Is Your Organization's Challenge External or Internal?

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Regardless of a company's product, service, market, or industry, there is competition. For most companies, competition is fierce and intensifying. Adding to the threats from rival competitors are ever more demanding customers. Customers armed with multiple supplier options continue to ask for more. They want more services, features, and attractive terms, yet often don't want to pay more. External partners and suppliers too are problematic for many companies. Partners who provide resources, sales assistance, fulfillment, and services don't always do what they are supposed to do.

So the biggest challenges that organizations typically face are from outside their buildings, right? The reason companies aren't growing their business, closing more sales, or increasing profitability to the extent they expect is because of competitors, partners, and customers, right?

Or is an organization's biggest threat to their success from inside? Are internal matters within an organization the bigger issue? Slow execution, lack of innovation, poor teamwork, and bad decision making aren't external problems. It's not a competitor's fault that a company is not competitive. It's not a customer's fault that products don't meet their needs. It's not a partner's fault that offerings are difficult to sell or deliver.

To be clear, having an external perspective is vital. Focusing on markets, customers, competitors, and partners is critical to any organization's success. Yet, external thinking is insufficient to achieving success. Leveraging external opportunities still requires internal thinking and execution. Companies can't increase sales by only focusing on sales. Successful sales are a reflection of the value-add contributed across the entire organization. Neither can companies increase market share by merely creating more partnerships. It's the quality of partnerships, how well integrated they are with a company's internal operations, and the value contributed by the rest of the company that counts most.

In addition to the insufficiency of giving more external focus, working harder rarely solves most challenges. Overcoming obstacles such as slow execution, limited product differentiation, and high costs are not solved with more effort. Root causes such as low employee morale, indecisiveness, unresponsiveness, poor teamwork, disorganization, ill-defined processes, and outdated systems need change – not more of the same.

Achieving success for your organization may require more effort. It may require that more people focus their attention externally than internally, but be careful. Many challenges masquerading as customer, partner, supplier, and competitor issues are internal issues. They are strategy, people, process, system, and incentive issues. To be even more specific, all strategy, process, system, and incentive issues start with people. People determine an organization's strategy. People define, or don't define, processes and incentives. People choose who to hire and how to develop (or not develop) them. People choose where to spend their time.

In summary, be wary of blaming external factors. When revenues or profits are down, be guarded in using the "let's hire more sales people" solution or "let's sign up more partners" solution. Or worse, be extra careful in using the least long-term effective "let's work harder" solution. These are telltale signs that attention is needed internally.

Here are three simple ways to pinpoint internal challenges:

- Ask people where their challenges are. Consider tangibles as well as intangibles such as teamwork.
- Assess where people spend most of their time, especially time wasted in overcoming obstacles, waiting for approvals, redoing someone else's work, or performing redundant work.
- Model your critical processes and compare how much time a process should take versus what it actually takes.

Good luck!

Article written by Mike Hawkins, award-winning author of *Activating Your Ambition: A Guide to Coaching the Best Out of Yourself and Others* (www.ActivatingYourAmbition.com), author of the *SCOPE of Leadership* six-book series on coaching leaders to lead as coaches (www.ScopeOfLeadership.com), and president of Alpine Link Corp (www.AlpineLink.com), a boutique consulting firm specializing in leadership development and sales performance improvement.

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