

IT DON'T MEAN A THING, IF IT AIN'T GOT THAT SWING

The role of collaboration in an agile organization



” I played in rhumba bands, Mickey Mouse bands; all kinds of bands.
— *Stan Getz*

**” Jazz means working things out musically with other people.
You have to listen to other musicians and play with them
even if you don't agree with what they're playing.**
— *Wynton Marsalis*

It don't mean a thing, if it ain't got that swing!

In today's fast-changing global economy, agility is your holy grail. At undconsorten we know that your organization will achieve enduring prosperity if you have the agility to quickly execute crucial strategic decisions; maintain rapid innovational cycles; and continuously evolve.

A successful way of achieving agility in any organization is by building a collaborative culture. Good collaboration encourages a more effective exchange of information and internal cooperation and transcends function, established processes, or reporting lines. It therefore cultivates the flexibility you need to adapt quickly to change. Furthermore, collaboration is the lifeblood of innovation, a crucial element in meeting customers' evolving demands.

Undconsorten will work with you to identify the core drivers and mechanisms for collaboration at every level of your organization. You will then see how, with some slight adjustments, collaboration will empower your organization with the agility it requires for success.

On the following pages, we explain the important role of collaboration and examine the prerequisites for successful collaboration. Finally, we will focus on how your organization can easily establish a truly collaborative culture.



COLLABORATION AS A KEY DRIVER TO AGILITY

IT DON'T MEAN A THING...

All too often during a reorganization, the focus is on achieving an optimal structure and hoping that agility will follow. However, to have the required return on investment, good design must be accompanied by a culture of collaboration.

Many companies today use sophisticated knowledge and content management systems that allow employees to store and find knowledge easily. The real impact, however, comes from bringing people and minds together, much in the same way that social networks encourage connection. Collaboration is therefore a "glue", connecting people across different organizational units. These links can be flexed, tightened or loosened, according to the specific challenges a company is facing. In this paper, we will focus first on the significance of collaboration for an agile organization before turning towards the prerequisites of successful collaboration; finally, we will focus on the ways to establish a true collaborative culture in today's complex organizational world.

...IF IT AIN'T GOT THAT SWING!

Collaborative networks have other positive consequences. They help overcome potential internal threats to an organization, including friction between competing structures, and unclear - or overlapping - responsibilities, by busting silos and enabling frequent exchange and close co-operation. In addition, collaborative working styles inspire high levels of employee motivation and a will to interact beyond their entrenched work situations.

FIGURE 1: THE ADVANTAGES OF COLLABORATION

COLLABORATION	DRIVES INNOVATIONS	New service or business model for multiple industry lines	EXAMPLES
	EXPLOITS OPPORTUNITIES IN X- / UP-SELLING	Solutions or multiple offers along value chain of customer	
	AQUIRES / SERVES GLOBAL CUSTOMERS	Global RFQs; supported by dedicated hunting teams	
	GENERATES ECONOMIES OF SCALE	Centralized services, e.g. off-shored or shared services	
	INCREASES QUALITY AND SPEED OF DECISION-MAKING	Multi-channel-sales management decreasing cost to serve and increasing customer experience	

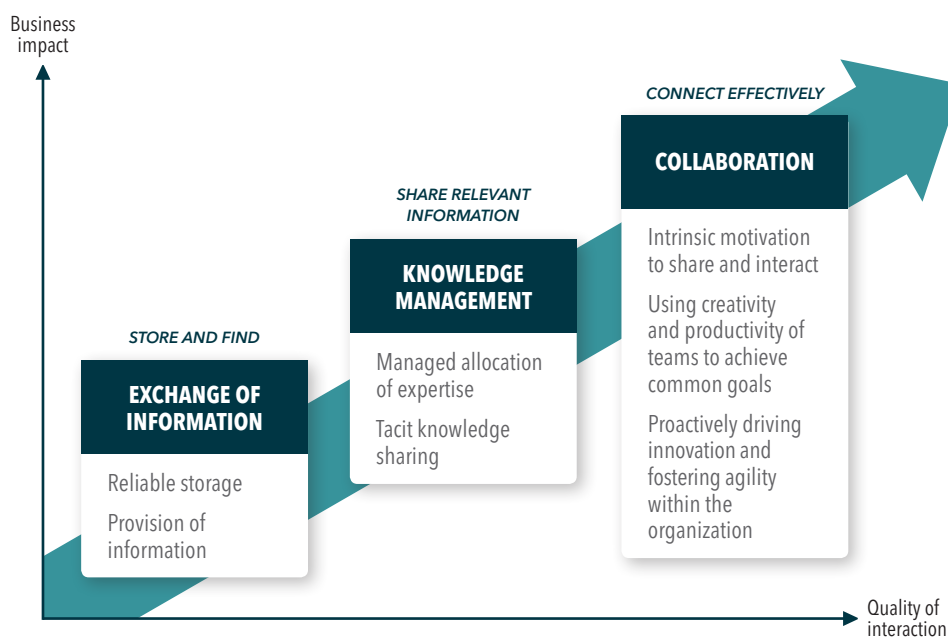
” You look for wicked smart people. You look for people who appreciate different points of view. People who care enough that they have an idea at 11 at night and they want to call and talk to you about it. Because they’re so excited about it, they want to push the idea further. And that they believe that somebody can help them push the idea another step instead of them doing everything themselves.

— Tim Cook, CEO of Apple

HOW TO BUILD A CULTURE OF COLLABORATION IN YOUR ORGANIZATION

Initiating a collaborative culture from scratch, or enhancing existing collaboration, are tough challenges requiring change that goes beyond daily business routines and one-off initiatives. Successful collaboration is not generated by a single department, but will depend upon the combined efforts of many.

FIGURE 2: COLLABORATION PRODUCES HIGH QUALITY INTERACTION, SURPASSING SIMPLER FORMS OF WORKING RELATIONSHIPS



Collaboration fulfils a number of organizational, product line or functional demands. Benefits may be felt in any part of your organization, be they a specific function, department or product line. They may include an enhanced ability to innovate; employees unleashing their potential more fully; or strengthened customer relationships.

There are potential structural downsides to collaboration: it can be expensive, unwieldy and sometimes exhausting. Some employees may initially find working with colleagues who think differently and do not share the same background or approach an arduous task. It may take time to appreciate the benefits to the organization and themselves. A critical challenge for you will be to motivate employees to actively and enthusiastically participate, fostering interaction between different departments and setting up networks that will build strong, collaborative platforms.

” When a gifted team dedicates itself to unselfish trust and combines instinct with boldness and effort, it is ready to climb.

— Pat Riley, former American Basketball Player and Coach

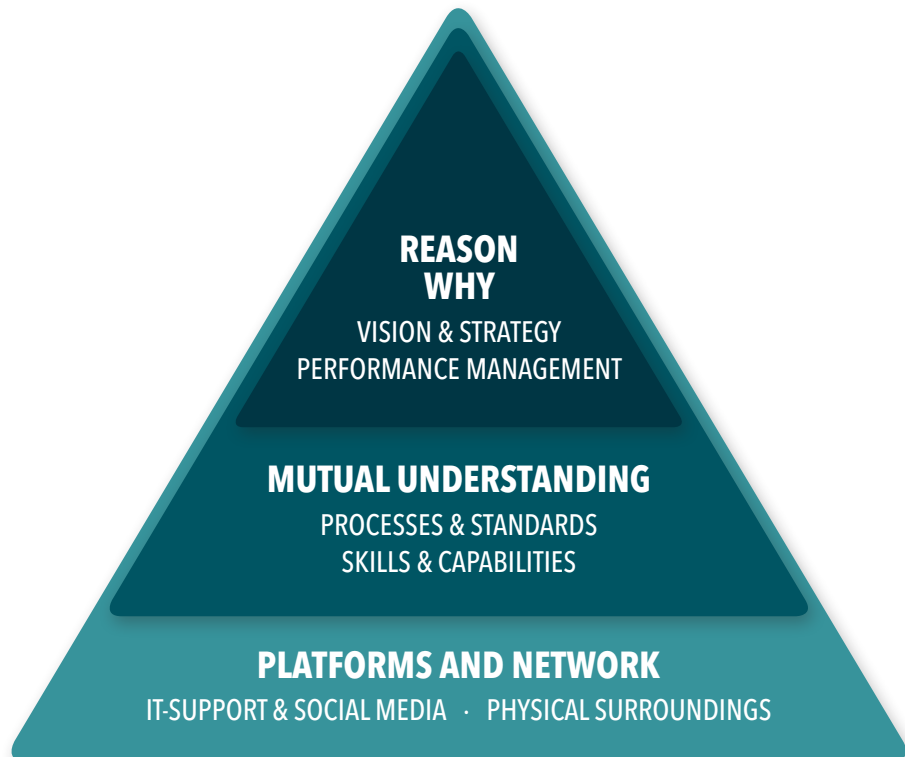


PREREQUISITES OF SUCCESSFUL COLLABORATION

In a perfect world, your employees would proactively fully share information regarding personal business contacts and freely spend adequate time answering colleagues' questions or jointly resolving problems. They would collaborate in groups that eschew geographical, functional or unit affiliation, sharing knowledge and expertise.

To achieve this sublime goal of seamless and successful collaboration, three key elements are required: motivation, connectivity and environment. Any initiative to promote collaboration must include all of these elements.

FIGURE 3: SUCCESSFUL COLLABORATION REQUIRES THREE INTERTWINED ELEMENTS



1 | MOTIVATION DEMONSTRATING A CLEAR REASON "WHY"

Everyone in your organization will need to understand why they are required to do something in order to truly motivate them to do it. They need to understand the need for collaboration, in order to collaborate effectively. In the business world, motivation usually has to be flanked by a clear corporate vision, as well as precisely defined individual benefits.

A common, attractive goal makes complex social interaction, in this case, collaboration - possible beyond geographical or functional borders. However, within large, decentralized organizations, (potentially formed by mergers and acquisitions of units possessing different heritage and culture,) it is not necessarily in all managers' DNA to work on a common corporate goal or share the same vision for the future. Generally, there are two key levers that motivate people to work together: a common vision; and/or the alignment of group and individual goals.

If there is an obvious link of the individual's activity to the big picture, the likelihood of collaboration is much greater. We advise therefore that you formulate your goals, presenting a strong, appealing vision and including collaboration as a key factor for success - then act accordingly. Explicitly feed this joint approach into your strategy and all organizational activity, including company vision, leadership philosophy, talent development, recruitment and external communication.

You should then underpin the vision with specific opportunities and business cases that demonstrate a clear common benefit. These might include, for example, a new market entry based on a jointly developed solution; global client acquisitions based on integrated (RFQs); or capitalizing on synergies to make business easier for your BUs.

Assuming people are inherently motivated to collaborate, managers may wonder why they do not collaborate more often. Sometimes the answer is simple: the benefit to the individual is incompatible with collaboration. Therefore, incentives should not be the sole driver - and they most definitely should not be a barrier. You may need to coordinate a mix of individual benefits, reporting structures and acclaim to eliminate subjective obstacles to collaboration.

One way you can effectively motivate is to align your organization's underlying goals with individual goals. Clearly, the will to achieve their own individual goals will provide your colleagues with the motivation to collaborate. Never pay employees to collaborate, as this encourages procrastination or cheating. Instead, we have found

CASE STUDY

MAJOR CHANGE INITIATIVE AT A LEADING GLOBAL SERVICES PROVIDER

A large provider of business services with a global footprint of independent business units was confronted with a period of diminishing growth. A new strategy focused on the development of innovative integrated solutions as well as exploitation of up-/cross-selling potential. However, the strategy execution failed because executives of the business units (BUs) were not cooperating and the service levels for individual clients varied between countries, depending on local BU priorities.

Solution: Firstly, a dedicated change initiative to foster collaboration - promoted by the CEO - aligned top management executives on the new objective, the implementation of shared goals and a new performance management. In addition, new platforms for information flow and best practice exchange were established and global standards for core processes and skill building introduced. Implementing and measuring Net Promoter Score showed increasing customer effectiveness immediately.



non-monetary incentives and recognition to be much more effective. This is confirmed by various research showing that if collaborative behavior is acknowledged publicly, financial reward isn't necessary: being seen to be collaborative becomes a source of status, and therefore emerges as an important motivator.

2 | CONNECTIVITY FOSTERING MUTUAL UNDERSTANDING INTERNALLY

Connectivity is the ability to make a connection between two or more aspects in a network. It is the state of connectivity in your organization that defines how and where your colleagues will collaborate. To achieve strong social ties there needs to be a common language, mutually agreed standards for interaction and shared values. Guidelines that foster social networks will facilitate connectivity and fend off silos between individuals and business units.

You may find that, to some colleagues, standardization is perceived as an obstacle. They may regard their function to be too distinct, or the demands of their clients to be too specific. On the contrary, standardization can absolutely be a prerequisite for

connectivity - and, therefore, collaboration. You are simply clarifying what operational excellence looks like - which is an indispensable benchmark for any group activity.

CASE STUDY

OPTIMIZING SALES PROCESSES FOR A GLOBAL INDUSTRIAL CONGLOMERATE

A multinational conglomerate and one of Europe's largest engineering companies deals with very complex global client demand and wanted to improve its sales performance.

Solution: They developed and rolled out standards for operational sales excellence (such as targeting, reporting, funnelling) linked to a program recognizing performance, for example with certificates.

This was then combined with best practice exchange and board level recognition. After initial scepticism and pushback from unit heads they realized the potential to improve performance and eventually asked for central support.

Actually implementing process standards will require a finely-balanced "push-and-pull" approach. Department or function heads may need to see evidence of the benefit to their teams before they lend their total support. To get the ball rolling, some standards may have to be imposed "top-down" to ensure essential fundamental changes happen, and thus revealing the overall benefit to the organization.

Given the diversity of people and talent in your organization, your challenge is to achieve effective collaboration without losing creativity. Our experience shows that this can be accomplished by not streamlining people or reducing diversity in recruitment. Instead, we advise that you invest in mechanisms that cultivate complementary skills, and encourage working and communicating conditions that inspire mutual understanding.

Global organizations invest heavily in standard procedures for people and skills development so that employees can collaborate easily across regional or national borders. In doing so, they are establishing networks of experts, operating seamlessly regardless of location and business, some of whom are devising and implementing best practice for their function or department.

3 | ENVIRONMENT ENABLE STRONG PERSONAL NETWORKS

Personal networks require a variety of support. Environmental support includes the conditions (and rules) that enable members to talk and meet online or in person. By quickly sharing information across units, clients and regions you will establish an important competitive advantage in a dynamic world. Successful collaboration relies on bringing experts together. Your organization will therefore need to both identify the relevant expertise available, and then provide the means for those authorities to effectively share that knowledge.

A key driver for success is an accessible and user-friendly platform to connect, talk and exchange information. Your organization should therefore provide solid virtual and physical platforms to enable collaboration. IT in this context is an enabler, not a driver. It facilitates efficient communication, increases portfolio transparency and identifies correct points of contact, eventually enabling the exchange of relevant information and data. In the 1990s, when the concept of collaboration was limited to knowledge management, the belief was that if expertise is codified and stored properly, it will be automatically shared and applied. As this is not necessarily the case, the latest trends in web 2.0 are directly connecting people, not servers. To drive collaboration, the key role of the environmental element will be to bring experts together - not just simply storing expertise.

Current trends suggest that email will increasingly be replaced by mass communication tools, such as blogs and chats. Internal platforms should allow anyone in the organization to be able to publish their own profile. Equally, they should allow everyone in the organization to accurately identify and contact the appropriate and easy environment to everyone.

There will be an important role for social media; however, the most powerful way to connect will always be meeting in person. An organization will need to actively shape an environment which allows spontaneous - as much as planned - meetings in order to foster trust-based collaboration and develop a strong corporate culture. Modern office design already seeks to achieve this through hot desking, multi-functional meeting zones, and open plan floors. There are other simple measures you can introduce to encourage collaboration. These include an open door policy, free coffee in the kitchen, regular town-hall meetings, cascaded team meetings, lunch with the CEO or just officially allocated free time to meet in person.

This all might sound like common sense, but organizations often underestimate the impact of connecting people on making a difference. There is a reason that Microsoft invites thousands of managers to Redmond once a year, paying millions in travel expense: they know it pays off, creating a strongly committed global network of experts and "tsars" (experts in their field responsible for championing and spreading information about their specialization).



ARE YOU READY TO RHUMBA?

How to check your readiness for a collaborative culture? When your objective is to encourage collaboration in order to become an agile organization, there is no “one size fits all” solution. However, from our experience of working with clients to build a strongly collaborative culture, it is clear that all three elements (motivation, connectivity and environment) must be present. To help you check your readiness, we have developed a simple 10 point guide:

FIGURE 4: COLLABORATION READINESS
10 QUESTIONS TO ASK YOURSELF AND YOUR COMPANY

MOTIVATION		Basic level – Best practice
1	<i>The workforce is convinced that this is a great company to work for</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2	<i>We usually act like I would act if I was the owner of this company</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3	<i>We are convinced it pays back if I help my colleagues</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
CONNECTIVITY		
4	<i>It is clear what is expected of me to help achieve our company goal</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5	<i>Best-practice of how to perform tasks is well established</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6	<i>We share a set of standards to collaborate effectively across units</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7	<i>Colleagues from other units can be trusted to drive a corporate goal</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ENVIRONMENT		
8	<i>Any individual knows and is able to contact all relevant colleagues to excel</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9	<i>IT effectively helps to talk and work with relevant people in my company</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
10	<i>All relevant team members, peers, colleagues and managers are approachable to jointly build a strong company</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Quickly check your status quo by answering the ten questions above – either top down self-assessment by your senior managers; bottom-up evaluation by your middle management; or an organization-wide survey. The results will identify any issues within the three elements and offer guidance as to measures to focus on.

” Our industry does not respect tradition – it only respects innovation.

Satya Nadella, CEO of Microsoft

HOW TO ESTABLISH A COLLABORATIVE CULTURE?

Our experience demonstrates conclusively that all three elements (connectivity, motivation and environment) need to be fulfilled in order to facilitate collaboration.

Effective collaboration that also adheres to your organization's values and business model will require changes to your organization's DNA. Encouraging a collaborative culture is difficult since you may have to overcome entrenched routines, change fixed habits and gridlocked silo-thinking. We have found there are five key levers you can use to mobilize your organization:

1. COLLABORATIVE LEADERSHIP

Your organization will need a leadership style that fosters collaboration on every level. Real change emanates from the top, both through inspiration from role models and encouragement from top management. In particular, to identify if your current management team is collaborative in style, we advise you focus on investigating if they have joint responsibilities beyond individual goals; how power struggles are resolved; and if your board members are the global connectors they ought to be. Collaboration initiatives can lead to endless debates among employees who have never worked together before so you will need strong leaders at every level that have the courage to end a debate at the right moment. Without robust leadership, collaboration cannot achieve its full potential.

2. ALIGNMENT OF TOP MANAGEMENT - GET EVERYONE ON BOARD

Getting support of not just top management, but all employees in your organization, is crucial to successful implementation. While social media-driven change takes effect "bottom-up", in a corporate setting we have found that there always needs to be a driver.

Top management guidance on a common idea and vision may have been provided but then it needs to be disseminated throughout the organization. You can launch momentum for change by establishing mechanisms and routines, and then empower the organization to integrate them into a particular team or function. In our experience, this is successfully done through top-down cascading workshops, followed by honest and uncensored upward feedback loops, revealing the adjustments essential to accommodate your organization's specific needs.

3. BUILDING TRUST - WALK THE TALK

If we want to make sure that in seeking agility in your people, you are not unwittingly creating instability through having higher than optimum levels of mobility, your organization must have a trust-based environment. This will start with a culture of trust at top management level, requiring a credible group of people issuing clear directions, led by a strong CEO role model. They should state the case for action whenever possible and support it actively.

Communicating competently will entail using all appropriate internal channels, particularly a mix of dedicated explanatory events and follow-up initiatives. Since trust is strongly based on openness, make sure that you facilitate dialogue throughout your organization.



4. STRONG SYMBOLS - IMPERATIVE FOR RADICAL CHANGE

Collaboration is costly and change requires a lot of energy. Well-chosen symbolic actions will set the right tone and build confidence in any collaborative initiative. Not all employees will approve of a new, collaborative regime, so demonstrating strength to territorial “luddites” will be crucial to the success of your change project. Symbols also serve as affirmation to the organization that tomorrow things will be different from what they were yesterday.

5. SUSTAINABILITY - MAKE THE CHANGE PERMANENT

Real change will not happen overnight and within a large organization you might find yourself on a long road to transform habits and culture. You will need to give each instance of collaboration time to bloom. It can be sustained by measures to support it: these include fostering strong relationships across the organization, bursting silos, choosing the most effective forms of collaboration, and harnessing informal knowledge sharing.

Take it to the bridge

The global business environment operates at a breakneck tempo, and will always favor those with the agility to execute innovations faster, adapt swifter and evolve quicker. Your organization will continuously need to retune its competitive position using collaboration as a major tool to equip it with the agility to lead the pack.

Achieving the required agility through effective collaboration is not always an easy task. Let us draw on our expertise and experience, to conduct your journey to a flawless performance.





undconsorten Managementberatung GmbH & Co.KG
Kurfürstendamm 194
10707 Berlin // Germany
www.undconsorten.de