

80. Five Company-Centric Forces

Which factors are making my organization more inward-oriented?

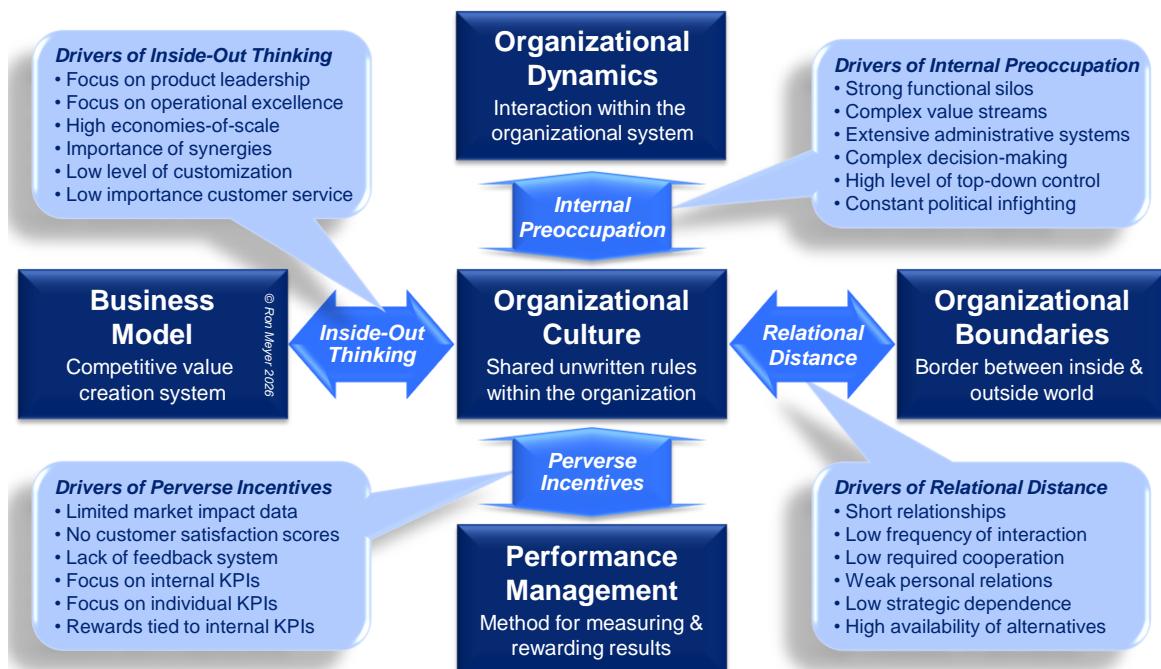
Key Definitions

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>

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

November 2025	<i>Organizational Diamond</i>	<i>Organizational Design</i>
December 2025	<i>New Learning Curve</i>	<i>Personal Learning</i>
January 2026	<i>Strategic Assignment Matrix</i>	<i>Corporate Strategy</i>
February 2026	<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