

Invert the Pyramid: Building a Customer-Centric Organization

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The Pyramid Table of Organization

A typical organization chart or table of organization (TO) is hierarchical, and is shaped like a pyramid. This structure places the president or CEO at the top with successively wider layers underneath. Locked into a mechanistic frame of mind, these structures are formed on the basis that there are enough people under the leader to give him support. Just as one would imagine a real pyramid, if there are not enough stone blocks to hold up the higher ones, gravity would irrevocably bring down the monumental structure. So one can imagine that if the leader does not have the support of his subordinates, the entire structure will collapse. But the converse might also be true, that the absence of the leader can cause the structure to collapse.

The typical pyramid structure has three basic flaws. It implies an autocratic, top-down command, and places on the bottom those who actually do the work, who implement the production to deliver the goods and services. In many places, these are the front-line staff that interacts with customers. Being “on the bottom” is a state of mind that can affect the workers so placed, and also the supervisors who are placed “above them”. In truth, these are critical people.

The second flaw is that the pyramid structure implies the organization exists for the head person. Finally, where’s the customer? The third flaw is that the real purpose of the organization, the customer¹, is nowhere mentioned.

An Alternate Model: The Customer-Centric Table of Organization

I’d like to propose an alternate configuration of an organizational structure: one that places the proper perspective on the purpose of the organization and focuses energies where they rightly belong –on the customer, and the process for making the structure work.

The Customer-Centric Table of Organization recognizes that the enterprise exists for the customer, and therefore places the customer on top. This is the essence of the marketing model, the *raison d’etre* of any organization.²

Next, serving that customer, are the front line staff or production workers. These people are often the lowest paid, least valued, but in truth are the most critical. Imagine assembly line workers who don't understand how the line works or how parts fit. Or store clerks who can't find products run cash registers, unlock the building. Teachers who don't know their subject matter or can't communicate.

Supporting the front line staff through supervision, leadership, planning, marketing, training, provision of facilities, systems, financing, human relations, etc. is the rest of the enterprise. Without customers, these people have no job. These layers exist to support the enterprise and assure that customer needs are met through their various specialties. These functions are rightly called *support services*, yet in many organizations they take on an air of self-importance and insularity.

In supporting front-line staff, the Servant Leadership³ model invites one to employ their skills of listening, empathy, awareness, persuasion, stewardship, etc, and assist the supervisees in their success. This approach is a far cry from the top-down autocratic leadership model found in many pyramid organizations.⁴

A table of organization does not in itself create an autocratic nor a market-centric organization. However, the drawn table is a sign of the company culture, and can show an awareness of the real relationships between customers and employees

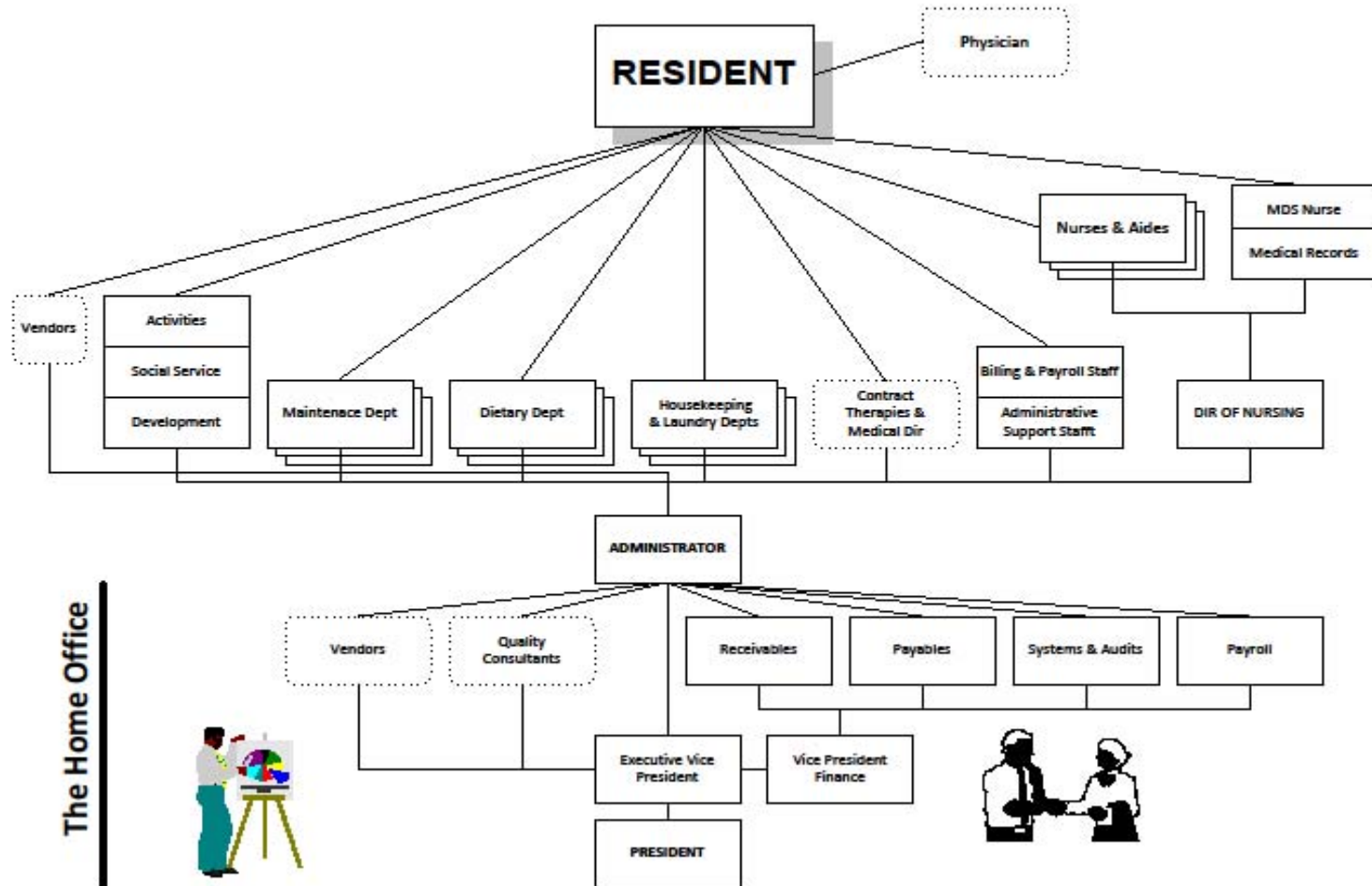
The Customer-Centric Table of Organization Model in Action, an Example

The following table of organization is an example of this model in action. It represents a forward-thinking nursing home chain in central Ohio. This is a complex TO, because it represents a home office and its facilities. At the top of the TO is the resident or patient, whose needs are attended to by a myriad of service departments and staff. Overseeing this team is a facility Administrator who acts much like a symphony conductor. The administrator is ultimately responsible for the failing of any unit or person, but does not deliver any service by him/herself.

This provider facility is not a stand-alone facility, but part of a chain. Thus supporting the administrators are a collection of support services whose goal is to assure that the administrator can succeed in providing quality care and still make a profit.

Finally, at the base of this TO, giving overall support, financing and guidance is the President/Owner.

The Provider Facility



The Home Office

Conclusion

By redrawing your TO, and placing the customer on top, you can acquire a new perspective on relationships, the linkages to success, and requisite leadership styles. By incorporating this thinking into your organizational approach, you can begin the path to a market-oriented culture, the path to better communicate with your employees on their fit, and be on the path to achieve better outcomes for your customers and stock or stakeholders.

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¹ The *customer* can be defined in many ways: the product or service consumer, a member of an organization, a person receiving service from a government agency, or a taxpayer.

² Some people argue that the shareholder or the owner value is the ultimate goal of an organization. Access to capital is certainly a vital component in support of all organizations. Yet, without customers, there is no commerce, no exchange, no transaction, no value offered. By default, the customer must be the focus of an organization. Access to capital is certainly a vital component in support of all organizations.

³ Based on the book of the same name by Robert K. Greenleaf

⁴ Other resources include studies by Rick Stears in the 1970's re mechanistic v. organic organizations, Burns and Stockhler in Scotland who categorized org structure by industry/turbulence, Nadular and Tushman Congruency Model, Shirley Tweaksbury