

JACOBSON
CUSTOMER SATISFACTION SURVEY

Creativity, Initiative Lead to Superior Satisfaction

It's been said many times before, but the data in the latest Jacobson Survey shows that it's true: The key to a company's success is its people.



STEEL MILLS with the highest levels of customer satisfaction have one basic characteristic in common—their people are extraordinarily responsive to customers' needs. Both inside and outside salespeople at the mills ranked highest for customer satisfaction in the past year employ high levels of creativity and personal initiative to make sure customers' needs are always met.

Jacobson & Associates, Lake Forest, Ill., conducts a continuous census survey of more than 2,000 major steel customers in the United States and Canada—including service centers and end-users—which stands as an objective, third-party measure of steel customers' satisfaction with their mill suppliers. Customers use a 10-

IPSCO is one of the top-rated mills in this year's Jacobson Customer Satisfaction Survey. Shown: IPSCO's Montpelier, Iowa, plate mill, which produces 1.25 million tons of steel per year. (Photo courtesy IPSCO Inc.)

CHART 1

The Leaders

TOP-RATED MILLS BY PRODUCT CATEGORY

SHEET—North Star Bluescope
PLATE—IPSCO Montpelier
BAR/STRUCTURALS—Nucor Auburn
TUBE—Independence Tube
BEAMS—Nucor Berkeley
STAINLESS SHEET—AK Steel

point scale to measure their level of satisfaction with supplier quality, delivery, price, service and overall performance, and also have the opportunity to provide detailed comments on supplier strengths and weaknesses. This article is based on survey data for the 12 months ending Aug. 31.

Customers use terms like “service oriented,” “reliable,” “easy to work with” and “does everything possible to satisfy customer needs,” to describe those mills with the highest customer satisfaction ratings.

Other customers use terms like

“doesn’t seem to care,” “slow in responding,” “snotty attitude,” “their ways have not changed in years” and “frustrating,” to describe those mills with the lowest customer satisfaction ratings.

Top sheet mills

To cite a few examples of sheet mills rated highest by service centers in overall customer satisfaction (see Chart 2), North Star Bluescope’s overall satisfaction score is 10 percent higher than the average for 31 major sheet mills and 20 percent higher than the lowest sheet mill score.

North Star Bluescope’s advantage in delivery satisfaction is most impressive. Among service center customers, the company’s delivery satisfaction score is 22 percent higher than the average of 31 major sheet mills. As one service center customer stated in June, “North Star Bluescope is our major supplier based on their delivery—they are always on time.”

Although USS-Posco is a relatively young operation, the com-

Bio

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pany has developed deep customer relationships and has achieved impressive service satisfaction scores, which are nearly 23 percent higher than those of the lowest mill. As one customer says, “USS-POSCO’s strengths are delivery performance and quality of cold-rolled. They also have an excellent inside sales rep.”

WCI Steel has the highest service satisfaction score among service center customers. “WCI is our major supplier; they focus on our

CHART 2

Overall Customer Satisfaction

TOP SHEET MILLS		TOP BAR/STRUCTURAL MILLS		TOP PLATE MILLS	
SERVICE CENTERS	END-USERS	SERVICE CENTERS	END-USERS	SERVICE CENTERS	END-USERS
North Star Bluescope	Nucor Berkeley	Nucor Auburn	Nucor Utah	IPSCO Montpelier	Nucor Hertford
USS-POSCO	Nucor Decatur	Gerdau Iowa	Nucor Marion	Nucor Tuscaloosa	Oregon Steel
WCI Steel	Algoma Steel	SDI Roanoke Bar	Nucor Seattle	IPSCO Canada	
Duferco Farrell	Beta Steel	Gerdau Jackson	Nucor Auburn	Nucor Hertford	
Beta Steel	USS-POSCO	Nucor Utah	Nucor Jackson		
Nucor Arkansas	USS Mon Valley	Nucor Seattle	CMC Steel Texas		
Gallatin	USS Great Lakes	Nucor South Carolina	Nucor Texas		
USS Mon Valley	Nucor Crawfordsville	Nucor Nebraska	Nucor South Carolina		
Nucor Crawfordsville	WCI Steel	Cascade Steel	Cascade Steel		
Nucor Decatur	Mittal Cleveland	Nucor Jackson	SDI Roanoke Bar		
USS Granite City	USS Fairfield				
Dofasco	CSI				

Note: Data covers period from Sept. 1, 2006, through Aug. 31, 2007. Customers use a 10-point scale to measure their level of satisfaction with supplier quality, delivery, price, service and overall performance where 10 is “Very Satisfied” and 1 is “Very Dissatisfied.”

CHART 3

Most Improved Mills

OVERALL CUSTOMER SATISFACTION BY PRODUCT CATEGORY

SHEET PRODUCERS

USS Great Lakes
 USS Gary Works
 Nucor Arkansas
 USS Granite City
 CSI
 Nucor Decatur
 SeverStal
 Algoma Steel
 Steel Dynamics
 Dofasco
 Nucor Berkeley
 USS Mon Valley Works
 Nucor Crawfordsville

BAR/STRUCTURALS

Nucor Marion
 Gerdau Iowa
 Gerdau Jackson
 Gerdau Minnesota
 Kentucky Electric
 Nucor Utah
 Nucor South Carolina
 Nucor Auburn
 Gerdau Charlotte
 Nucor Jackson

BEAM PRODUCERS

Chaparral Beams
 SDI Structurals

PLATE PRODUCERS

Nucor Tuscaloosa
 Nucor Hertford
 IPSCO Canada
 IPSCO Mobile

TUBE PRODUCERS

Independence Tube
 Southland Tube
 Bull Moose Tube

STAINLESS SHEET PRODUCERS

North American Stainless
 Outokumpu
 AK Steel Stainless

market, customer service, price and attention to detail," says one service center customer. "WCI is a very good supplier; I enjoy dealing with their folks," adds another.

Top bar/structural mills

Nucor Auburn occupies the preeminent position among bar/structural mills rated highest by service centers in overall customer satisfaction (see Chart 2). Nucor Auburn has achieved 20 percent higher scores in both overall satisfaction and service satisfaction than the lowest scoring bar/structural mill. One Nucor Auburn customer tells Jacobson & Associates that "Nucor Auburn is dependable and has the best intentions to service the customer."

Gerdau Iowa is among the most improved mills in the past year. Gerdau Iowa has developed an old-fashioned mix of product quality, competitive pricing and product availability to win customer approval. Gerdau Iowa customers report that "Gerdau Ameristeel, Wilton, Iowa, has good quality to match good pricing. This mill works harder to get customers' business." Says another: "Gerdau Ameristeel is our major suppli-

er based on availability, inside and outside sales, and many locations with different products."

Since the earliest days of the Jacobson Survey, SDI Roanoke has been recognized as a top performer in steel customer satisfaction. Steel customers tell Jacobson & Associates that "Steel Dynamics Roanoke is great to deal with. They have the best inside sales of all the mills." Adds another pleased customer: "SDI Roanoke is more than willing to be flexible. I have the home phone numbers of three salespeople, including a manager, and they are always ready to do what it takes for us."

Top plate mills

IPSCO Montpelier is the leader in overall satisfaction among service center plate customers (see Chart 2). IPSCO Montpelier's position in service satisfaction is most impressive, with a 35 percent advantage over the lowest scoring plate mill. According to one IPSCO Montpelier customer, "IPSCO is our major supplier due to their really good people, quality, price, and they have the best service and logistics. We have a great give and take." Says another who responded to the survey,

"IPSCO is very honest and a straight shooter. IPSCO makes a good product, and they have good inside and outside salespeople."

Nucor Tuscaloosa is a strong performer across the board in all facets of customer satisfaction. Customers tell Jacobson & Associates that "Nucor Tuscaloosa is our major supplier due to our 25-year relationship. They want to satisfy the customer." Says another customer: "Nucor Tuscaloosa has an excellent outside sales rep with knowledge of steel specs and the industry overall. They are flexible to changing orders."

Most improved mills

The sheet mill with the greatest overall customer satisfaction improvement (see Chart 3) for the period from Sept. 1, 2006, to Aug. 31, 2007, compared with the time period of Sept. 1, 2005, to Aug. 31, 2006, is USS Great Lakes. In fact, USS operates four of the mills with the most improvement in overall customer satisfaction over the past year. Likewise, Nucor's four flat-rolled mills are also among the most improved over the past 12 months.

The bar/structurals producer with the greatest improvement in overall satisfaction is Nucor Marion. Among plate

Methodology

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CHART 4

Customer Satisfaction with Sales Support

HIGHEST SATISFACTION—OUTSIDE SALES

CARBON SHEET—Beta Steel
BAR/STRUCTURALS—Nucor Auburn
PLATE—Claymont Steel
TUBE—Hanna Steel
BEAM—Nucor Yamato
STAINLESS SHEET—Allegheny Ludlum

HIGHEST SATISFACTION—INSIDE SALES

CARBON SHEET—Nucor Decatur
BAR/STRUCTURALS—Nucor Auburn
PLATE—IPSCO Montpelier
TUBE—Southland Tube
BEAM—Nucor Berkeley
STAINLESS SHEET—AK Steel

mills, Nucor Tuscaloosa is the most improved over the past year.

Independence Tube has improved the most in overall satisfaction among major tube producers. Chaparral is the most improved beam producer. North American Stainless is the most improved stainless sheet producer.

Satisfaction with sales

Over the past decade, Jacobson & Associates has measured satisfaction with product quality, price competitiveness, on-time delivery and total customer service, in addition to overall satisfaction. In recent years, the research firm has begun measuring outside sales representation and inside sales support (see Chart 4).

The companies achieving the highest satisfaction scores for inside sales representation by product are: Carbon Sheet—Nucor Decatur; Bar/Structurals—Nucor Auburn; Plate—IPSCO Montpelier; Tube—Southland Tube; Beam—Nucor Berkeley; Stainless

Sheet—AK Steel.

The firms with the highest satisfaction scores for outside sales support by product are: Carbon Sheet—Beta Steel; Bar/Structurals—Nucor Auburn; Plate—Claymont Steel; Tube—Hanna Steel; Beam—Nucor Yamato; Stainless Sheet—Allegheny Ludlum.

The common denominator among steel suppliers who rate highest in customer satisfaction is their people, especially their inside and outside sales staffs, who man the frontlines of customer service every day. Customers of top steel suppliers recognize the efforts of those who are responsive and deliver on their promises. Top steel suppliers recognize that there are a finite number of steel customers, and they appreciate the value of establishing long-term relationships and partnerships with them. Over time, top performers in customer satisfaction are more likely to maintain their business and grow market share. ■