



Profitable Collaboration

Why Team Building is a Waste of Time

by **Greg Ranstrom**

LET'S MAKE IT OFFICIAL: team building is a waste of time. But maximizing collaboration to create value and profitability is essential. The “group hug” style of offsite where everyone gets together and makes nice after a tug of war in the mud just doesn't cut it anymore. It doesn't address the real problem. Organizations are running faster and faster just to stay even. So what do we need to understand about working together in order to succeed?

The nature of work in the 21st century has become increasingly complex; if you're in a typical organization, you might be a member of five or more collaborative teams that include not just other employees or departments but external partners, vendors, community and government organizations. How do you make all those collaborative opportunities work? How do you make them profitable?

Working alone is much easier; it just isn't nearly as productive. So we work together. And here's where it begins to get complicated. Successful collaborators understand that there is no one right way to collaborate. To say "we need to collaborate" or "we need to work as a team" is not enough. The real work of collaboration requires creating the right occasions for collaboration and guiding specific interactions that lead to profitable results. Realizing the sheer volume and variety of the quality of the interactions necessary to produce profitable results reveals the inherent complexity and challenge of collaboration.

Team building efforts fail when they focus on building rapport amongst all the members of a group when in fact rapport between some members is critical but between others it is not. The reality of teams is that they are complex collections of multiple collaborative units. Participants are members of many different collaborative units within and without the team. Moreover, differing levels of rapport are natural in any gathering of people. To expect the same depth of rapport among all is simply unrealistic, and often not in the best interest of the group or the results.

Managers say that they want the people in their organizations to learn how to collaborate more. But in truth, nobody has the time to collaborate with everybody. In fact, successful collaboration often means figuring out

how to collaborate less! We all know a colleague that copies everyone on every email or that provides ten times the data necessary for every decision. Organizations are full of interactions that appear collaborative, but in fact waste time. In the 21st century, people cannot afford to attend meetings unrelated to their goals. They cannot spend time team building with the wrong people. The challenge is to accomplish more with less. Organizational leaders must realize that their people don't necessarily need to collaborate more; they must collaborate differently, more effectively, more profitably.

All organizations are, by definition, collaborative. Organizations are formed in order to allow people to work together, to collaborate, toward some collective result. Collaboration can be done well or poorly. The problem organizations face is not lack of collaboration; the problem is lack of profitable collaboration.

Leaders who understand the new landscape of collaboration follow a process that includes five steps. First, they identify opportunities to create value. Second, they match appropriate capabilities to those opportunities. Third, within this web of relationships, they create forums that support the critical interactions that will produce maximum value for all the stakeholders. Fourth, they develop and support stakeholders' collaborative intelligence. Finally, they communicate what matters.

Identify opportunities to create value

As Thomas Friedman famously observed in his recent bestseller, *The World Is Flat*, work is naturally moving globally to the places and organizations that can create value around an idea, a product, a service. Organizations that adhere to old forms of value creation risk being

A scientist from one of our client's R&D labs reports to one person for administration and career development concerns, another for core scientific capability development, and he works for three project leaders. These five worlds each include different stakeholders that the scientist must relate to in different ways to accomplish his work. For example, while responding to the demands of his boss and the human

resources organization, he must find time to research, mentor young lab scientists, and develop relationships with academic institutions. He must also apply his scientific talents with his peers and several partner organizations on three projects to fulfill the needs of three different customers and the corporation's business leaders. His world of work has become a complex web of relationships, each with its own unique demands.

overtaken by new, more innovative ideas, products, and services. The world is becoming increasingly impatient with the organization that cannot move fast enough into new lines and even marketplaces. In response, companies collaborate feverishly with customers, suppliers, even former competitors. The result? Inevitably, more confusion, and more calls for teamwork. This collaboration stuff is very, very hard to get right!

We were hired to work with a global information technology (IT) group that was losing trust and credibility with its primary internal clients, the users of the customer platform, and with the broader organization that observed continuing failures and missed deliverables. Many of the critical applications for managing customer and partner relationships were not working in a manner that the users of the technology expected. More than one of the many applications were simply failing. For example,

restored as the players in this collaborative system went to work on the critical elements required for success. The IT group recovered its reputation as a high value contributor to the business and continued to attract and retain talented professionals.

Match capabilities to opportunities to create value

We once worked with a manager who prided himself on his group's team culture. The group was in fact very close-knit. The members communicated well with each other, cared deeply about each other, and managed internal business quite effectively. Unfortunately, the rest of the organization viewed this team as a very difficult group with which to work. The manager proudly proclaimed his intent to take care of his team first, leaving the rest of the organization, its customers, and its shareholders as secondary priorities. Clearly this team had the skills

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the organization's sales people could not retrieve the data they needed in time to serve and build high-quality customer relationships. In a candid conversation with a senior manager from a user organization, the customer platform group was given grades ranging from D's (very poor) to B's (pretty good) and the B's were few.

The IT group members were highly educated and successful people used to getting A's in a company that they valued. They were still very committed to doing great work, although recent setbacks and associated loss of credibility created a risk of losing talented professionals. As we dug deeper, we found that many of the capability issues were tied directly to the standard of value creation the end users expected from the IT group. The end users admitted that they would never give the global IT group an A grade. Through some difficult negotiations, the groups clarified the standard of value creation that was reasonable to expect. Thus, the IT group could perform to a standard it expected from itself and meet a standard agreed to by the users. Credibility and trust were

for cooperative engagement within itself, but it did not collaborate well in the cross-functional forums that could deliver the most value for the business. It is not always easy to know who should be working together with whom on what, but this is the first and most critical challenge of profitable collaboration.

Collaborating well is only useful if you are collaborating on the right task with the right people. You can think of businesses as entities that combine various forms of capital—intellectual capital, financial capital, or social capital—in order to produce value for shareholders. Leaders must put together the right combination of capabilities, within and without the organization, to create maximum value.

To take a simple example, a purchase involves a patron and a vendor. The patron represents the capability to pay, and the vendor represents the capability to deliver a solution. At the next level of complexity, a small project team consists of people who represent certain capabilities, various other stakeholders, and useful technology to aid

their work. A much more complex system might involve capabilities that reside in multiple organizations, communities, and governments. Each entity brings some combination of capabilities important to the end result.

Create forums that support the critical interactions

Once capabilities are matched with opportunities to create value, the next step is to design forums that support the critical interactions required by the collaborating entities. Infinite possibilities exist for interactions between collaborators. It is not as simple as saying you should be open and nice and do all things that team players do. That's the "group hug" philosophy, and it isn't enough. In fact, many important interactions are not very personal at all. I may simply need information that you enter into a database. Your contribution is critical to my success and we may never meet. Sometimes all that is necessary in an interaction is one-way communication; at other times deep rapport may be required.

Consider the president of one of the seven businesses in a global petrochemical company with whom we worked. He came to us because of a problem of morale and a fear that he was facing a very costly issue of retention of his most senior scientists. He asked us to facilitate a meeting

The ability to collaborate well may be your most powerful competitive advantage.

with his staff to address the problem. He believed that a two-day meeting was the appropriate forum to address the problem. We said we couldn't participate in this solution. We had enough background information to know that the management team would spend the two days examining and challenging data without significantly changing anything that could make a positive difference. A standalone meeting among the senior staff would do nothing to generate commitment deeper in the organi-

zation, especially for the 200 scientists who were at risk of leaving the corporation. This manager had concluded that his staff could meet in a vacuum and solve a morale problem that others were experiencing. He had imagined a forum that included the wrong people. We understood that to increase the level of commitment of 200 employees required something different. Several months after our initial meeting with the president, he called us back to help reenergize his top 200 leaders. A large part of the solution relied on the creation of very different forums for the communication of meaning and passion throughout the organization. Creating the critical forum to engage the employees made all the difference.

Develop and support stakeholders' collaborative intelligence

A leader can match capabilities to opportunities to create value and design forums that support critical interactions but still not add value to the business. Collaboration is not one person's job; it is everybody's job. To lead successful collaboration, leaders must continually develop the individual and collective collaboration intelligence of all stakeholders.

We often use an experiential activity called Maximize[®] to help people understand collaborative intelligence. We have run this collaboration experiment with thousands of employees of hundreds of organizations in many different countries. The activity is quite simple. Large groups are split into smaller teams. Participants are then given a goal to "maximize revenue." Revenue is gained as participants solve orienteering challenges that lead to the discovery of "products" that can then be delivered to the "customer."

The activity is quite reliable for the dynamics it creates in groups. Individuals and teams are first confronted with a cooperation problem: should we compete or collaborate with the other teams? In fewer than five percent of the sessions, groups choose to collaborate immediately. Driven either by

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task-focused tunnel vision or by the urge to beat the other teams, most participants work independently from members of other teams. On the other side of the continuum, five percent of the sessions produce some very unscrupulous activity to target the perceived “competition.”

Eventually, participants see opportunities within the activity to maximize revenue through work with members of other teams. As teams merge, participants are then challenged by a coordination problem. Rather than organizing the efforts of five people on a team, the challenge becomes organizing thirty or more people to quickly achieve results. Some groups manage this well and others do not. A classic failure in these sessions occurs when participants congratulate themselves for realizing the potential for cooperative action, but then fail to implement any plans with the larger group. Cooperation by itself does not equal collaboration.

Individuals can dramatically influence the group’s effectiveness in this activity, but it takes more than one person’s leadership for the group to be successful. While someone might provide the vision for a more productive way of working together, some others must step in to help coordinate the new effort. Some individuals, despite forming a team identity literally only twenty minutes before, become so protective of this identity that they choose not to collaborate with the others even when they see members of every other team producing better results through collaboration.

Collaborative intelligence requires perspective to understand what capabilities and opportunities will deliver the best result and what forums will support the critical interactions. Collaborative intelligence also requires each individual to develop personal awareness of patterns of behavior that inhibit the critical interactions necessary for profitable collaboration.

Communicate what matters

Finally, good communication is an essential tool to generate profitable collaboration; however, different situations call for radically different kinds of communications delivered via a variety of media. There is no doubt that paying attention to civility in human interactions generates a

In the last decade, technology has expanded the possibilities to create forums for collaboration. For example, the “blogosphere” can now almost instantaneously fact-check media reports. An ever-changing global community of bloggers is making a huge difference to the quality of news reported in a way that would not be possible without the technology. This doesn’t mean everybody must blog to be successful collaborators. As Jim Collins discovered in his seminal study, *Good to Great*, great companies lead with technology only when the technology enables a core business. We believe the same holds true for collaboration technology: it is only useful if it enables the critical interactions necessary for the task at hand.

level of good will that can facilitate productivity. Paying attention only to civility gets you right back to the group hug mentality and lackluster results. Substance and focus are just as important to successful communications. Who needs to know what, and how best to convey that knowledge, are equally vital questions to consider. The quality of communication must facilitate people working together effectively. Are you seeking to engage commitment, generate learning, or initiate action? Would an email be most effective or a hand on the shoulder? You must consider content, timing, and media, because each will affect the outcome essentially.

In sum, identify opportunities to create value. Match appropriate capabilities to those opportunities. Create forums that support the critical interactions that will produce maximum value for all the stakeholders. Develop and support stakeholders’ collaborative intelligence. And finally communicate what matters. That’s the essence of successful collaboration. It’s difficult and time-consuming—and increasingly it’s how managers spend their days, and how they are judged.

Twenty-first century organizations must collaborate to compete successfully. The ability to collaborate well may be your most powerful competitive advantage. Leaders who master profitable collaboration will be the most successful leaders of tomorrow.