



CHAPTERS IN THE LIFE OF A COMPANY

Like a maturing human being, your company progresses through predictable stages of growth that can be described in detail. Each growth stage requires major changes at all levels in the way business is done.

At each stage, your company develops a more refined way of operating with customers, based upon expanding employee capabilities and upon rising market and societal expectations. These expanded capabilities are primarily built through the daily give and take of employees with markets and stakeholders, as more is learned about delivering and improving your goods and services.

Every company lives in a field of continuous interaction with market, social and environmental situations constantly in motion. When your leaders are able to sense significant shifts in the field, your company can respond with foresight. Leaders can then transform existing relationships, products and services to meet new requirements for business effectiveness. If leadership fails to respond to symptoms of major change, your company can be battered by stresses and financial losses that seem beyond its control.

Shifting from one growth stage to the next means aligning strategies and culture with changing market and societal demands. The fourth stage ushers in greater competition and stricter environmental and social requirements. Your company learns to see its business as part of a larger living system. It succeeds by developing strategies and a culture that anchor it to ongoing improvements with each stakeholder - anyone impacted by its operations. Strong stakeholder

relationships depend on business and cultural transformations in your organization.

Companies will be more successful by developing their culture and their diverse stakeholder relationships - from customers and suppliers to local and global communities, the environment, government and shareholders.

The primary characteristics of the four growth stages are outlined below and in an attached diagram.

Start-up – The company survives by finding a core of ongoing customers who will buy its goods or services. The founder's passion sustains the quest for a secure place in the market.

Market-Competitive – The company develops professional, technical managers, able to help it produce an increasing volume of standard-quality goods or services to meet a growing customer demand – in a timely, cost-conscious, profitable manner.

Customer-Focused – The company remains competitive by streamlining its operations, adding new value to goods and services, and by seeing everyone it serves as a customer, i.e. anyone who performs essential tasks or has significant impact within its product or service value-stream(s).

Living System – The company builds a value proposition and relationship with each stakeholder, committing itself to sustainable growth and to ongoing societal involvement and improvement.

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START-UP	MARKET-COMPETITIVE	CUSTOMER-FOCUSED	LIVING SYSTEM
<p style="text-align: center;"> THE ENTREPRENEUR-FOUNDER</p>	<p style="text-align: center;"> ESTABLISH PROFESSIONAL MANAGEMENT</p>	<p style="text-align: center;"> STREAMLINE & BUILD VALUE STREAMS</p>	<p style="text-align: center;">SOCIETY & NATURE IN VALUE STREAMS</p>
<p>GROWTH STRATEGY</p> <p>Meet emerging or present needs with a unique product or service</p> <p>PASSION</p> <p>Address any customer concerns about the product or service</p> <p>CHARACTERISTICS</p> <ul style="list-style-type: none"> • Unique style based on talents of founder(s) and employees • Product has mark of originality • Drive to find, serve customers <p>MAIN SOCIAL PATTERN</p> <p><i>Family.</i> Intensity of work builds close employee ties</p> <p>GENERIC CHALLENGES</p> <ul style="list-style-type: none"> • Improvised approach to work • Unclear, unwritten procedures • Cliques: personality-centered <p>CALL OF THE NEXT STAGE</p> <p>Rationalize structures, processes, jobs to manage growing volume</p>	<p>Meet proven needs through research and response to relevant market segments</p> <p>Build brands by standardizing production quality, speed and defect elimination</p> <ul style="list-style-type: none"> • Capital available to fuel expansion. • Management through professional expertise and industry experience • Planning, Operations, QA are separated • Create and build brands with customer <p><i>Organization.</i> Logically structured jobs and departments for volume throughput</p> <ul style="list-style-type: none"> • Over-planning and study impede action • Department agendas = functional silos • End-user customers harder to focus on • No common mission: "It's not my job." <p>Develop: more flexible structures; an ear for market and customer expectations; executive vision / alignment; innovation</p>	<p>Build long-term ties with suppliers and customers for mutual benefit</p> <p>Care for the customer wherever he is within the product's value stream</p> <ul style="list-style-type: none"> • Customer-based culture: common purpose, vision, values, processes • Employee learning and training is basis for continuous improvement • Brand innovation and extension <p><i>Partnerships.</i> Special relationships link suppliers and customers to grow value</p> <ul style="list-style-type: none"> • Autonomous SBU's and teams • Exclusion of key stakeholders from participation in value stream • Sustaining a values-based culture <p>Attend to impact of societal concerns (investor, environment, regulatory, social) on the business</p>	<p>Build brands and value by integrating all stakeholders into value stream(s)</p> <p>Reciprocal business-society benefit by well-designed stakeholder relationships</p> <ul style="list-style-type: none"> • Value proposition: stakeholder health = business success = societal health • Financial, social, environmental focus • Active networking with stakeholders in all sectors based on common goals <p><i>Networks:</i> Unique stakeholder linkages that integrate and build value stream(s)</p> <ul style="list-style-type: none"> • Fail to take responsibility for results at each point in product life cycle • Conflict = value creation opportunity • Respond to value-stream breakdowns <p>An ongoing challenge to maintain stakeholder dialogue and feedback for results and for continuous value creation</p>