

What's YOUR Business?

By: Pat Lynch, Ph.D., President

What do you say when asked what your organization does? Do you respond by telling people what products or services you provide, or by describing the organization? Or do you tell them what you can do for them? How do your employees reply to inquiries about your organization?

Before they can optimize business results, executives and employees need to recognize the significance of the value that their organization provides its customers. This requires them to see the “big picture” – i.e., the organization’s ultimate purpose. My observation, however, is that many executives and business owners either have not clearly defined the value they provide to customers, or they have failed to communicate that value to their employees. Instead, people at every level focus on what the organization *does* or *is* rather than what *value* it provides. The difference is more than semantics: how an organization defines itself communicates its value to potential customers. Further, this definition shapes the way employees approach their jobs, and ultimately, it affects the company’s potential for success.

To illustrate the significant disparities that result from viewing an organization in terms of what it is or what its employees do, versus the value it provides, consider the following examples. First, assume someone asks you or your employees the question, “What is your business?” Then consider the following possible responses, which are based on information found on each organization’s website:

A major international airline:

“We are a full-service global airline that provides service from centrally located airports.” (What it *is* and *does*)

“We offer customers an effortless journey.” (*Value* it supplies)

A hair salon education consulting company:

“We are an education-based company in the hairstyling industry that teaches hair salon owners how to run their businesses.” (What it *is* and *does*)

“We allow stylists the freedom of artistic expression.” (*Value* it supplies)

The fundraising division of a charitable organization:

“We are the first, best, and largest charity sports training program that offers a full complement of exciting sports training options.” (What it *is* and *does*)

“We save lives one mile at a time.” (*Value* it supplies)

Now answer these questions:

- As a customer, which of the two perspectives grabs your attention immediately?
- As an employee, which perspective would inspire you?
- How does each perspective affect the way employees approach their work?
- Which perspective allows the organization to optimize its business results?

As the answers to these questions indicate, defining and communicating clearly the value your organization provides are critical success factors to optimizing business results. Are those factors present in *your* organization?

For tips on how to determine whether your customers and employees fully understand the value your organization provides, please see my article *How to Ensure Customers and Employees Recognize Your Organization’s Value* on the Business Alignment Strategies web site. ➔

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