 89%

The corporations are doing well on most factors, but they need improvement on the last five.

The list is a handy reference other organizations can use to benchmark their existing home pages to see where improvements are needed or to develop effective home pages.

Question Give one reason for the importance of each factor.

Source: Based on Nabil Tamimi, Murli Rajan, and Rose Sebastianelli, "Benchmarking the Home Pages of 'Fortune 500' Companies." Reprinted with permission from *Quality Progress* © 2000 American Society for Quality. No further distribution allowed without permission.

OPERATIONS STRATEGY

All customers are concerned with the quality of goods or services they receive. For this reason alone, business organizations have a vital, strategic interest in achieving and maintaining high quality standards. Moreover, there is a positive link between quality and productivity, giving an additional incentive for achieving high quality and being able to present that image to current and potential customers.

The best business organizations view quality as a never-ending journey. That is, they strive for continual improvement with the attitude that no matter how good quality is, it can always be improved, and there are benefits for doing so.

In order for total quality management to be successful, it is essential that a majority of those in an organization buy in to the idea. Otherwise, there is a risk that a significant portion of the benefits of the approach will not be realized. Therefore, it is important to give this sufficient attention, and to confirm that concordance exists before plunging ahead. A key aspect of this is a top-down approach: Top management needs to be visibly involved and needs to be supportive, both financially and emotionally. Also important is education of managers and workers in the concepts, tools, and procedures of quality. Again, if education is incomplete, there is the risk that TQM will not produce the desired benefits.

And here's a note of caution: Although customer retention rates can have a dramatic impact on profitability, customer satisfaction does not always guarantee customer loyalty. Consequently, organizations may need to develop a retention strategy to deal with this possibility.

It is not enough for an organization to incorporate quality into its operations; the entire supply chain has to be involved. Problems such as defects in purchased parts, long lead times, and late or missed deliveries of goods or services all negatively impact an organization's ability to satisfy its customers. So it is essential to incorporate quality throughout the supply chain.

SUMMARY

This chapter presents philosophies and tools that can be used to achieve high quality and continually improve quality. Quality is the culmination of efforts of the entire organization and its supply chain. It begins with careful assessment of what the customers want, then translating this information into technical specifications to which goods or services must conform. The specifications guide product and