

The Real Power of Collaboration

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Collaborative**Business**

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Collaboration is a purposeful, strategic way of working that leverages the resources of each party for the benefit of all by coordinating activities and communicating information within an environment of trust and transparency

Collaborative Rhetoric

A clear sign that organizations find a skill or ability valuable is when it begins to find its way into the competencies used to evaluate employee performance. Such is the case today with collaboration. Even the recent awarding of the Nobel Peace Prize to President Barack Obama appears to be in support of the collaborative approach he espouses to international issues. However, collaboration isn't a single skill or competency—it's a purposeful way of working intended to gain access to and leverage valuable resources in pursuit of objectives. This is the real power of collaboration: Combining the knowledge, expertise, relationships, and other resources of people in ways that benefit and help achieve the objectives of all concerned.

Combining the knowledge, expertise, relationships, and other resources of people in ways that benefit and help achieve the objectives of all concerned is the real power of collaboration

Collaboration is generally considered to be synonymous with cooperation or teamwork. But neither cooperation nor teamwork adequately describes collaboration. Cooperating is only one step beyond acquiescing and cooperation can be voluntary or it can be forced. Working on teams is likely a required aspect of every professional's job. True, collaboration does require working together with another party as teamwork implies. It also requires cooperation. But neither demands the resource leverage that is the advantage offered by collaborating. No one can be forced to give of their insights, make a recommendation, or use the passion of another to create new energy, direction and value, all of which are integral to the true nature of collaboration.

Likewise, having the tools of technology at one's disposal doesn't make collaboration occur. Yes, essential information may be more easily shared and transparency promoted through technical means. With so many people working from remote locations, tools that help people work together more efficiently are needed. Technology is an enabler of collaboration, and nothing more.

When practiced appropriately collaboration is a set of behaviors—a way of working that involves coordinating specific activities and communicating certain information to leverage resources in the purposeful pursuit of objectives. It requires an environment of trust and transparency. Collaboration opens up the possibility of accessing the resources, knowledge, and relationships other people and organizations have and using each party's resources for mutual benefit. It also raises the specter of counting on someone who has no stake in your success. Thus, it is a sophisticated ability that depends on much agility in utilizing a range of skills through an iterative process of achieving desired outcomes. Collaboration is a means to an end, not an objective in and of itself.

Collaborative Reality

Working collaboratively requires people to make assumptions about how to achieve their objectives, apply knowledge and skill in a particular situation, assess progress, and then determine their next step. Thus they need the freedom to use their best judgment in any given circumstance, without prescribed rules. There are three key principles of collaboration which form a backdrop for all such activity:

Collaboration is fit for purpose. Collaboration is a continuum, not an on or off switch. We collaborate a little or a lot depending on the task at hand. The intensity of collaboration is defined by the degree to which activities are coordinated; information of appropriate relevance, quality, and timeliness is shared; and participants' resources are leveraged for the benefit of all parties. The intensity of the collaboration is dependent on the nature of the resource leverage sought. The more one seeks to gain, the greater the collaborative intensity needed. Any greater level of collaboration implies that resources are squandered. Any lesser level of collaboration and the endeavor leaves money on the table or worse, may fail outright.

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In this way, collaboration is directly linked to trust, without which no collaboration will occur. Like collaboration, trust also exists on a continuum. There needs to be enough trust to engage in the activity at hand, and the endeavor must be collaborative enough to achieve its objective. With this in mind, think about the growth of social networks, such as Facebook and Twitter. One need not collaborate with great intensity or have a high degree of trust if the purpose of the network is to connect with friends and provide updates on activities. Yes, some information may be exchanged, but it is generally of limited richness. And unless it is an activist network where the purpose is to influence decisions and policy, there is generally little coordination of activities within socially oriented networks.

Contrast a social network with the collaboration that must occur to develop and market a new product within a strategic alliance. Not only must activities be coordinated and relevant information exchanged among counterparts, but all of the individual activity must come together so that objectives are achieved by organizations and individuals alike.

Collaboration has many currencies of value. The reason for any collaboration is the currencies—sources of value—that can be put to use in achieving both the overall intent of collaborating and each party's individual objectives. In collaboration, one gets what one wants by helping others achieve their desired outcomes. The fuel for this exchange of value is "relationship currencies," the insight, access, knowledge, and physical resources of one party, which another can only tap into because a collaborative relationship exists. Relationship currencies, such as

access to a thought leader or decision maker, knowledge of a company's technology roadmap, or credibility through association, are only available within the context of a relationship built on trust and reciprocity.

People implicitly use relationship currencies all the time in their interactions with others. When their existence and use are made explicit and purposefully linked to strategic objectives, they become powerful instruments for creating value. This is especially true when one considers that the knowledge, connections, experiences, and skills of people are the primary drivers behind business success today. People control how they share these sources of value and only do so when they feel they'll be properly used in the conduct of good work.

It is a truism and reality that one must give to get. A salesperson won't introduce a partner to one of his or her sources of information regarding potential customers in a joint territory, unless the salesperson has a relationship with that partner and is confident the introduction will be treated as valuable. The salesperson expects that the partner will reciprocate and offer something that will be of value to him or her at a future date. Collaboration occurs over time, with many interactions comprising the relationship. A single interaction may be 70% you gain and 30% the other party gains. The next interaction could be 20/80 in favor of the other party. What matters is that the parties believe that the give and get balances out over time. One-sided relationships don't last; however, the give back doesn't have to happen immediately. The best business relationships have a rhythm to them. The give and get over time is what builds trust, validates or invalidates assumptions about how to achieve objectives, and develops innovative ways of creating value for all concerned.

Using relationship currencies takes time and effort, as does offering yours to someone else. Unless the value of the currencies relative to their utility to the recipient for achieving his/her goals is greater than the effort it takes to access and use those currencies, collaboration won't succeed. Collaboration is work. It challenges traditional ways of thinking, acting, and relating in business. As Chris Huxham, professor at the University of Strathclyde, Glasgow, Scotland says, "Don't collaborate unless you must." We agree. However, given the complexity of the challenges of work and the problems organizations are seeking to solve, collaborate we must.

Collaboration occurs in networks. One can think of organizations today as dynamic collections of components which are brought together because of their individual capabilities and assembled for a specific purpose. Each assemblage is a network. Every organization has multiple customer needs it seeks to fill and thus will have multiple networks and sub-networks in which it operates. Within pharmaceutical companies, each therapeutic area can be thought of as a network, comprised of internal personnel as well as partners and other external parties. Within

Guidelines for Using Relationship Currencies

1. A relationship currency has value only if you have it when needed
2. Used properly, relationship currencies can be used over and over again. In some instances, their value will actually grow over time
3. The value of a relationship currency is determined by the recipient of that currency
4. You may need to offer more than one relationship currency to get what you need
5. You have to be careful to not over-commit the currencies you are providing to others

The Real Power of Collaboration

that there are multiple teams that must work together and individuals must navigate all of these groups. That's the reality of organizational life today—a constant defining and redefining of boundaries, finding commonality of purpose amongst various objectives, and building shared understanding and alignment. No wonder collaboration is showing up as an area of professional development!

What is apparent, however, is that seldom do people stop and consider the time and effort of collaborating relative to the work of their “day jobs.” As a result, it is often considered to be “extra work” and not worth it if one has not previously taken the time to build necessary relationships. For the flow of currencies to occur—the resource leverage that is the purpose of collaborating—one must have clarity around the communication and coordination that helps each party to achieve their shared and individual objectives. This sounds simple, but how many of us really think about our goals and carefully identify how we intend to achieve them? Take a look at your calendar or diary for the next week. How many of the meetings and phone calls scheduled directly contribute to achieving objectives?

The ability to prioritize amidst complexity is a critical skill in building one's ability to collaborate

Thus the ability to prioritize amidst all of this complexity is a critical skill in building one's ability to collaborate. Prioritizing the use of resources is a key objective of management. Individuals, too must prioritize where they put their chief resource—their time and energy. Put your time and energy into the relationships that offer a return and you'll enrich yourself and be better able to accomplish your own objectives. This simple equation (Figure 1 – The Benefit of Collaboration) can help make decisions about when to collaborate.

$$\text{Benefit of Collaboration} = \frac{\text{Value of Resources Leveraged}}{\text{Time and Effort to Collaborate}}$$

Figure 1 – The Benefit of Collaboration

If a simple “gut check” is insufficient, then criteria can be established and ranked to provide a more objective analysis, even when the value is not quantifiable financially. For example, if an individual has expertise highly relevant to a problem a team is trying to solve, but because of that expertise it is almost impossible to get that person as an active participant on such a team, it is likely worthwhile to spend more time and effort in understanding how that expert can benefit from participation on the team. Getting someone to do what you want of them because they see that it will benefit them is the skill of negotiating the give and get. The skeptics among us may see it as “using” or “manipulating” someone, but that is a

The Real Power of Collaboration

false criticism as long as both parties benefit. If both parties don't benefit, it isn't collaboration.

Without a doubt, developing the collaborative ability of every individual and the organization overall is important to business success. However, simply including collaboration as one of many skills the organization deems important, really misses the point. When collaborative networks are how the organization needs to be thought of, then collaboration isn't just a single skill, it is how work in a network gets done. It takes many different individual skills to collaborate effectively, as well as an organizational environment and structure that support it (see Figure 2 – Key Collaborative Competencies).

When collaborative networks are how the organization needs to be thought of, then collaboration isn't just a single skill, it is how work in a network gets done

Collaborative Competencies	Description
Working and leading in networks	<i>Prioritizing amidst complexity</i>
Aligning individual behavior with strategy	<i>Doing what it takes to achieve a vision</i>
Communicating through a common language with shared meaning	<i>Understanding what the other person says and the frame of reference through which they say it</i>
Influencing without authority	<i>Engaging others in pursuit of outcomes they didn't know they had an interest in achieving</i>
Negotiating the give and get	<i>Creating something of value for all parties to an interaction</i>
Capitalizing on diversity of thought	<i>Using the passion of differing views to create new energy, direction, and outcomes</i>
Fostering creativity and innovation	<i>Guiding, generating, and encouraging new ideas by embracing failure and learning</i>
Building a culture of trust and transparency	<i>Creating an environment where motivations are generally understood, rules and norms are accepted by all, and past behavior indicates the likelihood of desirable future behavior</i>
Creating an environment of accountability	<i>Using metrics to assess performance and taking personal responsibility for one's actions and inactions</i>
Mentoring and coaching others	<i>Raising one's likelihood of collaborative success by improving the ability of others to collaborate well</i>

Figure 2 – Key Collaborative Competencies

The Real Power of Collaboration

These competencies have varying levels of mastery and are rarely fully embodied in any one individual. Depending on context, some have more importance than others. Yes, there are some people who are naturally collaborative. At times, they can be viewed as manipulative because they always seem to get what they want. The best way to describe these individuals is entrepreneurial—they rally people and their resources around a vision—their vision. Data collected by The Rhythm of Business on more than 8,000 individuals shows that better collaborators are more successful. They simply know how to combine their tool box of skills with their currencies and the currencies of those in their network to accomplish more for less. In today's business environment, that is a winning formula.

Using the Real Power of Collaboration

Organizations collaborate to achieve objectives. So do people. Working collaboratively is an iterative process of using Give and Get thinking to accomplish objectives. The key collaborative competencies are put to use in this thinking model (see Figure 3 – The Iterative Process of Working Collaboratively) by relating each step in the process to a specific question focused on accessing and leveraging the resources needed to achieve objectives:

- ▶ Plan – *What are you trying to do?*
- ▶ Prepare – *What do you need and who can provide it?*
- ▶ Interact – *What should you work on together?*
- ▶ Analyze and Refine – *Is the collaboration successful? What should you do differently?*

Working collaboratively is an iterative process of using Give and Get thinking to accomplish your objectives

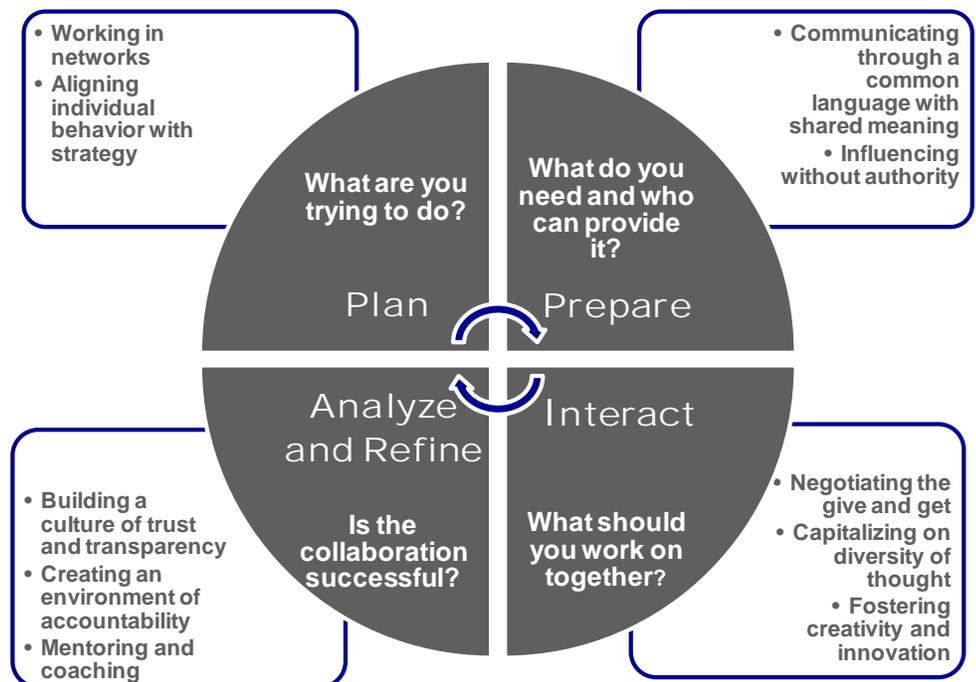


Figure 3 – The Iterative Process of Working Collaboratively

Following this process and applying the key skills of collaboration at the right time in the process helps embed collaboration as a way of working, a way of developing solutions to complex challenges. There are not hard and fast lines between the steps; rather the alignment of specific skills with the steps suggests emphasis.

The Real Power of Collaboration

In the planning stage, what matters is to prioritize objectives. What are you trying to do? Answering this question provides an initial screen on the complexity of all the many networks that comprise one's activities. It also aligns individual behavior with organizational strategy. People should clearly see how their individual objectives contribute to achieving the vision the CEO has set forth. If what you are doing doesn't align with that, why are you doing what you are doing?

Much of the conventional thinking about collaboration is based on the assumption that the parties must have common goals. The perpetuation of this myth is perhaps one of the greatest hindrances to collaboration

In the preparation stage, one's co-collaborators are engaged. It is in this stage of collaboration where what is needed to accomplish objectives is defined and partners sought. One must build relationships, develop a common understanding of what each is trying to accomplish and identify where those objectives intersect. Much of the conventional thinking about collaboration is based on the assumption that the parties must have common goals. The perpetuation of this myth is perhaps one of the greatest hindrances to collaboration. Yes, collaborators work on something that is mutually beneficial in that it results in the exchange of relationship currencies each party can put to use toward their individual objectives. But they don't need the same purpose for collaborating. If that is the case, they are more likely competitors than collaborators. To take a simple example, a biotech company and a big pharma are collaborating on developing a drug. Both want the drug to come to market and be a commercial success, but the motivations for collaborating are different. The biotech wants development resources and access to customers. The big pharma wants a new product it can sell. The ability to influence someone or some organization over which one has no authority begins to come to bear in this step as a means of engaging the other party—by helping them see that it is in their best interest to work together, although the objectives for working together are likely different.

It is also essential in this step that the parties develop understanding. The many differences that exist imply the need to step back and ensure each party is clearly understood. No two collaborations are the same and the parties may have different mental models. Misunderstandings can occur over the use of certain terms that seemed clear at the time they were negotiated. For example, two parties agree to split expenses for a launch meeting "fifty-fifty." However, one company brings 30 people while another only brings 10. The company with 30 people expects to split total meeting expenses, while the other party only expects to pay for 10, representing its "half." This type of misunderstanding can cause discord and lead to a breakdown in trust.

The next step, interaction, is where the actual collaboration occurs. In this step the exchange of currencies takes place as the work is carried out. It is also where differences of priority, philosophy, and other conflicts may arise that have to be worked through. To use a simple example, one party may be convinced that exhibiting at a trade show is the best use of available resources, while the other party thinks it is not. Good collaborators will take this diversity of thought and develop a solution that

The Real Power of Collaboration

incorporates each party's objectives. The best solutions aren't compromises, which only offer a "half a loaf" to each party. Instead, they forget about the position each party may have taken and work to understand their interests—what really matters to them—and forge an innovative solution. Interests are often unstated and may be hidden, therefore having a relationship built on trust and transparency is essential to understanding what is really motivating someone. When one understands "what is in it for me" from the other party's perspective, it is much more likely that a solution including currencies of value to both parties is found.

The fourth step, analysis and refinement, focuses on results and what has to happen differently. Accountability is required by all concerned. Nothing destroys trust like a failure to demonstrate trustworthiness. The collaborators also have to establish milestones or metrics against which to objectively assess progress toward their objective. Defining success should be done in the planning as part of developing the shared mental model. When collaborating one-to-one, the analysis could be as simple as asking oneself, "Did I get the introduction (or expertise or any other currency) I wanted? Did I ensure that the other party benefited?" If not, what should be done differently, including perhaps, looking for someone else to provide the needed currency? This is an essential part of collaboration that should not be overlooked. In fact, in firm-to-firm collaboration, regular monitoring of the effectiveness of the alliance or partnership has been shown to be the most important tool for ensuring success.

The four steps of the iterative process of working collaboratively could occur almost simultaneously, or over a longer period of time. The key is to ask oneself the questions:

- ▶ What am I trying to do?
- ▶ What do I need and who can provide it?
- ▶ What should we work on together?
- ▶ Is the collaboration successful? What should I do differently?

Some people intuitively understand the give and get and how to rally people and their resources around a vision. For an organization to fully partake in collaboration with other entities it must not only have people with the skills, it also needs processes and systems to make collaboration an organizational capability. There are many challenges to developing a pervasive organizational ability to collaborate. Collaboration is complex, time consuming, and sometimes counter-cultural. Effective collaboration requires growing trusting, purposeful, mutually beneficial relationships through which you can access and leverage resources. That's the real power of collaboration.

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About The Rhythm of Business

The Rhythm of Business specializes in collaborative business—the organizations, business models, management and ways of working to innovate and grow through collaboration. For more than 25 years, principals of the firm have built collaborative business models, developed and operated alliances and supplier networks, and consulted within both corporate and civic sectors on building and using collaborative relationships to achieve strategic and financial objectives. Through comprehensive management frameworks, skill development, and measurement and analysis tools, we enable individuals and organizations to innovate and grow through collaboration.

Co-founders Jeffrey Shuman, PhD and Janice Twombly have co-authored numerous books, articles, and white papers and regularly speak at a variety of venues around the world on the ongoing transformation of organization structures to collaborative networks. They hold the Certified Strategic Alliance Professional (CSAP) designation conferred by the Association of Strategic Alliance Professionals. Their methodologies inform Shuman's popular MBA courses on Managing Collaborative Relationships and Entrepreneurial Thinking at Bentley University where he is professor of management.



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