

80. Five Company-Centric Forces

Which factors are making my organization more inward-oriented?

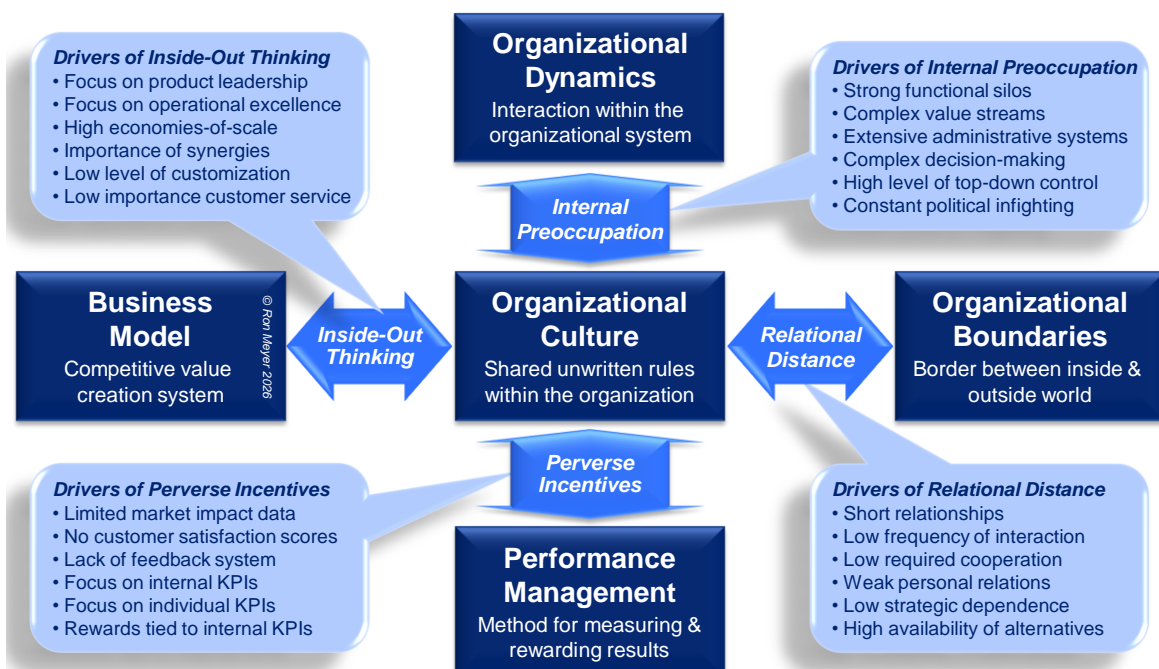
Key Definitions

When it comes to their culture and behaviors, organizations can be more *outward-oriented*, focused on responding to the demands in their external environment, or more *inward-oriented*, concentrated on dealing with the complexities of their internal environment.

For companies, the ultimate form of outward-orientation is *customer-centricity* – placing the external customer at the center of everything done internally. The opposite can be called *company-centricity*, whereby people in the organization pay little attention to the outside world but direct their time and energy at coping with internal processes, interests and interactions.

Conceptual Model

The *Five Company-Centric Forces* model is an analytical framework for understanding the factors pushing organizations towards inward-orientation. This model is an explicit homage to Porter's Five Competitive Forces model (1979), that outlined the five external challenges that companies need to contend with to be successful. The Five Company-Centric Forces model outlines the five internal challenges facing companies that draw them towards self-involved inward-orientation, thereby undermining these organizations' focus on competing externally. The model can be used to uncover the specific drivers of company-centricity in an organization, as a first diagnostic step before taking initiatives to enhance outward-orientation.



Key Elements

The five company-centric forces are the following:

1. **Organizational Culture.** At the center of the model is an inward-oriented culture, that values organizational, departmental or even individual views and interests above those of

the customer. Like an ego-centric person, company-centric people believe their worldview is the correct one and they know what good looks like. Dealing with each other is also seen as more important than dealing with customers. Once this culture of self-involvement takes root, it becomes self-perpetuating and can be further strengthened by the other four forces.

2. **Business Model.** The type of business model chosen can influence how much outward-orientation people believe is necessary. Companies competing on personalization and customer service need to think outside-in, while competing on product leadership, operational excellence, economies-of-scale and capturing synergies push people to think inside-out and concentrate on internal processes. The more the inside-out thinkers capture attention and can claim success, the more a culture is nudged towards inward-orientation.
3. **Organizational Boundaries.** Companies often create strong organizational boundaries by keeping their distance from customers. They interact and cooperate infrequently, and avoid personal and long-term relationships, either because they don't want to, or don't have to. Keeping customers at arm's length is generally easier where dependency on customers is low and there are plenty of alternatives. Yet, distance invariably leads to less understanding of, and interest in, customers, thereby reinforcing an inward-oriented culture.
4. **Organizational Dynamics.** Companies can also become intensely preoccupied with their own processes and procedures, which shows up in extensive meeting schedules and reporting systems. Strong silos are by nature inward-oriented, but if they need to coordinate because of complex value streams, procedures and meetings proliferate. Self-involvement is further strengthened by complicated decision-making, political games and top-down controls. When employees are busy with each other, they're not busy with the customer.
5. **Performance Management.** Finally, companies often measure and reward the wrong type of results. Instead of tracking market impact data and customer satisfaction feedback, companies often use internal performance indicators, typically at the level of a department or individual, encouraging employees to shortsightedly focus on their own work. Where recognition and rewards are linked to these internal, instead of external, results, a perverse incentive is given to become even more inward-oriented and ignore customer satisfaction.

Key Insights

- **Company-centricity is extensive inward-orientation.** Organizations, like people, find it much easier to understand and be busy with themselves, instead of with others. This inward-orientation, as opposed to outward-orientation, comes in various shades of grey, with at its extreme a far-reaching form of self-involvement called company-centricity.
- **Company-centricity is at its heart cultural.** Company-centricity is a mindset common to people in an organization, leading to typical behaviors and ways of working. In other words, company-centricity is cultural – unwritten norms based on shared values and beliefs.
- **Company-centricity is driven by five forces.** A company-centric culture is self-perpetuating and can be reinforced by four other factors: A *business model* that emphasizes the importance of inside-out thinking, strict *organizational boundaries* that lead to relational distance, complex *organizational dynamics* that trigger internal preoccupation and a *performance management* approach that creates perverse incentives.
- **Company-centricity grows over time, if unchecked.** These five company-centric forces drive a vicious cycle, gradually decreasing awareness of, and interest in, customers.
- **Company-centricity needs to be understood to be countered.** The Five Company-Centric Forces model is an analytical framework for understanding the factors causing company-centricity, thereby suggesting places to start building more customer-centricity.

Meyer's Management Models

Insightful Tools to Kickstart Your Thinking

Publication Schedule

<i>July 2019</i>	<i>Mind the Gap Model</i>	<i>Change Management</i>
<i>August 2019</i>	<i>Digital Platform Map</i>	<i>Digital Strategy</i>
<i>September 2019</i>	<i>Interaction Pressure Gauge</i>	<i>Interpersonal Interaction</i>
<i>October 2019</i>	<i>Revenue Model Framework</i>	<i>Revenue Model Typology</i>
<i>November 2019</i>	<i>House of Engagement</i>	<i>Organizational Engagement</i>
<i>December 2019</i>	<i>Confidence Quotient</i>	<i>Trust Building</i>
<i>January 2020</i>	<i>Competition Tornado</i>	<i>Competitive Strategy</i>
<i>February 2020</i>	<i>11C Synergy Model</i>	<i>Corporate Synergy Management</i>
<i>March 2020</i>	<i>Leadership Fairness Model</i>	<i>Leader-Follower Interaction</i>
<i>April 2020</i>	<i>Strategic Agility Model</i>	<i>Strategy Process Approach</i>
<i>May 2020</i>	<i>Control Panel</i>	<i>Corporate Control Dimensions</i>
<i>June 2020</i>	<i>Rising Star Framework</i>	<i>Talent Management</i>
<i>July 2020</i>	<i>Strategy Development Cycle</i>	<i>Strategy Process Steps</i>
<i>August 2020</i>	<i>7I Corporate Center Model</i>	<i>Corporate Organization</i>
<i>September 2020</i>	<i>Storytelling Scripts</i>	<i>Leadership Communication</i>
<i>October 2020</i>	<i>Strategic Bets Framework</i>	<i>Strategic Decision-Making</i>
<i>November 2020</i>	<i>Rebound Model of Resilience</i>	<i>Organizational Resilience</i>
<i>December 2020</i>	<i>4C Leadership Capabilities</i>	<i>Leadership Competences</i>
<i>January 2021</i>	<i>Digital Product Model Dial</i>	<i>Digital Strategy</i>
<i>February 2021</i>	<i>Digital Distribution Model Dial</i>	<i>Digital Strategy</i>
<i>March 2021</i>	<i>Empowerment Cycle</i>	<i>Employee Empowerment</i>
<i>April 2021</i>	<i>Innovation Box</i>	<i>Innovation Approaches</i>
<i>May 2021</i>	<i>Knowledge Sharing Bridges</i>	<i>Best Practice Sharing</i>
<i>June 2021</i>	<i>Followership Cycle</i>	<i>Leader-Follower Interaction</i>
<i>July 2021</i>	<i>Everest Model of Change</i>	<i>Change Management</i>
<i>August 2021</i>	<i>Fruits & Nuts Matrix</i>	<i>Priority-Setting</i>
<i>September 2021</i>	<i>Powerhouse Framework</i>	<i>People & Organization Strategy</i>
<i>October 2021</i>	<i>Strategy Hourglass</i>	<i>Strategy-Making Steps</i>
<i>November 2021</i>	<i>Disciplined Dialogue Model</i>	<i>Interpersonal Communication</i>
<i>December 2021</i>	<i>Team Building Cycle</i>	<i>Team Building Process</i>
<i>January 2022</i>	<i>Market System Map</i>	<i>External Analysis Framework</i>
<i>February 2022</i>	<i>Strategic Alignment Model</i>	<i>Business Level Strategy</i>
<i>March 2022</i>	<i>Creativity X-Factor</i>	<i>Creativity Enhancement</i>
<i>April 2022</i>	<i>Organizational System Map</i>	<i>Organizational Analysis</i>
<i>May 2022</i>	<i>Corporate Value Creation Model</i>	<i>Corporate Level Strategy</i>
<i>June 2022</i>	<i>Change Manager's Toolbox</i>	<i>Change Methodologies</i>

<i>July 2022</i>	<i>Sustainable You Model</i>	<i>Personal Sustainability</i>
<i>August 2022</i>	<i>Value Proposition Dial</i>	<i>Business Level Strategy</i>
<i>September 2022</i>	<i>The Tree of Power</i>	<i>Organizational Power</i>
<i>October 2022</i>	<i>Psychological Safety Compass</i>	<i>Team Dynamics</i>
<i>November 2022</i>	<i>Strategic Action Modes</i>	<i>Strategy Process</i>
<i>December 2022</i>	<i>Corporate Management Styles</i>	<i>HQ Management</i>
<i>January 2023</i>	<i>Thinking Directions Framework</i>	<i>Reasoning Skills</i>
<i>February 2023</i>	<i>5I Innovation Pipeline</i>	<i>Innovation Process</i>
<i>March 2023</i>	<i>Resistance to Change Typology</i>	<i>Change Management</i>
<i>April 2023</i>	<i>Ambition Radar Screen</i>	<i>Motivation Analysis</i>
<i>May 2023</i>	<i>Corporate Strategy Framework</i>	<i>Corporate Strategy</i>
<i>June 2023</i>	<i>Cultural Fabric Model</i>	<i>Organizational Culture</i>
<i>July 2023</i>	<i>New Pyramid Principle</i>	<i>Presentation Approaches</i>
<i>August 2023</i>	<i>Activity System Dial</i>	<i>Value Creation Analysis</i>
<i>September 2023</i>	<i>Customer-Centricity Circle</i>	<i>Organizational Design</i>
<i>October 2023</i>	<i>Status Snakes & Ladders</i>	<i>Leadership Branding</i>
<i>November 2023</i>	<i>Stakeholder Stance Map</i>	<i>Stakeholder Management</i>
<i>December 2023</i>	<i>Best Practice Sharing Modes</i>	<i>Sharing Methods</i>
<i>January 2024</i>	<i>Duty of Care Feedback Model</i>	<i>Feedback Method</i>
<i>February 2024</i>	<i>BOLD Vision Framework</i>	<i>Organizational Vision</i>
<i>March 2024</i>	<i>MOVING Mission Framework</i>	<i>Organizational Mission</i>
<i>April 2024</i>	<i>Leadership Circle Map</i>	<i>Leadership Skills</i>
<i>May 2024</i>	<i>Digitalization Staircase</i>	<i>Digital Strategy</i>
<i>June 2024</i>	<i>Time Management Funnel</i>	<i>Personal Time Management</i>
<i>July 2024</i>	<i>Wicked Problem Scorecard</i>	<i>Organizational Decision-Making</i>
<i>August 2024</i>	<i>Hunting & Farming Typology</i>	<i>Sales Management</i>
<i>September 2024</i>	<i>Guiding STAR Matrix</i>	<i>Objective Setting Approach</i>
<i>October 2024</i>	<i>Corporate Synergy Typology</i>	<i>Corporate Level Strategy</i>
<i>November 2024</i>	<i>Self-Centered Thinking Traps</i>	<i>Thinking Styles</i>
<i>December 2024</i>	<i>Sustainability Maturity Ladder</i>	<i>Sustainability Management</i>
<i>January 2025</i>	<i>Top Line Growth Pie</i>	<i>Growth Strategy</i>
<i>February 2025</i>	<i>Innovation Sins & Virtues</i>	<i>Innovation Management</i>
<i>March 2025</i>	<i>Interaction Drivers</i>	<i>Communication Determinants</i>
<i>April 2025</i>	<i>Frictionless Flow Framework</i>	<i>Customer Journey</i>
<i>May 2025</i>	<i>Five Phases of Change</i>	<i>Change Management</i>
<i>June 2025</i>	<i>Courageous Core Model</i>	<i>Leadership Behaviors</i>
<i>July 2025</i>	<i>Integration Zippers</i>	<i>Corporate Strategy</i>
<i>August 2025</i>	<i>Innovation Arena</i>	<i>Innovation Management</i>
<i>September 2025</i>	<i>Conversation Elevator</i>	<i>Communication Approaches</i>
<i>October 2025</i>	<i>5T SMART Plan</i>	<i>Strategic Planning</i>

<i>November 2025</i>	<i>Organizational Diamond</i>	<i>Organizational Design</i>
<i>December 2025</i>	<i>New Learning Curve</i>	<i>Personal Learning</i>
<i>January 2026</i>	<i>Strategic Assignment Matrix</i>	<i>Corporate Strategy</i>
<i>February 2026</i>	<i>Five Company-Centric Forces</i>	<i>Organizational Dynamics</i>
March 2026	Embedded Identity Model	Personal Awareness
April 2026	Resource Base Dial	Business Level Strategy
May 2026	Low Performance Team Slide	Team Building
June 2026	Leadership Journey	Leadership Development
July 2026	Partnership Distance Model	Interorganizational Relations
August 2026	Triple Diamond Model	Organizational Decision-Making
September 2026	Personal Quick Guide	Personal Effectiveness
October 2026	Synergy Value Matrix	Corporate Level Strategy
November 2026	Dynamic Organization Paradigm	Human-centered Organization