

The Collaboration Imperative: Executive Strategies for Unlocking Your Organization's True Potential

What You Will Learn

Improved collaboration represents the best opportunity for business leaders to tap the full range of talents of their people, move with greater speed and flexibility, and compete to win over the next decade. But building a collaborative organization requires a transformative approach to culture, processes, and technology - along with an unwavering commitment from top to bottom. Leaders who encourage change on all three fronts will be rewarded with an energized organization that can adapt quickly to changing markets and deliver results by:

- Fostering a culture that encourages collaborative behaviors
- Putting processes in place to help people work better together
- Assembling a portfolio of integrated technologies that facilitate collaboration

This white paper introduces important ideas and best practices that are discussed in more detail in "The Collaboration Imperative: Executive Strategies for Unlocking Your Organization's True Potential", a new book by Cisco executives Ron Ricci, Vice President of Corporate Positioning, and Carl Wiese, Senior Vice President of Global Collaboration Sales.

Introduction

Three important trends are shaping a new business landscape and making speed and flexibility the most important differentiators in just about every industry across the globe:

- Competition comes from anywhere and everywhere. The barriers to entry are lower than ever, and you cannot predict who will enter your market next.
- Companies have to focus on their core competencies and partner to do everything else. Where it was once an advantage to own every aspect of a value chain with the goal of vertically integrating an industry, today it makes more sense to focus on the aspect of the value chain that is most critical to your success and partner for the rest.
- Open systems change the game. The Internet is the most disruptive force in the history of business. It has connected us in ways once thought impossible, opening the door for innovative business models such as e-commerce, online financial services, and supply chain and salesforce automation. Now, businesses must adapt to another wave of networked technology that is shaping the modern working experience into one that is increasingly mobile, social, and virtual, and is led by visual communication.

Together, these trends create an urgent need for increased adaptability. We believe collaboration is the best way to build an enterprise that can adapt to fast-changing market pressures. Collaboration helps you achieve operational excellence today and deliver innovation tomorrow.

What does it mean to collaborate, and how do you do it well? More than web conferencing, instant messaging, and online forums, true collaboration enables small groups of specialized players that might include people from different departments, customers, partners, universities - and even competitors - to work better together. Nimble teams of subject-matter experts form quickly to get work done and then disband just as fast, only to reconfigure again to focus on the next problem, opportunity, or business objective.

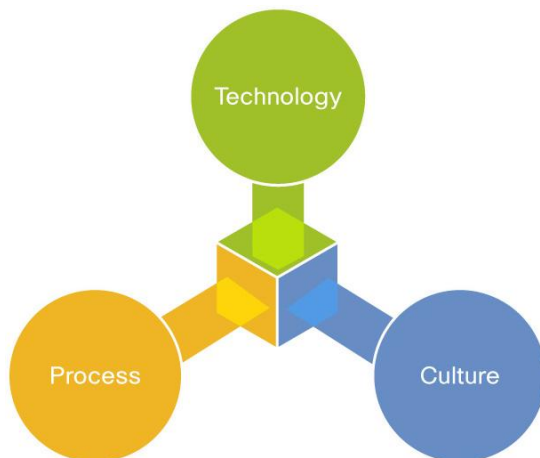
Collaboration is not easy, but it is well worth the effort. Teams are increasingly virtual, dispersed, or cross-functional, composed of members who may never have met each other before. To evolve more collaborative organizational capabilities, leaders need to cultivate and coordinate three components of collaboration (Figure 1):

- Culture
- Process
- Technology

You need the right balance across these three areas in order to realize the full benefits of collaboration. Set up a cross-functional team with representation at all levels of the organization to lead the collaboration initiative, and you will most likely find the right mix for your business.

“We are convinced that the next generation of productivity and innovation will be enabled by our engaged people, well-defined communication and collaboration processes, and available technologies,” says Esat Sezer, Chief Information Officer of Coca-Cola Enterprises. “Every business leader should be asking the same questions about their culture and how ready it is to compete in the 21st Century.”

Figure 1. Three Elements of Collaboration



Culture: The Chief Catalyst of Collaboration

Culture is the DNA of an organization and an essential pillar that anchors every successful collaboration strategy. Collaborative organizations thrive on a culture of openness, flexibility, and shared goals. In a truly collaborative culture, employees trust each other more and share information readily to best serve the needs of the overall business. They communicate often and openly. They are encouraged and empowered to tap specialized knowledge in other parts of the organization. And they are eager to partner with each other and with those outside of the company in pursuit of its larger shared goals.

When departments work toward their own isolated goals, they tend to protect their information and assets instead of sharing them, and they often compete with other departments for opportunities and resources. Knowledge that others in the organization could benefit from gets trapped in silos. Overlaps develop. Budget monies are wasted. All the while, markets move and new opportunities emerge.

A culture of shared goals minimizes these behaviors. But how do you instill a collaborative culture? It takes a sustained commitment by senior leadership and extends to each employee.

Highly collaborative leaders share four leadership traits:

- Focus on authentic leadership and eschew passive aggressiveness: For collaboration to succeed, leaders need to be authentic. Being authentic involves two elements: First, leaders of teams, departments, or business units who manage people, budgets, and resources must follow through on organizational commitments. Second, when there is disagreement about a decision, they must focus on communicating what should guide their decision making instead of arguing a choice with their peers.
- Relentlessly pursue transparent decision making: Collaborative leaders always explain their style and thought process for navigating tricky, or even every-day, decisions. In our experience, (and this finding is backed by research¹), there is a direct relationship between the agility and resilience of a team and the transparency of its decision-making processes. When leaders are open and transparent about the answers to three questions - who made the decision, who is accountable for the outcomes of the decision, and is that accountability real? - people in organizations spend far less time questioning how or why a decision was made.
- View resources as instruments of action, not as possessions: The promise of flexibility and agility as an organization, inspired by establishing shared goals across organizational boundaries, is attainable only if you back it up by sharing resources as well. For as long as companies have pursued profits, the size of the organization has defined the size of the organization's financial opportunity. But today, resources must be applied as optimally as possible to market opportunities in a way that best serves the total business. Collaborative leadership requires a shift in mindset so that resources are viewed as instruments of action rather than possessions. Leaders must align the company's larger shared goals to an accountability system that includes appropriate rewards and incentives.
- Codify the relationship between decision rights, accountability, and rewards: Modeling the desired collaborative behaviors is the goal. But what happens when the leader is not around? The more these behaviors are codified into an end-to-end system across an organization, the greater the odds of success of the collaboration when the leader is not there to reinforce cultural norms of the organization.

As leaders define the decision paths of the organization and build a common vocabulary to make those decision paths as transparent as possible, they should take the time to establish clear parameters. Who gets to make decisions? Are all decisions tied to funding? These are the types of questions to which everyone must know the answers.

Leaders who take the time to instill a culture of teamwork and collaboration will empower their organizations with speed, adaptability, productivity, and innovation. They will discover that collaboration is equally powerful in its ability to support business goals or to thwart them.

¹ "The Passive-Aggressive Organization", by Gary L. Nielson, Bruce A. Pasternack, and Karen E. Van Nuys, Harvard Business Review, October 2005.

Process: Creating Commitment to Shared Goals

There is no “cookie-cutter” approach to developing collaborative processes people use to work together. All organizations - even ones in the same industry - need to assess their distinct business processes to determine where increased collaboration can encourage improvement.

One example of a collaborative process you can use to get people aligned and working effectively toward the most important priorities of your organization is a common vocabulary. Leaders use this tool to communicate decisions and identify the people who are accountable for the outcomes of those decisions. This paradigm minimizes second guessing and confusion so teams can move faster.

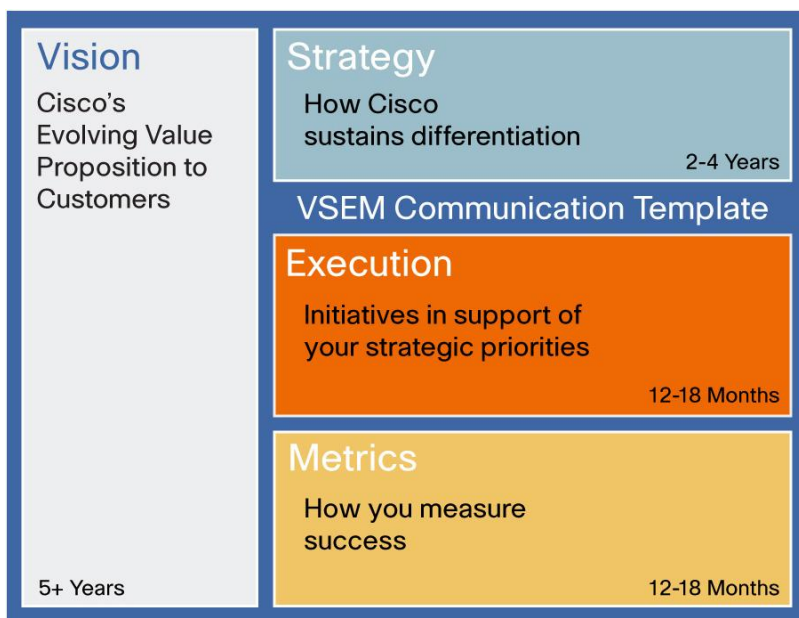
This approach becomes even more important as teams are increasingly made up of people who have never met or worked together before. When these teams get stuck, the reason is often a lack of clarity around their purpose and end goals.

The common vocabulary has to be something that everyone understands, accepts, and knows how to measure progress against. Procter & Gamble (P&G) is one company that successfully uses this model, having adopted a common vocabulary around the terms Objectives, Goals, Strategies, and Measures (OGSM) to direct its strategic planning process².

Cisco’s common vocabulary for making decisions includes four terms: vision, strategy, execution, and metrics (VSEM). (Refer to Figure 2.)

- Vision: Communicates a team’s shared view of success
- Strategy: Represents important decisions for where and how to apply resources to accomplish the vision
- Execution: Outlines critical initiatives, programs, or actions that support each strategy
- Metrics: Shows how the team measures success and agrees to be held accountable to the execution plan

Figure 2. VSEM Framework



² Established by many corroborating online sources.

Collaborative teams throughout Cisco use the VSEM framework to establish a consistent understanding about the decisions each team makes about its shared vision of success, the strategies each team employs to achieve that vision, the execution plans each team uses to direct those strategies, and how each team measures success.

As a result, teams more clearly see the decision paths in their collaborative projects and can determine decision-making rights along those paths. They also gain a clear understanding of who is accountable for the outcomes of the decisions. It is important that your common vocabulary be woven into your accountability system to ensure teams move from vision to metrics-led execution.

Increasingly, Cisco is embedding the common vocabulary within our performance-management systems, so individuals know what they are accountable for, how they are evaluated, and how their work aligns to the company's vision.

We have learned that along with the potential benefits of increased collaboration come increased risks. If collaborative efforts are not supported by extremely clear responsibility and accountability parameters, it is easy for people to disengage and hide behind the ambiguity. Collaborative work practices succeed when you create a culture not only of shared goals but also of shared accountability - one that helps people understand how the collaborative work ties into how they are evaluated, recognized, and rewarded. Without this structure, "opt-out" thinking will undermine collaborative efforts.

After you have agreed on a common vocabulary, the next step is documenting that information in a template that allows your team and those outside the team to view it. This template is a declaration of your team goals and commitments and can be summarized in a single presentation slide or one-page document.

You will know you have succeeded in building a common vocabulary when:

- You can identify a clear purpose, a compelling direction, and a picture of what success will look like
- You can identify the unique value of a team as a whole, not in terms of individual contributions
- Team members understand what ability or role each member brings to the endeavor and the value of these interdependencies

Establishing a common vocabulary for decision making helps teams to articulate their goals and commit to the approach they will follow to achieve them. This kind of transparent decision making results in a more resilient and adaptive organization.

Technology: Highly Effective Collaboration Opportunities

Technology connects the people within your organization to enable a collaborative culture and more effective people processes. The pace of innovation for collaboration technologies is remarkable and will only result in better tools for workers as time goes on. Four trends are shaping the landscape today: video, virtual, social media, and mobility. These technologies help teams collaborate so they can adapt more quickly to market transitions. For example, video offers a way to accelerate product development, scale expertise across the company, and better integrate global teams. Mobile technology facilitates the anywhere, anytime workplace. Social networks and social media help teams find expertise and information faster, and often reveal customer insights that you can use to solve business problems or seize emerging opportunities (Figure 3).

Figure 3. The Collaboration Portfolio



To capitalize on the power of collaboration, you need a broad portfolio of technologies that work transparently together. They should support your company's specific business processes and the ways in which your people interact. The end goal is an integrated and natural collaboration experience for end users, whether they are employees in a bank, customers in a store, forklift operators on the manufacturing floor, or contractors in a home office.

When considered as part of a holistic strategy, collaboration tools improve communication within and beyond your company walls. The collaboration portfolio encompasses four main areas:

- Unified communications
- Collaboration applications
- Customer collaboration
- Telepresence

When considering these technologies, it is important to lead with your business objectives and focus on the mix of collaboration tools that best help your organization meet those goals. It is equally important to resist the temptation to acquire the latest technology before you define a collaboration strategy.

Following are three examples of highly effective collaboration opportunities. You can find opportunities in more than one area, and there are many other possibilities. Our book, "The Collaboration Imperative," presents many additional examples. Do not be afraid to chart your own path to the collaborative organization.

- Increase mobile workforce productivity: Work has become what you do, not where you go. Executives, salespeople, consultants, and other knowledge workers are leaving the cubicle to do their jobs at home or while traveling. Over the next 5 years, most industries will increasingly move away from a location-centric work environment to a dispersed mobile world in which employees are situated in the locations where they work best. Workers will bring new computing devices and expectations to the job. The integration of these devices and applications presents new challenges for organizations as the mobile workforce takes shape. How do you maximize the productivity of mobile workers while controlling costs and ensuring security? It is a formidable task that requires new ways of thinking about how you provide corporate IT services. Solutions for video and web conferencing, customer care, social software, unified communications, messaging, and mobile applications all have a role to play. To capitalize on the power of collaboration, you need a broad portfolio of technologies that work smoothly together. They should support your company's specific business processes and the ways in which your people interact.

-
- Improve organizational communication and alignment: Remember when a memo was all you needed to reach the people in your organization? This one-size-fits-all approach is long gone. Leaders and managers must use the right channel at the right time to reach their increasingly dispersed workforce. Information spreads fast through online communities and social networks. This instantaneous messaging can work for or against you, depending on the situation and whether or not you factor collaboration into your strategy. You need to communicate core business objectives and rapidly changing information, yet avoid the costly mistakes of overlooking channels of communication or using the wrong method at the wrong time.

When managing through a critical period, such as a turnaround or an acquisition, executives can use collaboration technology to provide instant communication and keep the organization moving in the right direction. Video plays a pivotal role in these situations. We all take difficult news much better when we hear it face-to-face. Making eye contact motivates and inspires a team in a way that text-based or audio communication cannot. And by communicating through chat sessions, virtual meetings, and community posts, managers can identify the needs and gauge the reactions of diverse audiences, cultures, and behaviors.

- Enhance customer interactions: Every customer interaction is a chance to enhance or hurt your brand. A frustrating interaction with the contact center, negative online reviews, poor handling of a safety recall, or a limited presence in social channels will have a ripple effect among your customers or prospects.

The expectations of connected customers have changed worldwide. Your job is to deliver information, products, and services anywhere, anytime, and on the customer's terms. With loyalty a fickle commodity, businesses must keep the conversation fresh while analyzing what is being said in the most influential communities. The way you handle customer interactions is more critical than ever to the future of your organization.

When companies put unified communications, web conferencing, and social software in place, they allow customer service representatives to connect more smoothly no matter where they are located, and thus reduce problem resolution times. Faster problem solving improves customer service agents' productivity so they can help more customers in the same amount of time. Personalized interactions forge stronger relationships. And social-media monitoring helps companies listen to what customers are saying and respond quickly to their feedback.

Beyond these three examples, there are many other highly effective opportunities for collaboration. Refer to "The Collaboration Imperative" for a discussion of how you can:

- Enable virtual teams
- Expand into new markets
- Establish green operations
- Increase intercompany collaboration
- Transform your industry

Remember that collaboration is a transformative journey, not an isolated project. Start by fine-tuning what you have and look for ways to create a single, harmonious organization - one that is aligned to a shared vision and works toward realizing that vision every day.

Case Study: Imagination and Courage Fuel Successful Collaboration at General Electric

Soon after General Electric (GE) launched a collaboration initiative, initially as a way to reduce travel and other expenses, the company's executives noticed that the new technologies actually changed how people work - for the better.

"Collaboration in the digital age brings ideas together faster, and we want our people to think more broadly about whom they work with in order to get things done," says GE Chief Technology Officer Greg Simpson.

For example, when GE embraced video, managers saw higher engagement in meetings. It was common for people to multitask during audio-only calls, but video changed that. Now that employees can see each other on video, they do not multitask, so everyone pays closer attention. Across the organization, a culture of collaboration began to take shape.

"Integrating these tools makes you more effective. By having the courage to try new ways of working, you discover how effective collaboration can be, and you begin to imagine what else is possible", Simpson says.

Following this early success, GE took its collaboration experiment a step further. The company was an early adopter of telepresence for its global executive meetings, but leaders within the company wanted more from the technology than the ability to give executives face time for 1-hour review sessions. They wanted to accelerate innovation for products made by engineers in the United States and Europe and sold to markets in China and India.

GE entertained a bold concept: Could telepresence approximate the feel of a real working room, where groups of people come together for several hours at a time to solve problems? The challenge was how to capture images of people who are walking around the room, drawing on whiteboards, and needing to make eye contact with an audience that is both in the room and virtual.

The solution is a first-of-its-kind Virtual Collaboration Space that takes immersive videoconferencing to a new level. Instead of flying 50 employees to one destination for intensive full-day working sessions, the company can invite participants to a series of virtual sessions. The meeting process has changed dramatically as a result because you can adjust meeting style, length, and frequency to suit the task at hand.

"Virtual Collaboration Spaces are changing the way we work", Simpson says. "We might have four teams in four locations working on a problem. Teams listen to comments in breakout sessions and pull in subject-matter experts on the fly. None of this was possible before." With less need to travel, GE has the luxury of spreading meetings out over a longer period of time, and yet its teams still get the job done faster. The return on investment is all about better decisions, stronger teams, and reduced cycle times.

The True Payback of Collaboration

Is collaboration worth the investment? As you plot the next steps in your collaboration journey, it helps to understand the returns that are possible. You can measure the return on collaboration investments in three ways:

- Operational ROI allows you to assess how collaboration eliminates or avoids costs associated with running your business. You might cut travel, reduce infrastructure needs, lower bandwidth or energy costs, save on office space, and so on. Collaboration can replace or reduce the need for many of these types of costs.
- Productivity ROI refers to savings generated from more efficient processes, accelerated decision making, and reduced cycle times. Collaboration can lead to significant productivity gains in any number of ways, such as optimizing within lines of business or matching expertise to opportunities early in the process.

-
- Strategic ROI can be the hardest to measure, but perhaps the most transformative. This kind of ROI occurs when collaboration enables your business to take a giant leap forward in areas such as enhancing customer satisfaction and loyalty, accelerating innovation, introducing new business models, or entering new markets. These types of changes can also reshape an industry in fundamental ways.

To maximize the potential of your collaboration strategy, take a holistic approach, focus on shared business goals, and above all, get started now.

For More Information

Visit <http://www.thecollaborationimperative.com> to learn more about or order a copy of “The Collaboration Imperative”, a new business book packed with practical tips and strategies for making your company more collaborative today and in the future. Learn about Cisco’s collaboration solutions at: <http://www.cisco.com/go/collaboration>.



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV Amsterdam,
The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

Cisco and the Cisco logo are trademarks or registered trademarks of Cisco and/or its affiliates in the U.S. and other countries. To view a list of Cisco trademarks, go to this URL: www.cisco.com/go/trademarks. Third party trademarks mentioned are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. (1110R)