

Baldridge Performance Excellence Program

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Malcolm Baldrige National Quality Award 1994 Recipient GTE Directories Corporation

In the hotly contested advertising business, "delight your customer" is more than just a quality management motto. It is often the difference between success and failure. With that fact of business life in clear view, operations at GTE Directories Corporation are driven by a comprehensive, continuous focus on customer satisfaction that combines market research with clear-cut quality improvement processes and techniques.

It hasn't always been that way. The company has been a leading Yellow Pages publisher for more than 50 years. In the 1980s, GTE Directories began to face competition from other publishers and from other media that began to move into the advertising niche previously reserved for yellow pages publishers. With the economy slowing, businesses increasingly replaced faith in advertising with a demand for proof that advertising worked.

It was a wake-up call for GTE Directories. The company responded by transforming itself from an organization that relied on experience, enthusiasm, and the gut instinct of an aggressive sales force to a company focused on anticipating and satisfying customer needs based on concrete, systematic customer input.

Today, as one of the largest players in its business, with \$1.4 billion in annual revenue, the company's primary focus is on publishing and selling advertising for telephone directories. It produces more than 1,200 directory titles in 45 states and 17 countries, including more than 75 different directories in international markets. The company's 5,150 employees work at its headquarters in Dallas/Ft. Worth, Texas, and at dozens of other sites in North America, Canada, and overseas.

Quality Commitment Starts at the Top



GTE Directories has three distinct customer groups: the businesses that advertise in its directories; consumers using the directories and related services; and companies that contract for Yellow Pages publishing, printing, distribution and sales services either directly or through joint venture partnerships.

Knowing its customers and satisfying their needs drives business decisions at the company. The company first introduced formal quality improvement techniques into its management mainstream in 1986, with strong leadership by the company's executive management. Convinced that commitment to quality starts at the top, the company's senior management attended parent GTE's quality improvement course and then taught a similar course to more than 400 senior and middle managers. Covering basic tools, techniques, and philosophies for quality improvement, the training stressed the use of quality improvement teams to address quality issues. Action plans developed by the first teams emerged to become the company's initial quality improvement plan.

Since 1991, GTE Directories has used the Baldrige Award criteria to drive its internal examination and improvement process. The company employs a comprehensive, disciplined approach to anticipate, meet, and exceed customers' needs. This Customer Satisfaction Measurement Program (CSMP) also provides quantitative data on customers' perceptions of the company's performance in delivering products and services that meet their needs.

"100 Percent Customer Satisfaction"

GTE Directories' vision is "100 Percent Customer Satisfaction through Quality." The CSMP is a framework for understanding customer needs, benchmarking company performance, establishing priorities, and monitoring the company's progress toward meeting the customer satisfaction goals.

GTE Directories also puts a premium on constantly measuring, reviewing, and refining its processes for collecting key operational data. But to ensure that its data are relevant, customer satisfaction priorities are used to set corporate goals and to determine which activities will be measured. To ensure that the scope, management, and quality of key operational measurement data are always up to date, functional and cross-functional process management teams are formed throughout the company.

The team approach, in fact, is pervasive and popular at GTE Directories, where employees use the quality improvement teams to identify problems and change work processes. It is not unusual for individuals to have served on 10 or more quality improvement teams and virtually every employee serves on at least one per year. The company also has 13 permanent process management teams that continually monitor and refine core business and support service processes. The team approach to management is rounded out by 14 active Self-Managed Work Teams.



To ensure that GTE Directories is comparing itself with the best-in-class businesses, heavy use is made of competitive comparisons and benchmarks. Six broad data categories relating to customers, products, operations, employees, business and support services, and supplier performance are benchmarked.

Convinced that satisfaction and loyalty are the bedrock of effective and long-lasting customer-supplier relationships, GTE Directories uses its CSMP process and multiple customer and market research techniques to identify customer service requirements, such as professionalism, timeliness, accessibility, and credibility of customer service representatives. The company sets specific customer service standards and performance measures, and weighs the relative importance of product and service delivery features to each of the company's three customer groups. Those service standards and operating goals are used as the basis for individual and team performance goals, improvement, and rewards.

Quality Planning Yields Results

Results. Ultimately, that is how any organization's quality management system is judged. GTE Directories keeps close tabs on results in traditional quality categories. It is proud to claim a published error ratio in 1993 of just over 350 per 1 million listings. In addition, it rates best-in-class in errors per 1,000 paid items according to industry benchmark studies. The number of advertisers handled by individual sales representatives has increased each of the last three years. At the same time, the number of sales hours spent by each representative with advertisers has jumped - an indicator that what GTE Directories' research has shown as especially important to its customers has been put into practice.

Quality results show up in other measures, too. The company points proudly to independent studies that show that its directories are preferred in 271 of its 274 primary markets. And, in a very competitive market, GTE Directories has sustained increasing revenue growth.

The company knows that error ratios, customer preference studies, and revenue reports are useful - but insufficient - indicators of results. What counts in the long run is customer satisfaction. GTE Directories knows that its best hope for continued market and financial success rests with its ability to achieve its vision of 100 percent customer satisfaction.

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