



# The Real World

## The Upside of Upside Down

Whether they refer to them as raving fans, zealots for their business, loyal customers, or long-term clients, most executives today are trying to ensure their companies get and keep profitable customers.

I often talk with executives about their current organizational structure and how personal and organizational power and communication flows within their organization.

Most likely, your org chart looks something like Figure 1. In this configuration, the perception of power by all concerned flows from high at the executive level down to low at the individual contributor level. It tends to follow the overall level of authority granted to those levels.

More often than not, it also reflects the overall direction of communication within your organization, with much more coming from the top down than from the bottom up.

When I ask where customers appear on the chart, many times, the answer is below the pyramid (Figure 2). Why is that so potentially devastating? Because it can lead to people paying more attention to internal politics than to the needs of customers.

Here is a real-life example from several years ago that shows how things, however well-intentioned, can run amok.

A food service company that was running deli-style restaurants in office buildings would typically staff them with two to four people because that level was considered productive and profitable. The food service president expected a report to be on his desk each business day by 2:00 pm. In an effort to not disappoint the boss, accounting staffers developed the habit of calling each restaurant between 11:30 am and 1:00 pm to get the final numbers from the day before.

The accounting department never thought about the fact that they were taking what limited staff the location had away from serving customers to feed the corporate monster's need for data. Indeed, the accounting staffers did not see store-operation employees as their customer and were disconnected from the real business the company was in.

What makes this story even more pathetic is that their customers probably thought that they were paying a premium to receive fast, convenient service. Let's face it, we don't go into an establishment like that for a gourmet dining experience—we just want to grab something quickly and run back to our desks.

The deli staff, who are paid minimum wage, are unlikely candidates to say to callers from the main office who are working on a report for the president, "Tell the president that he'll

have to wait, I've got to make a bologna sandwich right now." The fear of losing their jobs was too great, and so customers waited and fumed until the daily phone call was finished.

When we flip the pyramid over (Figure 3), it puts the customers on top of the hierarchy and creates a service delivery model that makes it easy to see who everyone on the company is really working for. Here's how things should be set up:

- The individual contributor is focused on doing what it takes to attract loyal customers.
- The supervisor/team leader helps keep the organization out of the way of the individual contributor.
- The middle manager keeps the organization out of the way of the supervisors who are trying to help the individual contributors.
- The executive team is there to ensure the organization keeps out of the way of the middle managers who are helping the supervisors help the individual contributors, all in an effort to attract and keep loyal customers.

Here's an acid test. Ask yourself and your managers, "Unless something is mandated by law or regulation, if our customers wouldn't gladly pay for something we are doing, why are we doing it, and how can we eliminate it?"

Doug Brown is CEO and chairman of Paradigm Associates, LLC, based in Cranford, NJ. This national firm specializes in strategic and executive leadership development processes that create Breakthrough Thinking For Your Real World. Visit [www.ParadigmAssociates.US](http://www.ParadigmAssociates.US) or call (908) 276-4547 for more information.

