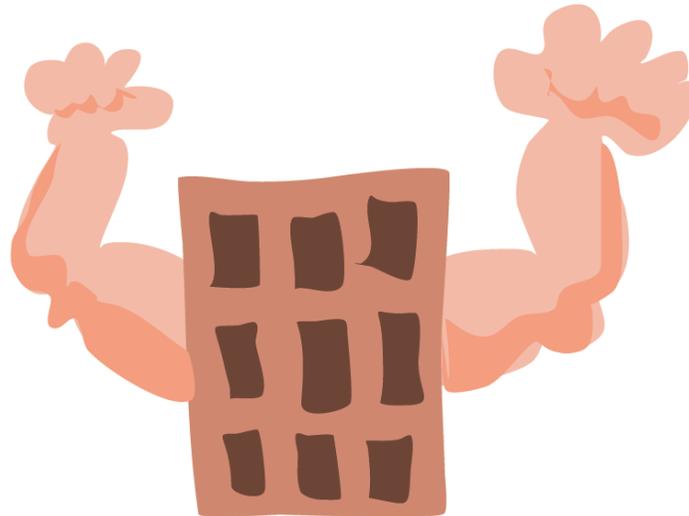


**“Large organizations don’t need customers,
they can be busy with themselves.”**

11/04/2014

Peter Matthijssen

I borrowed this quote from Bert Kersten (Professor at Nyenrode Business School). And it is so true! I see it every day, people being busy with internal projects, organizational structures, performance indicators, IT issues. But where is the customer? Organizations have become so large and complex, that most employees and management never even come close to a customer. Customer contact is delegated to a small group of employees, supported by CRM systems and big data analytics. How can we talk about customer value and quality if the customer is that far away?



The ‘start-up’ exercise

Let’s pretend that our organization doesn’t have 100.000 customers, but only 250. We don’t work with 2.000 people, but with only 10. How simple would life be? Processes wouldn’t run through our partner in India, but just between colleagues in one room. We wouldn’t have meetings discussing the application of a new project management approach; people would talk about Mrs. Janssen’s claim, where some issues occurred. There wouldn’t be a call center to prevent all kinds of issues to disturb our ‘back-office’ business. Issues would be taken directly to the source. Customer support wouldn’t be a department, but people would feel really bad about complaints. Rules, policy and instructions would always be topics of discussions; how can we get rid of stupid rules and optimize our service? Employees would identify themselves with customers and really try to solve issues. Common sense would be the main driver for our actions.

No..., thankfully your organization grew beyond the 'start-up phase'. You are now professionally organized, with many employees, professional management, large numbers of customers, earning (and spending) a lot of money. Organizational goals are, of course, aimed at growing even larger, with even more employees, more customers and more revenue. The only way is UP! The shareholders love this, but in this 'model' the customers are a means of production. They are necessary to bring in the money, but organizations move further and further away from the customers as people. Mrs. Janssen's claim is now 'case A238Z14'.

Designing complex organizations

Of course, large organizations can benefit from their scale. They can work more efficiently. The business schools train professionals with skills to design, change and manage organizations. Large, valuable toolkits are available, with 'instruments' like Business Process Management, Big data, Enterprise Architecture, Lean Management, Performance management, Business Rule management, Business Analysis. These instruments are powerful and can really clear up the spider web that many organizations have become by historical (and often 'hysterical') growth. Still, the pitfall of all these tools, methods and techniques is that they are often again (mis)used in a way that lacks external focus. Some examples:

- Lean management is used only to save money and reduce staff.
- KPI's (Key Performance Indicators) are used to measure departmental performances (and determine associated bonuses), instead of end-to-end performance that serves the customers.
- The organizational structure is designed for command and control. Instead of solving (customer) issues, discussions focus on 'who's to blame'.
- BPM tooling is used to standardize processes, preventing people from doing what is right for a specific customer.
- When we are not happy with the organization performance we just change management and shift to another organizational structure. But does this help the customer?

And then, of course, we have all the discussions between the different disciplines with their different perspectives and interests. Architects arguing with Lean-experts about the speed of change. Middle management arguing with top management about the interpretation of KPI's. Process managers arguing with employees about the level of detail in the documentation.

No, this is all of little interest to the customer. But eventually the customer pays for everything that happens in organizations, including this 'silly stuff'. This doesn't really sound very efficient, does it?

Customer as the North Star

What if we would stop being busy with ourselves, align all disciplines and really aim our activities at the purpose of the organization? We all know that this 'purpose' is not about KPI's, internal projects or process diagrams; the purpose of organizations is related to the customer's interests. Customer value could and should be our North Star!

As a business consultant I'm a practitioner of many of the disciplines and instruments referred to above. I know how easy it is to get lost in all available tools, models and approaches. However, I always try to keep track of the customer impact for everything I do. This isn't easy; it often requires asking ourselves and our environment basic questions. Some examples:

- Who is our customer?
- Why are we doing this?
- Does the customer want to pay for this?
- Which problem do we solve?
- What if we would just stop doing this?
- How would we organize this process on a much smaller scale?

Of course this Article touches upon cultural issues, which cannot be changed overnight. But asking (and re-asking) simple questions about customer value helps to take small steps in the right direction. Having a North Star enables us to align different disciplines and can bring common sense back into our large organizations. Good luck in making your organization a little bit more customer focused, every day!

Author



Peter Matthijssen

Peter Matthijssen is managing consultant and trainer at BiZZdesign. As a Lean Six Sigma black belt and Business Process Management (BPM) expert, he helps organizations to get better results from their processes. In his work he aims at making organizations stronger, as well as developing its employees. Peter is the author of numerous books and publications on BPM and Lean management, for example 'Thinking in processes' [2011] and 'Working with Lean' [2013]. He speaks on a regular basis on international conferences like IRM and Building Business Capability.