

Customer Satisfaction and Product Safety

Konica Minolta takes a customer-centric approach to building trusting, long-term relationships with customers and aims to co-create new value with them.

Related SDGs



Our Concept

Aiming to Become No. 1 in Customer Satisfaction Based on the Medium-Term Quality Plan 2017–2019

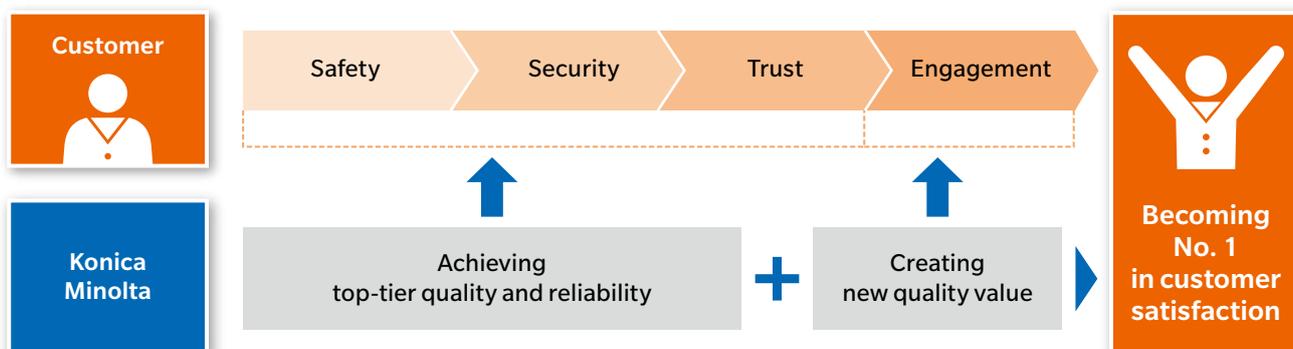
One of the goals of Konica Minolta's Medium Term Business Plan "SHINKA 2019" is to help solve social issues by becoming a digital company that provides solutions with insight into implicit challenges facing society. Based on the belief that developing solutions to challenges faced by professionals in the workplace ultimately benefits society by helping to resolve social issues, it is also necessary to bring a revolution to the "form" of quality assurance delivered to customers by providing quality-guaranteed products and services. This has made it important for the company to transform its actions by taking the customer's perspective.

To guide this new approach, Konica Minolta has recently implemented its Medium-Term Quality Plan 2017–2019 based on the concept of shifting focus from quality from the manufacturer's perspective to quality from the customer's perspective. Under this plan, Konica

Minolta is striving to provide customers with "safety and security" by achieving quality with a high degree of reliability. By creating new quality value, the company is aiming to become No. 1 in customer quality satisfaction by improving customer engagement.

In order to realize highly reliable quality, the company is working to transition from quality assurance for products to include quality assurance for services while continuously enhancing quality assurance and endeavoring to reduce quality risk in all service business areas.

Meanwhile, in order to create new quality value, Konica Minolta is promoting initiatives that start on the customer's frontline. By analyzing customer feedback, identifying latent challenges, and then helping to solve them, Konica Minolta is striving to achieve a new level of engagement above and beyond customer expectations.





Achieving Top-Tier Quality and Reliability

Background and Issues

Konica Minolta believes that ensuring product safety and security is essential for achieving highly consistent quality. With the advent of the IoT era, this is true not only for hardware but also for guaranteeing the quality of solution services. Based on this new approach, the entire Konica Minolta Group believes that this commitment to quality and safety is the key to sustainable growth.

Vision

To deliver value to customers, Konica Minolta continually seeks to enhance its products, incorporating cutting-edge technologies. Simultaneously, the Group is raising awareness among employees about addressing quality from the customer's perspective, while continuously enhancing quality management activities. The aim is to provide customers with products and services that offer even greater convenience, safety and peace of mind.

Key Measures and KPIs

- Enhancing product risk assessments and improving quality awareness: Number of serious product-related accidents*¹ in fiscal 2017–2019: 0
- Reducing quality risk in the service business area: Number of serious security incidents*²: 0

*¹ Serious product-related accidents refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product.
 *² Serious security incidents refer to product-security incidents that cause serious and significant harm to the product user's business.

Main Initiatives in Fiscal 2017

Risk Assessment and Education to Ensure Product Safety

In order to deliver safe products to customers, the Konica Minolta Group carries out risk assessment in the product commercialization stage, then follows with a safety design based on these results and detailed safety checks.

At the development stage in particular, the Group closely evaluates each product part to thoroughly reduce risk and ensure product safety.

Product safety training including lectures and risk assessment exercises are provided group-wide to engineers who are engaged in design and development, production technology, procurement, and quality assurance. The Group is working to realize product safety by enhancing safety-oriented mindsets and skills.

Number of serious product-related accidents in fiscal 2017

0

Enhancing Secure Product Development and Operation

In a society where an increasing number of devices are connected to the Internet using IoT technology, security incidents that involve exploitation of product vulnerabilities, such as unauthorized intrusion, unauthorized operation, and data tampering, are new threats that can cause serious damage to customer operations. In its Medium Term Business Plan, Konica Minolta has positioned its Edge IoT platform strategies, such as Workplace Hub, as a major growth driver among its new businesses. The company recognizes that the risk of IoT security incidents will increase in this area compared to its conventional foundational business.

Information regarding the vulnerability of products is being centrally managed group-wide. Along with promoting the necessary measures, the company has launched KM-PSIRT* as a group-wide organization to collaborate with external public organizations, and it has begun relevant activities. Additionally, Konica Minolta has established security guidelines spanning the entire product lifecycle from product planning and development to product use. The company is also constructing mechanisms to ensure that secure products are provided to the market, and to respond and report promptly when incidents occur.

*KM-PSIRT: Konica Minolta's Product Security Incident Response Team, a product vulnerability response organization

Creating a Quality Assurance System in Service Business Areas in the IoT Era

In service business areas, the company believes it must shift from product quality assurance to service quality assurance and establish the most innovative processes. Services are different from manufactured products as they lack physical form, their quality cannot be checked in advance, and they highlight the importance of process in addition to results. Consequently, it is a challenge to predict and manage highly reliable quality.

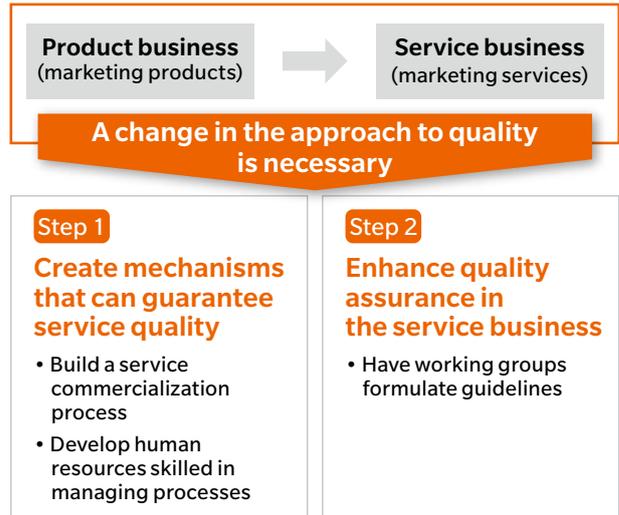
Based on this shift in business, the company is promoting the construction of a service commercialization process, and human resource development for process management as a way to create a mechanism for quality assurance in the upstream stage of the service business.

When developing a new service business, Konica Minolta utilizes the agile development method. It quickly ascertains the quality required by customers and uses this knowledge to enhance quality assurance. This method is performed not only in Japan, but also globally at locations in customers' vicinities, to ensure strong quality assurance worldwide.

Furthermore, a company-wide working group has been established based on several key terms: cloud-based services, product security, and agile development, which are the core elements of a service business. Konica Minolta

is working on the formulation of quality standards and usage guidelines, along with actions to put them into practice.

Quality Issues and Steps to Grow Service Business Areas



Close Up

Promoting Service Development Using Design Thinking

Led by the Human Experience Design Center, and with cooperation from the business divisions, Konica Minolta is introducing design thinking and developing value-added services based on a customer-centric perspective, rather than a manufacturer's perspective.

Design thinking is a mindset and a method for discovering the value that customers need. It helps create ways to realize that value by applying rapid cycles of observation, empathy, issue definition, idea generation, prototyping, and verification.

Through the incorporation of design thinking, Konica Minolta is promoting service development from the customer's perspective in its B2C business areas like planetariums and in its B2B business areas such as healthcare and factory equipment maintenance. For example, the company's factory equipment maintenance service involves visiting the customer site and meeting with various stakeholders, and accompanying staff on actual equipment inspection patrols. This allows Konica Minolta to experience the customer's workflow, gain a deeper understanding of the customer's processes, and uncover latent frontline issues at the site. A process of repeated

value hypothesis creation and verification is then carried out by both parties. Next, a clear scenario for improvements is shared with the customer addressing the ideal equipment maintenance situation that can be achieved. At the same time, a new solution is created with the customer, for instance, for making gas and heat usage visible. This, in turn, leads to the realization of service development.

Konica Minolta will continue to pursue the creation of value that customers are truly seeking, in various business areas. It will also produce innovation that contributes to the identification and solution of challenges for society and local environments.



A team works to develop services using design thinking



Creating New Quality Value

Background and Issues

Long-term customer relationships are essential to the success of Konica Minolta's businesses in office equipment, medical devices, measuring instruments, and other products. In order to remain irreplaceable to customers in an era when needs are becoming more sophisticated and diverse, the ability to anticipate potential challenges is required. Consequently, Konica Minolta understands the importance of visiting customer sites in order to build trusting relationships, foster collaboration, and provide solutions to problems.

Vision

Konica Minolta uses customer feedback to improve its products and services. The company strives to strengthen its relationships by helping customers achieve their unique goals. Konica Minolta aims to continually improve customer satisfaction and form strong relationships that result in a positive reputation and new customer referrals. Furthermore, it will continue to create value for customers and contribute to the identification and solution of social issues.

Key Measures

- Continue conducting satisfaction surveys and implementation of improvements based on these results
- Constructing verification processes for customer value creation using design thinking

Main Initiatives in Fiscal 2017

Strengthening Customer Relationships

Konica Minolta strives to continuously improve customer satisfaction at all Group companies worldwide, and continues to see the positive effects of using customer satisfaction surveys in each business domain. Furthermore, the company is focusing on NPS* as an indicator of the level of customer engagement. The company has globally developed its own scientific approach that adds NPS to worldwide customer satisfaction surveys and uses the results to improve product and service quality.

The results of NPS surveys in the mainstay Business Technologies Business have improved every year since the full-scale global survey in fiscal 2014. In fiscal 2017, Konica Minolta received a score that was 9 points higher than in fiscal 2014.

Starting in fiscal 2017, in addition to the annual survey, Konica Minolta introduced a transaction survey system that ascertains the satisfaction level and NPS score whenever contact with customers is made, such as during telephone inquiries and repair service calls. By ascertaining customer feedback and satisfaction levels in real time, the company aims to make improvements even more quickly.

* NPS (Net Promoter Score): An indicator that measures the percentage of customers who recommend the company, its products and services to others

Developing Quality Improvement Activities from the Customer's Perspective

The staff of Konica Minolta's sales companies are in daily contact with customers. As part of the company's effort to improve quality from the customer's perspective, sales company staff participate in sales company joint evaluations and take part in evaluating quality in the development stage. In fiscal 2017, in order to advance this initiative and obtain the candid opinions of customers regarding quality, C-PIUZ* activities were introduced. These activities allow staff from the quality assurance and development departments to visit customers together with sales company staff. Through this activity, employees gauge customer feedback and make use of this information to improve products and services. Additionally, Konica Minolta uses design thinking to uncover the value that customers are truly seeking. It works to establish processes and methods for hypothesis verification in the development stage, and to determine whether the value is actually recognized by the customer once the product is on the market.

* C-PIUZ: Customer-Problem In Using to Zero, a unique Konica Minolta initiative to reduce quality problems that occur when customers are using the product.