

## Collaborative Leadership Excellence

### *Source Code to Gain a 25% Competitive Advantage*

#### Executive Summary



## DRAFT

Not for Public Release

#### *Purpose*

**Executive Priorities:** For two decades, consistently CEOs have said that their top priorities include *attracting & retaining top talent, increasing innovation, building strong cultures, growing the business, creating alliances, lowering costs, and better strategic execution*. However, there has been little change in the success rates to achieve these goals.

**Power of Collaborative Cultures:** Most leaders don't grasp that each of these top priorities *flourish* in *collaborative cultures*; *conversely* are difficult to spawn in *transactional cultures*, and are a constant *struggle* in *adversarial cultures*. Leaders unable to fathom this profound understanding are doomed from the start.

**Implosion:** Many senior executives have nobly addressed this powerful *collaborative shift* over the last 35 years, rising to a new standard and creating great success in their organizations. However, tragically, as these inspired champions retired or migrated to new businesses, all-too-often they watched as the next generation of leaders systematically disassembled the collaborative systems, destroying not only the morale of the company, but its competitive advantage and profitability.

**Paradigm Trap:** The reasons why leaders are struggling: we've been trapped inside outmoded paradigms that block us from seeing the realities, from understanding what's happening and respond based on accurate beliefs about human behavior. We've been molded to screen out signals and data, see our world through pre-programmed lenses, make choices based on obsolete thinking, and employ counter-productive reactions.

These obstacles impede managing today's powerful global business forces -- *innovation, speed and complexity* – each of which demands far greater *collaboration* at every level of the organization, from internal teams, to cross- functional integration, to strategic alliances, and emerging “value networks.”

But there's a massive chasm between the level of collaboration *needed* to be successful and organizational ability to deliver what's *required*. The *Collaborative Shift*, despite major short-term successes, has had many too many false starts: reversions, reversals, and revocations; the *collaborative shift* has not materialized.

- What are the realities? What's needed to spur and sustain a *collaborative shift*?
- Why have the so many initiatives stalled out?
- What can be done to deliver higher levels of collaboration?
- What shifts in thinking are needed? What is the new paradigm for the future?

### *Critical Issues*

**The CEO Grind:** Achieving CEO priorities has been a grind. Demanding performance, Boards of Directors churn CEOs like replacing batteries. While the businesses world has been poised for a major *shift* for more than three decades, the realities have been far from stellar -- more talk than action, more smoke than fire, more heat than light.

**Fragmented, Conflicted Thinking:** Senior Executives are constantly being bombarded with a patchwork of ideas, advice and practices. And all but a few companies are plagued with strife, passive-aggressive behavior, internal rivalries and superfluous work that adds no customer value.

**Connected but Lost:** Technological change has enormously outpaced organizational transformation. We are connected to everything, but for many life has no meaning -- our ingenuity is out of balance and misaligned with our humanity -- stress and distrust levels have skyrocketed; leaders are burning out; employees switch jobs like they switch coffee cups; our social gyroscopes are wobbling badly. But why?

Obviously this must change. Something profound is missing.

What are we not seeing? not understanding? not doing? not saying?

But how? This paper proposes answers and concrete solutions.

### *The Innovation-Complexity-Speed-Collaboration Shift is a New Paradigm*

Business leaders are struggling -- failing to realize they are caught in the insanity trap:

*thinking and doing the same thing over again, expecting a different result.*

The solutions of the past are no longer enough. The last three decades have not produced a significant change in the actual performance level of organizations and people. When more strenuous efforts yield less and less return, it's a sign that the current paradigm has confronted the law of diminishing returns.

A new order of thinking is required to shake our foundations  
and spur sustainable collaborative transformations.

While many thought-leaders (including yours truly) have pounded the drum for decades introducing collaborative best practices in global circles (and have actually made measurable differences), the value derived by pumping more of the same thinking into the heads of leaders has reached its limit.

How do we know? Because the ideas of visionary leaders twenty years ago  
are reemerging in a new set of clothes with new nextgen voices.

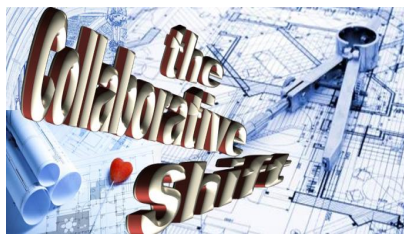
**Shifts in Thinking** are required to engage and energize people and trigger a quantum jump that's in sync with the tune of the times.

- **Misconceptions & Misguidance:** Too many leaders are guided by fallacious myths, like “survival of the fittest” (which was never advocated by Darwin, who attributed human evolution to collaborative culture.) What's more, *culture*, not personality, is the *#1 determinant of human behavior*; and leaders are the primary determinant of culture --few grasp the magnitude of this opportunity. While adversarial interaction makes good movie drama, it seldom produces innovation, teamwork, and value creation.
- **Trapped in Muddled Thinking:** Too often leaders address their role with fundamentally flawed thinking: not embracing their responsibility from a holistic *systems perspective*, but instead as a series of fragments, with tools and techniques not designed for the enormity of the task or, worse, designed for a totally different set of functions. This problem is multiplied by too many “muddled models” promoted by subject matter experts that actually confuse, confound, and “complexify” the essence of leadership.
- **Beyond Best Practices:** While practices are useful component in any business, they can be deceptively alluring, seeming to provide a pathway of improvement, yet at the same time giving a very incomplete framework for leadership to understand, communicate and implement real systems change.
- **Beyond Tools:** Although collaboration tools can be helpful, if the design architecture is flawed, adding new technological tools is like a mechanic trying to use only a screwdriver to rebuild a blown car engine.
- **Beyond Management:** The essence of *management* is to seek the efficient use of resources. This approach cannot not trigger change; it needs *Collaborative Leadership Excellence* from champions seeking a quantum jump in thinking, possibility, and performance -- those willing to grasp the steering wheel, punching the throttle forward. Then the new architecture must be *aligned inside* management.
- **Beyond Strategy:** While strategic thinking aims at seeing the “big picture,” it misses the mark because strategy seeks to create competitive advantage, not collaborative systems design.

**Stronger Critical Mass & Robust Architecture Required:** Transforming complex organizational systems requires more than a smattering admonitions, exhortations, and digital tools coupled with a handful of champions who cut a narrow swath in the organization, thus failing to create a *robust critical mass of aligned leaders* to sustain momentum. What's needed is a simple but robust collaborative architecture that frames the best practices, along with an advanced *immersive team learning experience* to make new ideas stick, while simultaneously converting the new architecture into productive action.

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**Paradigm Shifts Need “Design Architecture:”** *It's a major mistake to believe a new*



*paradigm can be brought to life using a patch-work of methods designed for a by-gone era. Birthing a new paradigm requires a new design architecture – a series of integrated frameworks designed for a transformational future that fully engages and sustains the Collaborative Shift required for the 21<sup>st</sup> century.*

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To be successful, leaders must have the mind-sets, insights, and skill-sets to navigate the dynamic and often chaotic waters of complex competitive eco-systems – something seldom learned in business school.

## Master Levers to Empower Collaborative Leadership Excellence

How should business leaders and entrepreneurs get their heads and arms wrapped around the *Collaborative Shift*? Based on years of experience, studies of successes and failures, and the needs of complex organizations, we have identified six fundamental “levers” a collaborative leader must use regularly. Think of these “levers” as “core architectures” that enable effective collaborative functioning:



1. Human Behavior & Trust Architecture
2. Fasttime & Speed Architecture
3. Collaborative Culture & Teamwork Architecture
4. Collaborative Innovation & Diversity Architecture
5. Value Creation (economics) & Collaborative Advantage Architecture
6. Collaborative Leadership & Alignment Architecture
7. Complexity, Integration & Value Networks Architecture

Gaining a mastery over these critical elements of the design architecture enables a leader to work both inside and outside their own organization to harness human energies, align functions, innovate rapidly, balance forces, integrate across boundaries, manage complexity and speed, and adapt to change.

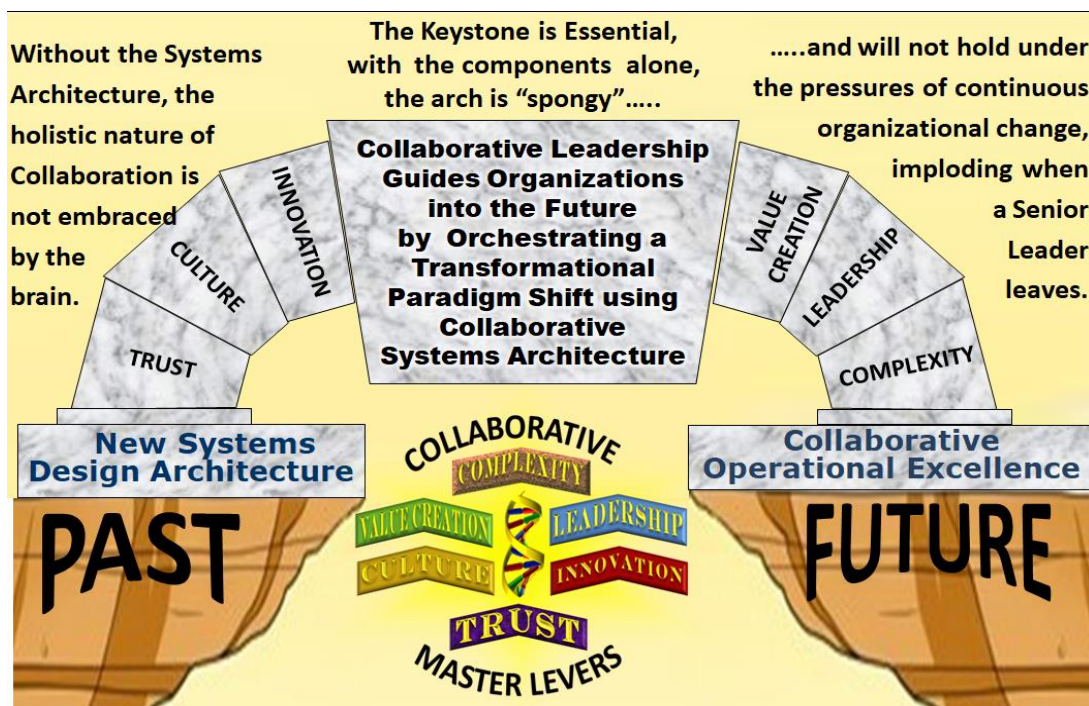
The good news is that all six architectures are actually built into the DNA of normal humans – it’s already in our “source code” – it’s the job of Collaborative Leadership Excellence to unlock it. And, most importantly, they create a massive competitive advantage, often 25% or more.



## Leadership & Learning Systems Architecture

To enable the *Shift*, leaders must *learn to think* and *act in alignment* with the collaborative systems architecture. While some elements can be taught using books, videos, and webinars, grasping the magnitude and power of the *Shift* requires a critical mass of organizational leaders to engage in *immersive learning*.

This White Paper addresses how to resolve these factors and outlines how to empower leaders by reframing and elevating the paradigm from fragmented practices to *collaborative systems architecture*.



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*The purpose of this paper and subsequent book is to provide the new architectures and frameworks for the fasttime paradigm of business that demands collaborative leadership excellence.*

*We will be seeking answers to Four Fundamental Questions:*

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## FOUR FUNDAMENTAL QUESTIONS

1. Can people of greatly different backgrounds and beliefs Collaborate and Create Synergy?
2. Is there a Transcendent "Design Architecture" which brings out the best in humans?
3. Can a Leadership System be developed to replicate extraordinary success time after time?
4. Can we create an effective System of Collaborative Excellence with "sticking power?"

### **Part 1: Fast Moving Business World & the *Collaborative Shift***

The business world is changing at a bewildering pace. In no other period in the history have we encountered so much change so fast (with the exception of wartime).

With the advent of strategic alliances in the 1990s, a burst of enthusiasm emerged. Connecting businesses for marketing, R & D, supplier integration, new innovations, and joint solution delivery began changing the nature of business. CEOs began recognizing the value and power of collaboration. Some industries, particularly automotive, pharmaceuticals, and high tech made great gains. Using alliance best practices,<sup>1</sup> companies tripled their alliance success rates, from 25% to 75%.

However, despite the stellar increase in alliance success rates, something has stalled. Alliances were expected to be the “lead arrow,” catalyzing a larger “collaborative shift” in business. That shift has never fully materialized, but neither it’s not, by any means, dead. Some valiant leaders, such as Tom Stallkamp at Chrysler (1992-98) and A. J. Laffley at Proctor & Gamble (2000-2010), made great strides building collaborative organizations that increased innovation across the value chain, build high levels of trust with suppliers and alliance partners, and got great boosts in profitability, but they were replaced by successors who didn’t believe in the power of collaboration in the creation of value, and the company’s performance declined dramatically.

In the tragic case of Chrysler, Stallkamp took a struggling company in 1992, supercharged it with collaborative excellence, generated \$7 Billion in cash reserves and built \$36 Billion in market capitalization only six years later, when it was acquired by Daimler Benz. The new owners promptly dismembered the collaborative systems, immediately profits plummeted, and a decade later sent it into bankruptcy.<sup>2</sup>

Those senior leaders who invest their hearts and souls in building collaborative organizations are personally attached to the corporation and its people. When they leave the company, all-too-often the collaborative systems implode after them. These executives often lament watching their “babies” torn asunder. We call this “Senior Executive Post-Partum implosion.”

What’s holding things back?

What shifts in thinking are required?

What gains are possible?

What is necessary to unleash the power of collaboration?

Who should be leading the shift?

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<sup>1</sup> These Best Practices were documented in 1987 in *Practical Guide to Joint Ventures and Business Alliances*, 1993 in *Business Alliances Guide – Hidden Competitive Weapon*, and 1995 in *Alliance Best Practices* (all written by this author) then expanded upon starting in 1998 by Association of Strategic Alliance Professionals (ASAP)

<sup>2</sup> Henke, Stallkamp, & Yeniyurt *Lost Supplier Trust, How Chrysler missed \$24 billion* Supply Chain Management Review, May/June 2014



### *The New Era of Change, Speed, & Complexity*

Change, speed, and complexity are the by-words of our age. In workshops conducted over the last twenty years, our team has asked over twenty thousand senior executives all over the U.S., Canada, and Europe to graphically express the impact was of the rate of change/speed/complexity since 1970.

Amazingly, for well over 90 % of the executive responses, the curve skyrockets upward:<sup>3</sup> (see Figure 1). The implications of this phenomenon, from a somewhat predictable, slow-time world to an integrated fast-time world are massive. It affects every aspect of leadership, management and how we think about business itself.

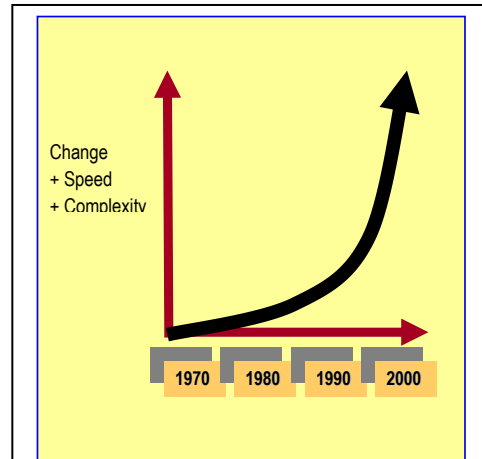


Figure 1 -- Graphic Depiction of the *Change - Complexity-Speed Shift* in Business World. The Curve rises upward unabated.

This astounding concurrence represents the dazzling shift that has rocked the very foundations of organizational thinking. But with this shift, executives have been caught flat-footed.

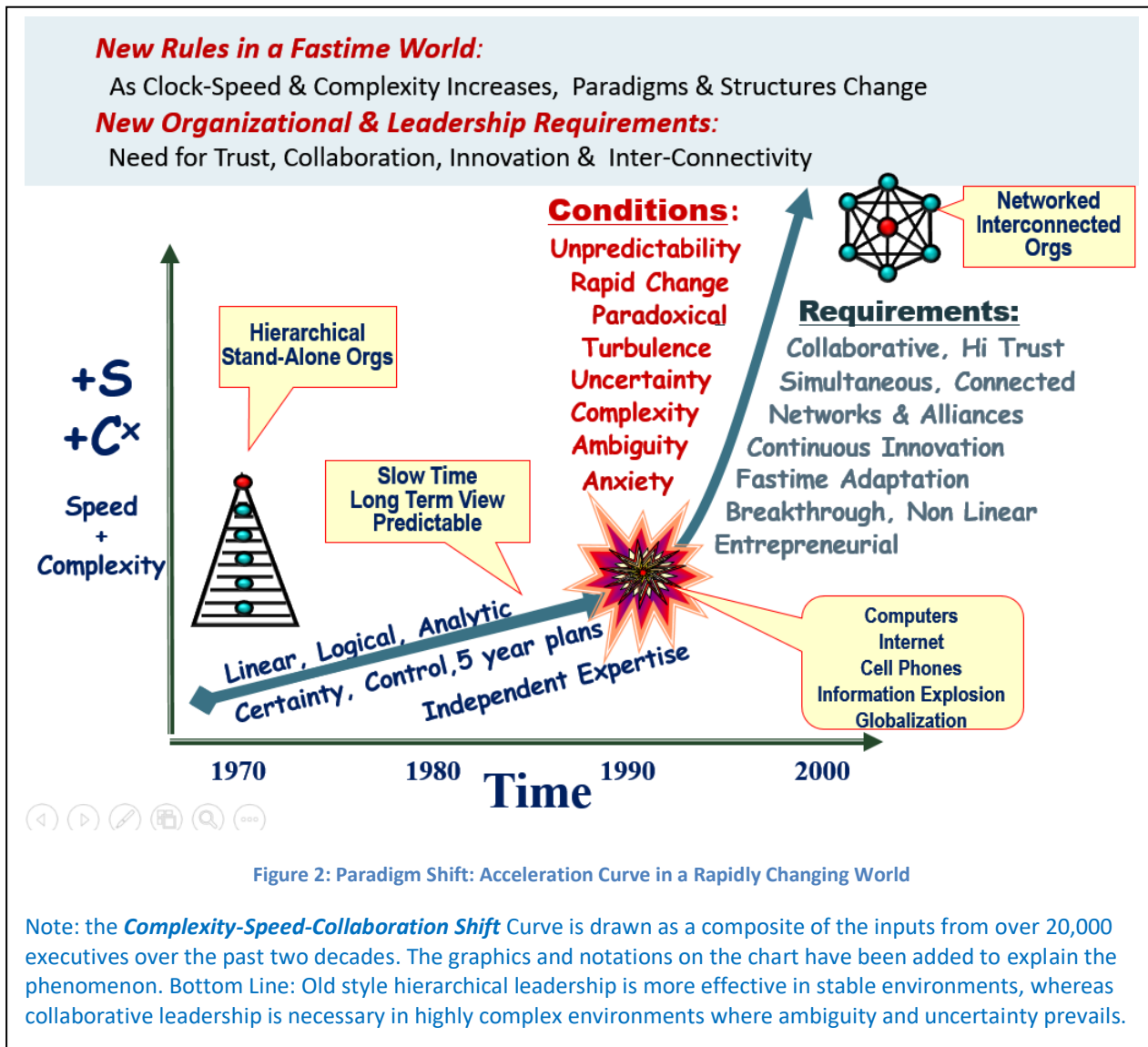
In the first half of this era (1970-1995), the business world was slower moving, a period of “relatively predictable” change, characterized by five and ten year strategic plans and three year sales forecasts. Organizations stood as independent entities that *transacted* business independently, alone and predominantly hierarchically. The rules of management in this earlier era had been developed from years of experience, handed down through generations of tradition, built into corporate culture, expected by Wall Street, and augmented by the esteemed learning from our business schools who handed out graduate degrees in “business administration” (just the name ‘administration’ comes from century old thinking.)

What we have learned from the last thirty years on the front lines and in the trenches is:

***Heightened levels of speed, complexity, innovation and change  
are handled far more agilely in collaborative environments –  
where trust in key partners is high and sustainable.***

<sup>3</sup> The only difference among these 90% was the point of inflection where the curve changes direction radically. For those in very rapid change industries, such as high tech, the point was generally between 1986 and 1990. For those in slower changing businesses, such as petro-chemicals the point tended toward 1995-1998. The primary reasons for the shift cited by executives were: computers, faxes, globalization, cell phones, then the internet, each compounding upon the other. This curve is a “Baby Boomer” perspective. Ironically, those who entered into the business world after about 2000 draw only the skyrocketing part of the curve – they have no perspective on what the world looked like in the 1960-1980 period. Many of today’s leaders are bewildered by how fast the future is shifting – forcing many companies to reconceive how they will operate going forward.

The quantum nature of the innovation-speed-complexity shift has massive impacts on the very nature of business. The conditions of rapid change, increasing speed, and heightened uncertainty have created a set of conditions where the old rules don't apply. (see Figure 2, which is an exploded view of Figure 1).



### **Implications of this Shift are Massive**

This is a Paradigm Shift of the highest magnitude. Much of what was acceptable practice in the pre-Internet era still lingers in the minds of the older corporate leaders who were never equipped for this shift. Neither are business, engineering, and technical schools providing new levels of thinking to enable a new generation of people entering this paradigm to adapt successfully to these new conditions.

This is a powerful assertion, which we will detail by examples and concrete analysis and real time solutions throughout this paper.

Understanding this assertion's impact is a game changer.

Why has this assertion seemingly been lost or not recognized by today's leaders in business, in government, and in the not-for-profit sectors?

*The six "master levers" of the system design architecture are powerful frameworks for harnessing the power of the Collaborative Shift.*



### *Collapse in Trust*

As the world has shifted in speed and change, other fundamentals have been taken down as well.

The most essential foundation of all collaborative enterprise is trust, which has taken a beating as evidenced in Figure 3.<sup>4</sup> As trust becomes eroded, people become more transactional, then more adversarial, polarized, opinionated, and afraid of anyone outside the walls of their "tribe."

It is this plummet in trust that makes the collaborative shift so very difficult, at a time when an upswing in trust

is so essential to adaptation. For this reason we will spend commensurate amount of time on the frameworks for trust that will form the underlying structure for collaborative excellence.

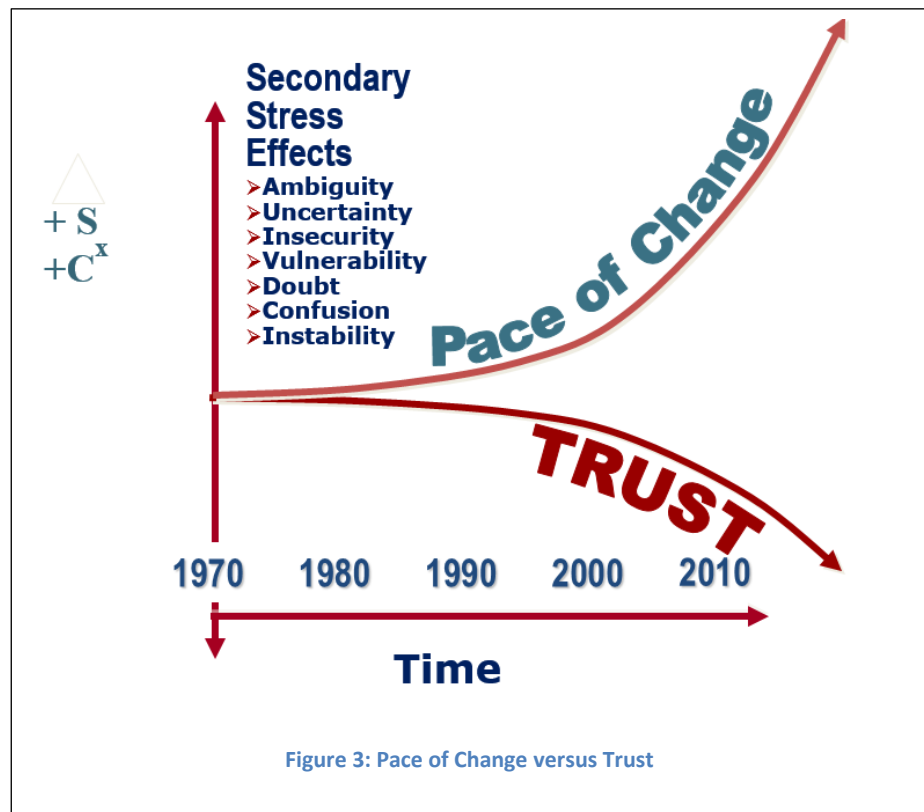


Figure 3: Pace of Change versus Trust

<sup>4</sup> Based on over 10,000 inputs from workshop participants. We asked people to use 1970 as a baseline. Then plot the curve that represented the Rate of Change + Speed against the general Level of Trust. The data is not meant to be a scientific measurement, but rather an expression of what the environment feels like. For a scientific assessment see Gallup Poll data from 1970 to present on "Trust in Institutions" – it parallels the curve above, but with details on each sector, including business, police, churches, banks, healthcare, government, etc.

### *Obstacles to Sustainable Collaboration*

Collaboration is not something new – the earliest human civilizations had to work together to build homes, hunt, till the land, construct forts, and defend themselves from attack.

Nor is collaboration unnatural – it's built into our mammalian DNA, just as it is in all mammals, whether it be dolphins in pods, wolves in packs, or horses in herds. We are, by our nature, communal creatures. When functioning optimally, normal humans like to build families, work and play sports in teams, and participate in activities together.

Why do leaders so often reject the collaborative approach?

Why do people repeatedly default to unproductive strife over innovative problem solving?

Before we propose the solution frameworks for a sustainable collaborative world, we must first understand the nature of the obstacles and impediments. There are numerous reasons, several of which will be outlined here.

### *Erroneous Belief Systems Driving Faulty Paradigms*

What you believe about human nature will determine how you treat people, how you respond to challenges, and how you interpret reality.

For example, if you believe black aviators can't pilot airplanes, despite evidence to the contrary, you will not be able to train a black fighter pilot.

It's called a self-fulfilling prophecy.

A study was done years ago in grammar school. Students were tested, then arbitrarily divided into three intelligence groups – smart, normal, and below normal – not according to their real test scores. The teachers were told how the students were different, and the teachers treated them accordingly.

At the end of the year, those who were reportedly very smart all improved in their test scores, while those who were erroneously reported below normal all had declining scores.

Most people have terribly inaccurate belief systems that trap them into poor performance. For example, the idea of "survival of the fittest" is traditionally attributed to naturalist Charles Darwin. From informal surveys we've done over the years during workshops, over 95% of executives believe it's Darwinian. False; Darwin did not say this.<sup>5</sup> Many leaders twisted Darwin's insights into animals, extending what Darwin said

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<sup>5</sup> The term is attributable to Herbert Spencer, an English advocate of a dog-eat-dog evolutionary world. Darwin, in his first book, *Origin of the Species* (1859), was very uncomfortable trying to apply his theory of evolution to human beings, especially the fast acceleration of human existence in the last 4,000 years. For this

about some animals to apply to human behavior. To the contrary, here's what Darwin actually said in his book, *Descent of Man*:

Humans possess exceptional intellectual qualities:

*Of all the faculties of the human mind, Reason stands at the summit. Hardly any faculty is more important for the intellectual progress of man than attention.*

*Without the higher powers of the imagination and reason, no eminent success can be gained.*

Humans are naturally social beings:

*Man is a social being... Endowed with social instincts take pleasure in one another's company, [humans] warn one another of danger, defend and aid one another in many ways.... these instincts are highly beneficial to the species.*

Essential social traits for human survival:

*Courage is the most noble of all the attributes of man, leading him without a moment's hesitation to risk his life for that of a fellow creature; or ... to sacrifice it for some great cause. " No man can be useful or faithful to his tribe without courage. This quality has been universally placed in the highest rank.*

*Law of Honour [is] the law of the opinion of our equals.*

Maintaining social integrity requires moral conscience:

*Man can generally and readily distinguish between the higher and lower moral rules. The higher are founded on social instincts, and relate to the welfare of others. The lower rules ... relate chiefly to self.*

*Of all the differences between man and the lower animals, the Moral Sense of Conscience is by far the most important. It has rightful supremacy over every other principle of human action.... The moral faculties are generally and justly esteemed as of higher value than the intellectual powers.*

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reason, he had to reassess his theory about humans, concluding that culture and conscience were the major determinant forces in human evolution. These were documented in *The Descent of Man*, (1872)



*The Golden Rule: “As you would have men to unto you, do you unto them likewise” ...is the foundation stone of morality.*

*Sympathy is of high importance to ...aid & defend one another. [It is] one of the most important elements of the social instincts.*

*When tribes come into competition, the tribe with the greater number of courageous, sympathetic, and faithful members... will succeed better and conquer the other.*

Darwin was highly critical of selfish and sociopathic behavior:

*Selfish and contentious people will not cohere, and without coherence nothing can be effected.*

*A man who possesses no trace of sympathy and social instincts [is] an unnatural monster.*

For most leaders, reading the realities of Darwin are disturbing; all those decisions that were based on *survival of the fittest* beliefs were not only wrong, but also are unsubstantiated by any systematic empirical evidence. A multitude of sports teams, hundreds of scientific experiments, and scores of business cases have consistently supported Darwin’s real premise in the *Descent of Man*:

***Civilizations acting honorably and collaboratively outperform civilizations that are selfish, greedy, and domineering.***

What’s more, the reality is that Darwin’s observations actually create long-term competitive advantage, as we will reveal as we progress into the details.

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What you belief about human behavior will frame all your decisions about interaction with people. If you believe people aren’t trustworthy, then you will never delegate, being

Why have so many people been led astray with such a deceptive array of false beliefs about Darwin?

The answer lies in understanding that many people in positions of power have a lot to gain by promoting a “survival of the fittest” theology. It began in the 1880s with Andrew Carnegie who wanted to justify robber baron capitalism. Science became the surrogate for moral authority.

Later, evil authoritarians like Hitler abused Darwin’s earlier work to justify extermination of millions.

Today, cut-throat business tactics are justified and validated by a “dog eat dog” philosophy of adversarial business. While these maneuvers often work superficially in the short run, in the long term they are destructive and counter-productive.

Later, in [Error! Reference source not found.](#), we will show how to

condemned to micro-management. Those who know how to differentiate those who can be trusted from those who can't will delegate effectively.

Yes, underhanded gamesmanship by rotten, double-dealing, greedy buggers can win in the short-run.

But in the long game, where things are rapidly changing, where innovation is vital, where speed is essential, where teamwork boost productivity, the collaborative game will win hands down. That's what collaborative excellence is all about.

Consistently we see massive competitive advantages in collaborative systems, which we will prove by the triumph of small numbers, the cumulative impact of a few percentage-point advantages across a number of critical leverage points.

### ***Rampant Distrust***

Leaders in business, government, and community service have been declining in virtually every sector: Big Business, Finance, Religion, Health Care, Government, Media, Education. These declines are not minor, they are massive over the last two generations. Our formerly trusted institutions are collapsing, fast.

This has been caused by Misguided Leadership, failure to create collaborative cultures, egos, and the widespread spreading of Fear, Confusion, Ambiguity, Uncertainty.

In addition, the lack of focus on character building has given rise to self-interested leaders, even those who are evil (see [Beware the Beast](#))

### ***Legal System & Risk Management***

Executives are taught to rely on the "advice of counsel." This is a double-edged sword. Lawyers are trained to "protect their clients;" which means they are naturally transactional – putting a load of protectionary language into contracts. Or worse, they will take a litigatory stand, anticipate or expect a breakdown in the relationship, draft legal agreements with onerous provisions, which the other side responds with equally nefarious counter provisions. Once this happens, both parties are expecting a collapse, start second-guessing and the potentially collaborative working relationship becomes adversarial. As one energy company executive explained: "the lawyers *poisoned the well* before we even got started. Everything started on the wrong foot. We were so wary of each other, the entire venture never got off the ground.

Inherently the legal system is *adversarial*, pitting plaintiff against defendant. Unless you have a lawyer who is adept at collaborative law (most are not), as an executive you will receive advice that fails to enable collaborative excellence. And the problem is that very very few lawyers will even bother to recognize the value of collaboration, and thus will

not want to be bothered with learning about how to use collaborative excellence to protect their client.

Here's what they miss: The best deal is the one that exceeds its goals and expectations. There are primarily two ways to protect the client. The first, and most valuable, is *proactive* and *preemptive*: to ensure the project or venture is a success – that best practices and collaborative architectures are employed from the outset to increase the chances of success – thus reducing the chances of failure. Using the approaches we suggest, the chances of failure are less than 20%. And the chances of success will not only exceed 80%, but the incremental value above the success threshold will be 25% or more. Lawyers must be instructed by their clients to come to grips with this approach. Remember, the best protection is a deal that works and exceeds expectations.

The typical approach, which should be the fallback position, is to create a legal agreement that protects their client *if* the venture fails – the *ex post facto retrospective* approach. Placing the right emphasis and balance between achieving success and protecting against failure is all-too-often misguided and imbalanced.

Similarly Risk Managers look at all the risks that could implode a company. They often team with lawyers and compliance officers who

### *Need to Change Things*

However, an “installed base” of legacy management has limited not just the power of collaboration, but also the impact of potential new innovations, value creation, and using technology to increase speed of development and delivery. We learned that just using collaborative Best Practices in the alliance arena<sup>6</sup> alone had little multiplier impact on the parent organizations, and were thus insufficient to influence the potential magnitude of the collaborative shift in general. Nor did the external alliance best practices morph into better internal alliances between different organizational functions; fiefdoms still reign as the normal mode of operation inside businesses. Rivalries between functions like engineering, sales, and finance are certainly still the norm.

While most senior executives still balk at the idea of culture having much value in the business world (mainly because engineers, accountants, and lawyers regard it a “soft” and thus discount its importance).

Our extensive studies of large-scale “mega-projects”<sup>7</sup> we found over and over again, that collaborative project leadership (as opposed adversarial or transactional) increased the

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<sup>6</sup> This author pioneered alliance best practices with *The Practical Guide to Joint Ventures & Corporate Alliances* in 1987, *Business Alliances: The Hidden Competitive Weapon* in 1993, and the *Alliance Best Practices Handbooks* that underpin the Association of Strategic Alliance Professionals (versions in 1995, 2001, & 2008).

<sup>7</sup> See [Future Path of Mega Projects](#) by George Jergeas & Robert Porter Lynch

chances of bringing in a long-term project by a factor of 3-5X. And, at a total cost rate of nearly \$1 million/hour (yes you read that right), you would think all corporate leader's heads would turn to attention and adopt the collaborative system immediately. Sadly, due to the installed base of legacy management thinking, few paid any attention. They could only see the world through the lens of a dying paradigm.

And, in the least inspiring of situations, many large corporations that made substantial money and gained considerable headway strategically by working in collaborative networks, abandoned their profitable ways<sup>8</sup> because new executives, replacing the old champions, didn't see how they could "control" their alliances. This was further exacerbated when financial accountants, using legacy accounting, could not attribute standard cost and return analysis.<sup>9</sup> So too were lawyers perplexed in using standard legal contracts to "protect" their clients.<sup>10</sup>



The collaborative excellence gap was all too evident. The corporate "palace guard" protected is leaders right back to legacy thinking, blinding them to the future.

They all suffered from "paradigm paralysis;" failing to grasp the Complexity-Speed-Collaboration connection, wrapped up in technological change without a commensurate shift in collaboration

The Complexity-Speed-Collaboration Shift is horribly misaligned and out of balance, especially on the collaboration dimension, and is thus unstable. This condition has been with us for at least a century. Thomas Edison remarked in 1928:

It's a troubled world -- full of doubt and uncertainty. You say men of science have been helping it. Are we going to discover, too late, that science was trusted too much? So that it has turned into a monster whose final triumph is man's own destruction?

Some of us are beginning to feel that danger. But it can be avoided.

I once had two dynamos [generating electricity that ran wildly out of control and ] needed regulating. It was a problem of balance and adjustment. I feel that the confusion in the world today presents much the same problem.

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<sup>8</sup>The most egregious case was Chrysler, after its purchase by Daimler Benz in 1998. See Stallkamp; *Score*

<sup>9</sup> In our Value Creation Architecture (described later), we demonstrate how value is created in collaborative systems, how profit is produced, and trust's impact on profits.

<sup>10</sup> The best way to protect a client is to increase success rates, which is exactly what the Alliance Best Practices (pioneered by this author) accomplished. However, more often than not, lawyers fractured any sense of trust or collaboration with draconian legal documents, "poisoning the well" for future working relationships.

The dynamo of man's God given ingenuity is running away from the dynamo of his equally God-given humanity.

I am too old now to do much more than to say:

Put those dynamos in balance, make them work in harmony as the Great Designer intended they should.

It can be done; what man's mind can [conceive],  
man's character can [achieve].

Man must learn that. Then we need not be afraid of tomorrow.  
And man will go forward toward more light.<sup>11</sup>



### **How do we know we are ready for a Paradigm Shift?**

*When great intentions yield mediocre results,*

*When the tried-and-true ceases to work,*

*When every attempt to fix things is met with frustration and failure....*

*Then likely the design has reached its limits; the paradigm is ready to shift.*

*Opportunity is present; Creative vision is called for;*

*And Bold Action in New Dimensions is the nature of things to come.....*

*While the Old Guard will staunchly defend the past....*

*As entrenched investments and beliefs refuse to yield their hallowed ground.*

-- Robert Porter Lynch

See Appendix 1 for details on Paradigm Shifting

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<sup>11</sup> From "Thomas Edison, The Man"; movie starring Spencer Tracey, 1940



## Part 2: The Architecture of a Paradigm Shift

Empowering the *Collaborative dimension of the Shift* is not just a matter of layering on a more extensive set of best practices, tools, techniques, and metrics. Why?



It's because the **Collaborative Shift is a Paradigm Shift**, thus many existing beliefs and methodologies may simply not be useful, effective or relevant --and potentially may not be re-tuned to the nature of the shift.

That's why Collaborative Leadership Excellence is not just a rehash or rebranding of old ideas in a new bottle with a new label.

But more.....

### Systems Architecture -- Why a New Order of Proficiency is Needed

The *Collaborative Shift* is expansive, ranging from collaborations *inside* a company (such as high performance teams and cross-functional engagements) to *outside* relationships (such as customer alliances, solution alliances, supplier networks, research & development partnering and business eco-systems).

All these examples embrace a **quantum jump in complexity** with **multiple partners** and **complex integrations** to deliver solutions (products and services) with a compelling need adapt to change, engage in **massive leaps in innovation** and create sustainable improvements to their “collective competitive advantage.”

Importantly, these, in turn, demand an **exponential increase in the level of collaboration** needed to succeed – levels often seen in emergency situations, but not the normal every-day operations. Simply applying a barrage of tired thinking, and old tools in a fragmented manner often generates mediocre results at best, or even makes the problem worse.

### **Quantum Jumps & Paradigm Shifts Require Systems Architecture**

The *Quantum Jump in Complexity* that accompanies the *Collaborative Paradigm Shift* requires a *New Architecture* to power the shift, thus it's vital to understand the nature of “systems architecture” which is needed for three basic reasons:

**Paradigm Shifts are not just about “doing things differently” .....it's thinking differently, envisioning differently, discerning differently, measuring differently, designing differently, speaking differently, asking questions differently, valuing differently, treating people differently.**

**A bold new approach is essential.**

**These profound differences require a fundamentally different “Systems Design Architecture”, not merely tweaking old stuff designed for a legacy paradigm.**

### 1. Functional Synergy:

- To make a system perform so that the whole -- the outputs -- are greater than the sum of the parts -- the inputs.  
(see Appendix 3 for more complete description of Architecture.)

Old legacy management methodologies, tools, and measuring systems must be radically reconfigured for the new paradigm.

To use a technology example, when shifting from cable (which was designed for analog data) to wireless or fiber optic (using digital packets), all new transmission, encoding, and decoding methods are necessary.

### 2. Pattern Recognition & Prediction:

- To enable the mind to comprehend the extent of the system through a series of pattern recognitions (which reduce fear, uncertainty, and chaos), which in turn, enable the brain to make a set of predictions, opening a pathway for constructive action.  
(see Appendix 4 for more complete understanding of the importance of this factor.)

### 3. Overcoming Skepticism & Resistance to change:

- To overcome the natural skepticism that travels hand in hand with any paradigm shift.  
A very large portion of corporate leaders and senior managers can be predicted to be *skeptics of collaboration* -- they aren't necessarily against it, but there are so many unanswered questions, concerns, doubts, and risks. When a skeptics' doubt is greater than their belief, or their fear greater than their trust, the result is analysis paralysis.  
Great architecture, conveyed with excellent practices and metrics, helps break the resistive impasse, and may turn some skeptics into passionate champions.

## ***Great Architecture has critical elements that make it powerful:***

There is a fulfilling magnetism to well-conceived design architecture; it's powerfully:

- Actionable --where:
  - The whole is greater than the *sum of the parts*.
  - Diagnostic Analysis and Prescriptive Corrective Actions is possible
  - The System is integrated sufficiently to be Sustainable Under Stress
  - Essential Principles, Fundamental Rules, and Best Processes/Practices can be used universally to create similar results.
  - Cause & Effect Relationships are logical and understandable.
  - Consistent Language, self-evident logic, powerful underlying attitudinal belief systems and consistent actions are integrally linked the to the core architectures.
- Leverageable -- many actions can be taken to substantially increase its impact:
  - Learnable -- it can be taught by a Master who can teach it to others, who can, in turn, teach it to others, enabling it to multiply.
  - Replicable -- it will work in a variety of circumstances
  - Reliable -- has inherent stability, safety, and certainty.
  - Scaleable -- it will work in large organizations as well as small scale situations.

### ***Beware the Curse of Muddled Models***

One of the biggest obstacles in creating a *Collaborative Systems Architecture* has originated from subject matter experts (ranging from professors to authors to consulting companies) that create their own proprietary frameworks -- narrow bands of thinking -- never even attempting to create integrated systems architecture. Thus, despite the enormous level of attention, little attempt has been made to create an integrated architecture linking the basic functions of business (i.e. marketing, accounting, operations, culture, strategy, supply chains, or leadership).

Further, as subject matter experts have carved out their little corner of the world, the result has been a disjointed set of models cobbled together into a pastiche of often conflicting or disintegrated approaches to everything from trust building to organizational transformation. (see Appendix 6 for more on the *Curse of Muddled Models*).

Fortunately the fundamentals of Collaborative Systems Architecture have been field tested, documented (but not codified) and proven in a wide number of industries, including industries as diverse as automotive, aerospace, military, airlines, steel, insurance, food, consumer goods, sports, and research & development, to name a few.

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***Architecture is a series of design frameworks, principles, and methodologies interconnecting its component parts into a highly functional system.***

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***Many organizations, when they use Collaborative Systems Architecture, have achieved quantum jumps in competitive advantage, often exceeding 25% greater than the norm.***

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### ***The Quest for Synergy***

Synergy has been the dream of businesses and organizations for over a century.

But it has been elusive. (see Appendix 4)

Why? What's been missing? What has caused us to miss the mark? What mind-traps have we been caught in? Why is the *Collaborative Shift* struggling to get out of the gate?

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***Complex Problems must be solved with a higher level of thinking than that which created the problem.***

***-- Einstein***

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The problem is first in the conception -- conceiving too small or inappropriate linking of disjointed fragments, or forcing the adoption of conflicting frameworks will produce disconcerting results.

**Synergy manifests in Collaborative Systems** -- this is an essential principle that those who neglect it are pounded on the shoals of despair.

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***What our minds can conceive, our character can achieve. -- Edison***

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### Beyond Best Practices

Best Practices have proliferated the business world for over a century. New best practices evolve continually. Henry Ford invented new Best Practices that revolutionized the auto industry.

#### *Systems Design Architecture & the Continuing Quest for Competitive Advantage*

Best Practices are the purview of good *managers* are the “master mechanics” that keep engines running.

But the real genius lies in understanding of the inner *design architecture* – which is one of the formidable tasks of *Collaborative Leadership Excellence*. This was Edison’s real genius – developing the system design architecture of electric power generation, distribution, metering, and usage in lighting, motors, and appliances.

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*Great leaders need not be architects, but they must master its core principles.  
Managers must know the principles, then develop practices driven by principles.*

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Leaders are charged with ensuring not just good management of resources, but the inner workings of the new systems design -- understanding the interconnected relationships, and gaining competitive advantage in a fast moving, rapidly changing world.

While managers are oriented to seek stability and predictability, conversely leaders are charged creating and harnessing new forces, innovating, and building organizations that can sustain their advantage every day.

As leaders we need to face the staggering reality that our competitive world demands we continually generate competitive advantage or be overwhelmed by rivals who are relentless in their quest to move forward faster.

Collaborative Leadership Excellence aims at creating a powerful framework for generating advantage in multiple ways:

First, those that *proactively lead the paradigm shift* gain a massive advantage by expanding the gap between those that are moving at the speed of the future versus those stuck in the quicksand of the present.

Second, the *systems architecture* has *thousands of points of inter-connection*, each of which can be used to create or accelerate advantage. The sum of all these small points is known as “the triumph of small numbers” which adds up to a very big number.

Third, *collaboration, especially trust*, can create a huge advantage by turning breakdowns into breakthroughs that generate massive advantage, while removing “garbage” work (known as non-value added work) from complexity at the points of interface.<sup>12</sup>

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<sup>12</sup>For example, in one health care system our team studied, we found that over 90% of the work done by health care professionals actually failed to add any value to the health of a patient. This is not abnormal – only a handful of health care systems would actually perform a lot better. This is why complex organizational systems, like health care cost so much and their installed base of legacy management is so impervious to change. And why health care costs keep rising like a flood tide.

### *The Paradox of Collaborative Excellence*

During my career I've been blessed with the opportunity to work with a multitude of very fine collaborative leaders who have produced remarkable results.

One thing that is striking about most who possess Collaborative Leadership Excellence is that they typically have gained their skills *intuitively* and often do not understand why other leaders don't have the same intuition.

Often I'll ask simple questions, like "What's your design for building trust?" They then stare somewhat blankly and mutter "Well what is there to design? You should just know it naturally." In other words they can't communicate the core principles of trust, integrity, or fair play, but live it daily.

In workshops over the years I've asked thousands of senior executives three pivotal questions:

1. On a scale from 1-10, how important is trust in maintaining critical relationships?  
↳ Nearly 100% answer: 9-10 (some answer 11).
2. If you were to write down everything you know about trust, how many pages would you write?  
↳ Over 90% answer: about ½ page.
3. For something so important, how many of you have taken a course in trust?  
↳ Over 95% answer: No.

So, for something so important to your profession, why don't we have better coverage of the subject? Is there something wrong with this picture? This is just a small example of why we need design architectures to transmit critical understanding of how collaborative systems actually work.

The consequences of leaving things to "intuition" is that when the classic intuitive leader retires, and new executives take their place -- particularly if they come from the "outside" -- there is a high possibility that everything established by the trusted leader collapses. It happens every day in organizations large and small, all over the world. This is the consequence of having tools and techniques but no effective thinking about design architecture.

For example, I live in a beautifully located condominium on the water. It is now nearly 55 years old, designed to standards from the 1960's. For its entire life the building received regular maintenance and repair -- that was the mechanic's approach to the complex. New owners remodeled their interiors.

But no one (until now) started to address the systems design architecture. When we did, we realized that our building wouldn't meet the stress tests of hurricanes, settling foundations, cantilevered balconies, or water and sewerage. Other than tearing the building down (which won't happen), a complete rethinking of the future from the perspective of a new long-range upgrades is essential.

That's the paradox of Collaborative Excellence -- great leaders don't ordinarily know how to install a *systems design architecture* that will sustain itself through changes in leadership. We aim to change that.

### *Misconceptions about Collaborative Leadership & Culture*

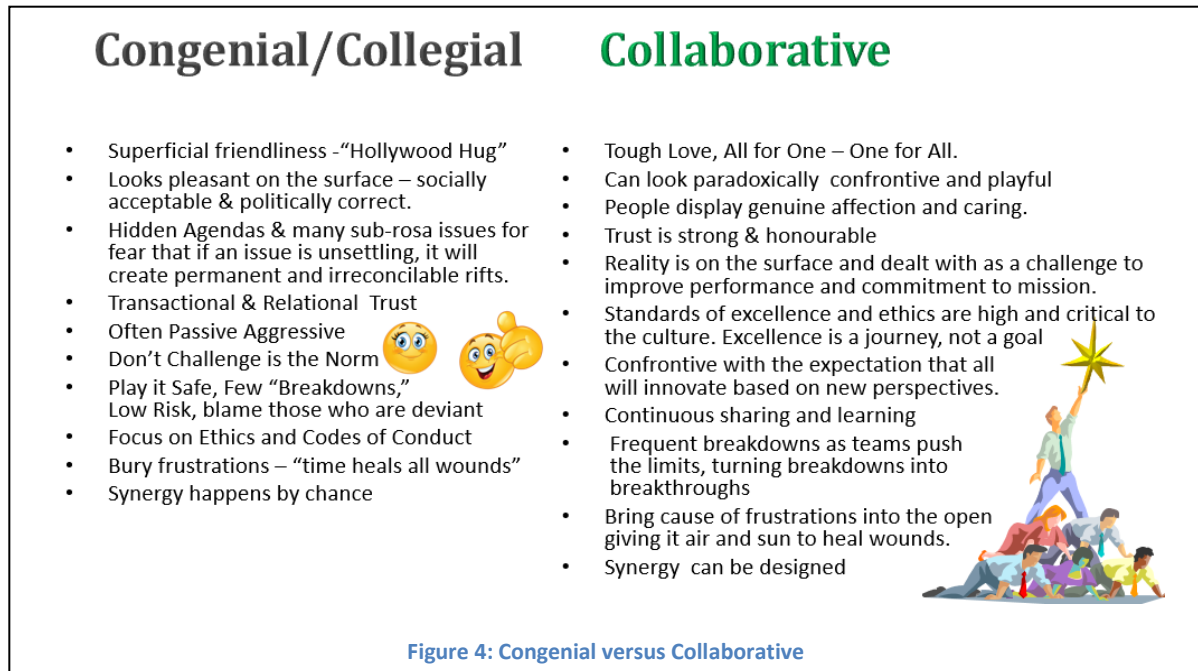
The biggest fallacy about collaborative leadership is that it's soft, sweet, squishing, or tender. Most collaborative leaders are tough, hard-nosed, demanding *and* caring. Collaborative



## Collaborative Excellence

leaders always put the team above the individual, while recognizing every individual has unique needs and circumstances.

This is substantially different from a *congenial* leader, who may be either too soft, too kind, or too squeamish to exert the authority to hold people accountable. (see Figure 4: Congenial versus Collaborative) Beware the leader who's too busy trying to be nice to get great results.



### *Culture Creates a Massive Advantage in Collaborative Systems*

One of the most impactful elements of collaborative systems is how culture impacts outcomes. (see sidebar). In case after case, collaborative cultures are highly spirited, trustworthy, and respond well in times of adversity. Collaborative leaders are the first to endorse the power of culture.

For example, Lou Gerstner, in his heralded turn-around of IBM in the 1990s stated: “I came to see at my time at IBM, that culture isn’t just one aspect of the game --it *is* the game. In the end it’s the organization’s collective capacity to create value.... Most of its most important rules aren’t written down anywhere. [It’s their attitudes], how they interact with each other, what motivates them.

“There are few rules, codes, or books of procedure....I believe all high-performance companies are led and managed by principles, not process.”<sup>13</sup>

<sup>13</sup> Gerstner, Louis; *Who Says Elephants Can't Dance?* pp 182, 200, Harper Business, 2002

### *The Plague of Cultural Misalignment*

Thus, for so many corporations, their culture's "immunal rejection response" still recognizes collaboration "foreign entity." More often it's because most companies are miserably misaligned, juxtaposing *adversarial*, *transactional*, and *collaborative* styles (**Figure 5: Three Basic Cultures**) into a muddled, confused, corporate culture, and then extending this misalignment into their Value Network. (see Appendix 2 for more detail).

When organizations get overly hooked on rules, regulations, processes, and procedures, they become stultified as bureaucratic rigor mortis sets itself into a hopelessly transactional culture that can't adapt and innovate in today's fast-moving competitive world.

### *Culture's Impact on Outcomes*

While invisible, culture is like radio waves, pervasive and everywhere. Culture tells people what is expected of them, what is valued by leaders, what beliefs they should hold, how people should interact, what they should achieve and protect, how they will be rewarded or punished, and what is important.

Culture, more than any other factor (including personality), will determine human behavior. And Leadership is the most influential factor in determining culture, and, by extrapolation, human behavior. That's why collaborative leadership is so vital to performance.



To make matters worse, many new senior executives entering the corporation seem compelled to put their "mark" on the company, often reintroducing non-productive, non-value added programs, procedures and policies that are counter-productive or even all-out destructive, leaving a mess in their wake – just to show their power and difference from their successor.

In this quandary, customers, suppliers, and former alliance partners are left with an aversion to reenter the game together because of the reputational stain of ego-driven leaders.

## Part 3: Core Architectures of Collaborative Excellence

### *Codifying & Learning the Core Architecture Content & Design*

We need a solid, dependable *Architecture of Collaboration*, that's simple enough at its core, logical, easy to comprehend, and elegant to use – otherwise no one will remember it.

This enables the architecture to be built-out with new ideas continually improving it, plus an effective means of teaching & learning it, thus transmitting it to thousands of people.

The design of the core architectures (see Figure 6) came from over thirty years of work in the trenches implementing collaborative relationships in corporate alliances in scores of industries across the globe, engaging with hundreds of alliance practitioners, the examination of hundreds of success and failure case studies, and the advice of experienced leaders in business, communities, and government who shared their insights and wisdom -- differentiating victory from defeat.



Figure 6: Core Collaborative Architectures - Learning Design

Note: These core architectures were chosen because they have the highest impact and leverage on outcomes – the *building blocks* of collaborative excellence

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**30 years in the making to discover, design, develop & test the first fully integrated system that elegantly connects 6 organizational levels to produce up to a 25% competitive advantage.**

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**It's been field-tested, producing measurable results, while optimizing time and resources.**

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The design starts at the “micro” level with the brain and human behavior, proceeding with the elements required for collaboration at the individual and interpersonal levels, then advancing upwards with each segment being seamlessly woven into the framework of the next building block, ultimately expanding to complex organizational systems.

### *Collaborative Excellence Architecture's Building Blocks*

These become the basic foundation of the human side of Collaborative Systems Architecture which are essential for any of the other aspects of Collaborative Systems to function fully.

For example, Lean Management has been a very popular means of removing Non-Value-Added work from complex organizational functions.

However, 90% of Lean Management implementations fail.<sup>14</sup> Why? Because they overlook the need to have a trust-worthy foundation for a collaborative culture that's essential for Lean to work. In another striking example in complex construction projects, adversarial and transactional cultures had a horrible impact, causing unacceptable records of running over-time and over-budget (and usually accompanied by in law suits).<sup>15</sup>

Transformational Leadership must not stand alone. What is needed is a dependable "Architecture of Collaboration" upon which to construct a collaborative organizational system. The following seven frameworks enable the codification of not only leadership, but also how people interact with trust, engage in teams, innovate, build a solid culture, create and define value, lead, adapt, manage complexity, and build alliances. The architecture is easy to learn and through the use of Transformative Action-Learning Engagement, will lead to successful implementation. These seven frameworks have been designed to be simple, logical, and easy to comprehend to ensure integration across organizations and partnerships. Change is hard. We aim to have this transformation be as intuitive and easy as possible. Each segment is seamlessly woven into the building block for the next segment, ultimately expanding to complex organizational systems.<sup>16</sup>

Having been engaged in examining the fundamental causes of success and failure in thousands of alliances and other collaborative ventures, large-scale projects, mergers, acquisitions, and turnarounds, we have determined there are seven key areas where joint initiatives took the critical path toward success or failure, victory or defeat. These become the foundation of the Collaborative Systems Architecture. (Outlined below)

Please Note: The following pages of the Seven Frameworks are presented in *outline form* because the material is highly proprietary and represent privileged intellectual property reserved for our Action-Learning Clients and the forthcoming book on *Collaborative Excellence for Leaders*.

**Tip:** Ensure these seven frameworks are embodied in every organizational function, and especially in recruitment, hiring, and performance review of senior leaders and managers.

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<sup>14</sup> According to the Lean Management Institute. The engineers who examined and documented the Toyota Lean System were trained that if something doesn't have a process, it doesn't exist. Thus, continually they overlooked the fact that having a Collaborative Culture was a foundational architecture that enabled lean to work. In reality, lean is just a euphemism for Collaborative Innovation. We reconfigured the methodology, calling it Collaborative Lean, and installed it extensively in Western Canada, with 90% success rates.

<sup>15</sup> See [Future Path of MegaProjects](#) by George Jergeas & Robert Porter Lynch

<sup>16</sup> Note: These seven core frameworks were chosen because they have the highest impact and leverage on outcomes – the *building blocks* of collaborative excellence, and are universal to virtually every condition, strategy, or requirement of Collaborative Excellence.

### FRAMEWORK #1 Human Behavior & Trust

**Objective:** Unlocking the power of *collaboration* is dependent upon one's ability to *build and sustain trust*, while preventing *distrust* from undermining reliable human interaction.



Trust is the foundation of all collaborative enterprise. Without trust, a massive psychic vacuum is filled with FUDD – Fear, Uncertainty, Doubt, and Divisiveness.

One of the primary reasons people fail to create sustainable trust is because they don't understand why humans behave the way we do. We have unlocked the neuro-science of the brain that controls the trust function, and learned how to build a "system of trust" that will sustain collaborative excellence.

#### **Why is Human Behavior & Trust Important?**

To understand Trust, we first need a framework for understanding Human Behavior. We use a breakthrough approach as our "foundational" framework. It's called the "FOUR-DRIVE HUMAN BEHAVIOR" Model.<sup>17</sup> It's elegant, simple to understand, and very straightforward -- the " $E=mc^2$  of Human Behavior."



- The Four Drives of the Brain explains why people are "driven" to act, predicts and prescribes behavior and how to overcome the Fear Factor.
- Neuro-chemistry of the Brain provides deep insight into both Trust & Fear. It's backed up by breakthrough neuro-chemistry research conducted with Prof. Lawrence at Harvard and supported by Prof. Paul Zak of Claremont University.

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***The Trust Framework is based on neuro-science, Applied Research, Practical Experience, and extensive Field Testing.***

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***These are guided by "natural" processes based on the DNA programing of normal humans.***

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#### **Program Highlights**

- Elegant and simple to use
- Includes quick & straightforward tools to assess and build Trust:
  - Trust Ladder & Tornado of Distrust are powerful tools to create extraordinary relationships and repair bad ones.
  - 8 Principles of Trust Building & Critical Operating Principles
  - Rapid Diagnosis of Trust Breakdowns & How to Rebuild Trust
- Without trust:
  - Impossible to generate high performance teamwork,
  - Very difficult to produce consistent innovation,
  - Risky to attempt developing high performance teams & alliances,
  - Highly challenging for leader to align organization,
- Breakthrough modeling serves as basis to understand Economics of Trust, Value Creation and exactly how trust generates productivity, performance, profitability and competitive advantage.

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***Without Trust, High Performance Teamwork is an illusion***

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#### **Value Delivered**

- ➔ Quickly Understand Dysfunctions and Distrust
- ➔ Select the Right People for Collaboration at the outset
- ➔ Quickly Identify when Trust goes Astray & put it back on track
- ➔ Human Behavior Model & Trust Framework sets foundation for Time & Culture Frameworks

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<sup>17</sup> Developed by mentor and colleague Paul R. Lawrence of Harvard Business School. The Four-Drive Model is far better than Maslow's Hierarchy of Needs.



### FRAMEWORK #2: TIME

**Objective:** Time, like Trust, is a hidden dimension in collaborative excellence that leaders can use to transform teams and produce quantum shifts in performance. Time is a central operating principle for collaboration in “FASTIME.” Without precise synchronization of time, synergy is hard to attain.



#### *Why is Time so Important?*

Every organization in every sector is compelled to do everything faster, and often with fewer resources. We call this the “Fastime Shift.” Slow organizations are competitively disadvantaged -- on the backside of the progress curve -- and headed for eventual extinction. Organizations that operate in Fastime are compelled to be more collaborative and make more efficient and effective use of resources.

*Fastime Shift*

With our Trust Frameworks in place, many of these advances come from people directly affected based on the principle: “people support what they help create.” Engaging the workforce in the diagnosis and solution to quicken the pace produces much lower resistance to change.

These “shifts in time” improvements can happen internally -- at the individual, interpersonal, team, or functional unit level. Senior leaders can also expand the recapture of time externally by integrating partnering arrangements with other organizations in their value network, including alliance partners, strategic suppliers, innovation partners, solution delivery partners, and customers.

#### **Program Highlights**

We go far beyond standard “Time Management” practices to address four “dimensions” of time, gaining significant improvements through collaborative methodologies

- *Linear Time* – eliminating usages of time that add no value to the achievement of critical deadlines and schedules
- *Cycle Time* – improving the time it takes to complete routine tasks and more complex activities, typically achieving 15-20% gains, without encountering resistance because the workforce is engaged in the solution.
- *Relative Time* – gaining advantages relative to other competitors in the field of action. By comparing performance, value created, and time expended with other organizations, you will know where you stand in terms of *world class* performance standards.
- *Experiential Time* – this is not based on a mechanical measure of time, like a clock, but how humans *experience* their time while engaged in work. For example, time is *painful* when everyone is fighting, or *boring* when is not inspiring, *chaotic* when no one is on the same page, *energized* when everyone is working together in a positive mental mode, and *inspiring* when the work has real meaning and purpose.

*Trust and Time are interdependently intertwined as the “central organizing principles” of any collaborative culture.*

Our objective is to make a significant improvement in your “Total Return on Time,” which can be measured in several ways, including improvements in speed, competitiveness, cash flow, innovation, productivity, leveraging of resources, customer satisfaction, delivery times, or other customized criteria.

#### **Value Delivered**

- ➔ **Significant Increases in Speed**
- ➔ **Far Greater Synchronization & Coordination within and between functional groups**
- ➔ **Time Spent on Adding New or Better Value, while eliminating wasted or useless time**
- ➔ **Significant Higher Performance, Productivity, and Profitability**
- ➔ **More Employee Engagement and Commitment to Work Activity**

### FRAMEWORK #3: CULTURE

**Objective:** Enables leaders to “design” culture of the Collaborative System spawning superior high performance teamwork, positive responses to adversity, and finding meaning and purpose in the work environment, spurring deep commitment. Culture is a “central organizing principle” for gaining extraordinary results.



#### Why is Culture so Important?

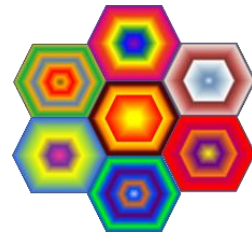
- Between  $\frac{2}{3}$  &  $\frac{3}{4}$  of all human behavior is determined by *culture* (not personality)
- Leaders are #1 determinant of culture – making Leadership the *Primary Lever of Change*, embedding and reinforcing beliefs, perceptions, conceptions, and achievements into the cultural bedrock of an organization.
- Core principles of collaborative spirit, trust, teamwork, positive adversity response, and rewarded collective achievement are essential foundations of culture.

#### Program Highlights

- The framework enables Leaders to spot flaws and misguided thinking immediately and take rapid corrective action (see Appendix for more details)
- The “**START**” Model of Culture (*Spirit, Trust, Adversity response, Rewards, & Teamwork*) is powerful, elegantly simple, and easy to unite teams and alliances.
- A collaborative, constant improvement culture is an essential foundation of innovation.
- Collaborative Cultures:
  - Produce 25% better results (speed, innovation, productivity, adaptability, profitability, etc.) than Adversarial Cultures.
  - Retain wandering Millennials who experience Collaborative Culture as “family.”
  - Propel Innovation & Value Creation in a sustainable cycle of continuous advance.

#### Value Delivered

- ➔ Provides both Leaders & Managers with Mindsets, Tools, & Frameworks for Building Great Cultures
- ➔ Enables Rapid Diagnosis and Correction of Culture Problems such as hiring, rewards, and measures of success
- ➔ Easy for engineers and technical people to understand
- ➔ Enables pivotal middle and upper middle management to invest their time in communicating and rewarding the mindset shift.



***The idea of Collaborative Systems “Architecture” is that leaders & managers can step back, fully conceptualize the kaleidoscopic dynamics, not getting bogged down in the details of everyday turmoil & stress, then assess the situation from a perspective of wisdom and insight, taking corrective action.***

***From a practical perspective, leaders and managers can run through the 7 Frameworks like a 7-Point Checklist, evaluating which elements are missing or dysfunctional***

**Culture Framework folds fluidly into the Innovation Framework**

### FRAMEWORK #4: INNOVATION

**Objective:** Innovation must be an essential ingredient to enable rapid adaptation in fast moving world. Diversity is essential to creating an “engine of innovation.”



#### Why is Innovation So Important?

An emphasis on innovation empowers people to use their collaborative creativity to be focused on problem solving, continuous improvement, using alliances for new solutions, and paradigm shifting. This requires a strong foundation of Trust, Time and Collaborative Culture; otherwise the diversity central to innovation will turn into conflict and polarization.

#### Program Highlights

- Explains how Trust can enable Diversity of Thinking to produce an “engine” of innovation running on “free fuel” – ideas
- Reveals potent framework for unlocking Co-Creative Power of Cross-Functional Teams
- Builds Versatile, Multi-Pronged Innovation Engine to generate expansive Forms & Sources of Innovation to increase competitiveness
- Jump-starts innovation by identifying numerous “Triggers” that spur new levels of insights
- Engages 10 Best Processes for maximizing innovation
- Replicable and easy to understand.... Utilizes *creative inquiry* methodology to unleash hidden ideas
- Uses Creative Inquiry methodology to shift thinking to higher orders of insight
- Produces great results, in high trust, high collaboration cultures
- Transforms Diversity of Thinking, Ideas and Cultures into Massive Innovation Asset
- Uses Collaborative Innovation as a primary mechanism for Collaborative Advantage, Competitive Advantage, Value Creation and Adaptation to Rapid Change
- Enables Every Employee to become a Collaborative Innovator



#### Value Delivered

- ➔ Sustainable Innovation “Engine” that can double innovation
- ➔ Generate New Value from Existing Resources
- ➔ Maximize Value from Alliances & Collaborations
- ➔ Sets Foundation for Value Creation & Investment Decision Making



***Culture is the Hidden Competitive Weapon in the arsenal of Collaborative Excellence.***

***Because it's largely invisible to outsiders (except for those who understand collaborative architecture), it is nearly impossible for competitors to duplicate.***

***When the Innovation Engine is engaged, the ability of the system to adapt, morph, realign, and create new linkages is compelling.***

**Innovation Framework evolves seamlessly into Value Creation & Collaborative Economics Framework**

### FRAMEWORK #5: VALUE CREATION & COMPETITIVE ADVANTAGE

**Objective:** Enable a quantum jump in an organization's capacity to create new value using our breakthrough "collaborative economics."



#### Why is Value Creation Important?

All organizations must have a keen eye for value creation & competitive advantage; those that don't are surrendering to rivals that are constantly improving. Value Creation improvement is perhaps the best indicator of long-term survivability and sustainability.

Companies that are always striving for new value creation are attuned to finding new ways to leverage their assets, jump at new opportunities within their core mission and competencies, and build "collaborative advantage."



#### Program Highlights

- Uses Trust & Innovation to reduce Non-Value Added Work & cross-boundary inefficiency
- Profitable Economic Engine for Value Creation
- Creates high levels of Productivity
- Reduces Risk and Litigation by up to 30%
- Doubles chances of on-time/budget Project Delivery
- Accelerates End-to-End Value Chain competitiveness
- Turns Breakdowns into Breakthroughs
- Enables People and Organizations with Limited Resources to gain Competitive Advantage
- Value Maximization Model transforms the innovation "engine" into substantial competitive advantage – think of it as "collaborative advantage"
- Powerful Tools to generate new value (Including Trust's Impact on Profit Assessment)



#### Value Delivered

- ➔ Sustainable Competitive Advantage
- ➔ Generate New Value from Entire Value Chain
- ➔ Generates 10-25% better return on human capital derived from the "triumph of small numbers" contributed from each of the collaborative frameworks



***How many times have you heard some executive exhort a team to "Create Value?"  
But have you ever thought about it in depth?***

***What course in Business School is dedicated to Value Creation?  
For the most part, Value Creation has been an elusive dream  
in the pontifical mind.***

***Our approach capitalizes on collaborative architectures to adapt and maximize  
value in ways adversarial & transactional systems simply cannot.***

**Previous Frameworks set stage for natural progression into "Four System Alignments" of  
Leadership**



### FRAMEWORK #6: ORGANIZATIONAL SYSTEM ALIGNMENTS

**Objective:** In the larger picture, great leaders do four things very well – they align all parts of their organization, both the internal elements cross-functionally, and the external relationships in their entire value chain.



**Why is Organizational Systems Alignment important?**

#### Program Highlights

Our breakthrough is *Reframing Leadership as an Integrated System of Four Alignments*

1. **Strategic Alignment:** Inspirational Common Vision & Innovative Strategy that generates significant Competitive Advantage & Value Delivery
  2. **Cultural Alignment:** Culture of Trust & Teamwork & Governance that Focuses Human Energy on High Performance
  3. **Operational Alignment:** Build Coherent Organizational Teams and Use Best Process that produce great **results**.
  4. **Dynamic ReAlignment:** Innovate/Adapt, Reconfigure/Restructure -- to be agile when conditions change – which, in today's world, is regularly.
- Enables Leadership to set new direction & Management to drive in the new direction and spur operational, cultural and dynamic realignment implementation
  - Like playing “4-Dimensional Chess” -- Fast to Implement , Easy to Learn, Rapid Returns
  - Nearly impossible for competitors to duplicate
  - Greatly enhances ability to create synergies – the unfulfilled quest of leaders for centuries – because synergy flourishes Aligned Collaborative Systems
  - Guiding Framework for how to (& not to) Transform Organizations and overcome Resistance to Change
  - Empowers managers to build highly effective cross-boundary collaborations, tearing down silos, and triggering new levels of innovation and productivity
  - The Four Alignments are the Leverage points for Organizational Transformation, all four alignments must be addressed if there is to be a permanent collaborative shift.



#### Value Delivered

- ➔ Synergistic System Producing Massive Advantage & Employee Engagement
- ➔ Produces 4-Dimensional Alignment for Complex Systems and Value Networks
- ➔ Enables Teams, Cross-Functional Integration, Strategic Alliances & Eco-System Value Networks to function at a higher level
- ➔ Protects Collaborative Systems from successful attacks by Adversarial Rivals



*Just as Trust & Time are the Central Organizing Principle for Collaborative Cultures, so too do Complex Systems need a Central Aligning Principle: The Four Critical Alignments does for a Complex Eco-System what Gravity does for the Planet – unifying the many dynamic driving forces, preventing disparate parts from flying off in a myriad of directions.*

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Organizational Systems Alignment enables Complexity & Connectivity Framework to Function Productively

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### FRAMEWORK #7: COMPLEXITY & CONNECTIVITY

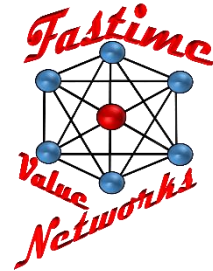
**Objective:** Today's world is a network of complexity – interconnected eco-systems of organization, intricate value networks, complicated relationships often clogged by adversarial legal processes and transactional bargain. Leaders must have the strategies, methods, and tools to shift the paradigm to one of collective action and strategic alliances.



#### Why is Complexity & Connectivity Important?

Today's Complex Systems are fluid, with dynamic forces intersecting and often interrupting strategic aims.

Without an deep understanding of the way the forces interact, leaders typically resort to old, ineffective command and control methods, often turning the system adversarially in upon itself, like an auto-immune disease, foolishly turning partners against themselves, destroying the very synergies that nourished them.



#### Program Highlights

The Complexity & Connectivity Framework provides:

- Leaders with clear guidance and options on how to address complex projects, strategic, keeping the value network aligned, balanced, integrated, and fast, in multi-member alliances.
- Fluid Interaction in the Eco-System, continuous innovation & dynamic realignment.
- Create Collaborative Contracts and engage in Collaborative Negotiations that enhance teamwork and alignment of interests
- Massive Competitive Advantage by doubling innovation flow across the network
- Provides Risk Managers with a Guidance System to assess culture, uncertainty, and alignment; lowering risk by up to 30%.
- Redesign complex projects to ensure massive benefits from collaboration and avoidance of drawbacks of the *Law of Compounding Interfaces/Risks*.
- Methods & Tools to Anticipate & Thwart Breakdowns before happening, diagnose Compounding Risks & Fragile Breakdown Points, & Turn Breakdowns into Breakthroughs.
- Gain Positive Benefit from the *Law of Unintended Consequences*.
- Utilize [ISO 44001](#): *Collaborative Business Relationship Management* – to build high performance Value Networks.

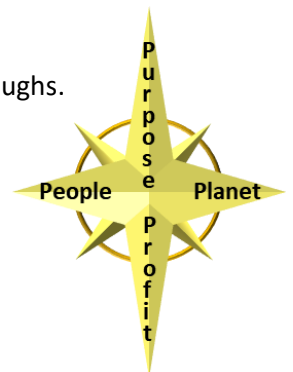
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*Complexity requires collaboration for its successful management. Complexity will cycle into a chaotic, perpetual spiral of conflict without trust.*

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#### Value Delivered

- ➔ Multiple Applications in a Wide Variety of Complex Organizational Systems.
- ➔ Prevents poor decision-making and mis-diagnosed Cause & Effect relationships.
- ➔ Significantly increases success rates of teams, projects, turnarounds, alliances, and organizational transformations.
- ➔ Enables Value Networks to function within internal organizations & entire value chains.
- ➔ Produces the “elusive” Synergy that has been the quest of competitive advantage by aligning diverse and opposing energies which can be transformed into insights and innovation, speed, and rapid adaptation.





### Part 4: How Leaders Implement Collaborative Excellence

Putting the Six Core Architectures into organizations is not as simple as writing a book about it.

Studies show that people only retain a small portion of what they read (and fewer people are reading anymore). This problem of learning is greatly accentuated where a paradigm shift is involved, because it's a reframing of thinking, mindsets, attitudes, conceptions, and skills.

Three things need to connect to enable a successful paradigm shift:

1. A clear, compelling “architecture” can be conceived, communicated, and operationalized that produces significant improvement/value over the old paradigm.
2. An effective methodology is in place for the new paradigm to be learned by normal people with reasonable intelligence.
3. A critical mass of people learn the new system together in order to communicate to others in the organization, implement successfully, and self-correct if the results are not up to par.

### Proliferation Strategy

The massive advantages of collaborative systems can only be capitalized upon if leaders are able to proliferate the architecture along with the insights, attitudes, thinking, methodologies, and metrics – both internally inside each corporate entity, and to its value network partners.

A scattershot deployment of people with the source code fails to meet the “critical mass” test needed to ensure new ideas are not devoured by the corporate “immunal rejection response.” Without the critical mass, enthused lone rangers champions are eventually consumed by skeptics, those resistant to change, imbedded power structures, and the like in a war of attrition. It's a profound journey, but not to be attempted superficially.

### *Learning and Embracing the Collaborative Systems Architecture*

It's one thing to understand something intellectually, and completely another to be able to act wisely implementing ideas. To enable the *Collaborative Paradigm Shift*, leaders must *learn to think* and *act* to align essentials of the systems architecture.

While some elements can be taught using books, videos, and webinars, grasping the magnitude and power of the *Shift* requires a *critical mass* of organizational leaders to engage in *immersive team learning and action-planning* to embody the right attitudes, insights, mind sets, skill sets, and tool sets.

Additionally, because organizations live in an inherently unstable environment filled with rapid change and the dynamics of competition, it's vital to have a diagnostic assessment mechanism built in to determine which levers need readjustment.



### *Learning the New System*

We know that people learn three times better when they are able to apply their learning to real-life circumstances, problems, and opportunities. For this reasons, we have designed Immersive Team Learning Workshops for essential leaders, augmented by videos, written materials, podcasts, webinars, and a future supplemental workbook.

### *Multiple Versions Available*

We have designed a 2-day intensive **Master Course** in six professionally centered versions:

- Senior Executives & Emerging Leaders
- Finance & Risk Managers
- Acquisition & Alliance Professionals
- Engineering & Science Professionals
- Supply Chain Professionals
- Human Resource Professionals



This program can also be delivered in 4 one hour segments over the course of several months.

Arthur L. Costa and Bena Kallik (2010) p 225

“Are we educating students for a life of tests or for the test of life?”

Is the goal of education to enable youth to succeed in life or to pass the test scores?

“Rigor Redefined” Tony Wagner 2008 Seven 21<sup>st</sup> Century “Survival” Skills today to “Master in order to thrive in the new work of work: pp 21-22)

- 1) Critical Thinking
- 2) Collaboration & Leadership
- 3) Agility and Adaptability
- 4) Initiative and Entrepreneurialism
- 5) Effective Oral and Written Communications
- 6) Assessing and Analyzing Information
- 7) Curiosity & Imagination

**80-20 Rule:** Each version is designed such that 80% of the core architectures are common to all versions – enabling different professions to communicate fluidly with each other. For each version, 20% is custom-tailored to the unique context of that profession, using examples each profession can relate to.

Because the Learning Program Design aims at immediate application, rather than use a preponderance of case studies, the participants will apply solutions to their own real-world issues, using a Workshop approach to the Immersive Learning.

We strongly urge leaders to bring teams to the sessions to ensure a critical mass of dedicated practitioners who can introduce Collaborative Excellence as an orchestrated initiative in a company, team, or alliance.

### *Advanced “Deep-Dive” Workshops*

While the 2-Day **Master Course** is designed as a robust Immersive Learning Experience, we recognize that many professionals will want significantly more advanced, in-depth understanding and application. For this reason we have additional workshops:



### *Immersive Team Learning Workshops*

- We will be using the most impactful world-class adult learning methodologies.
- The sessions are in “workshop” format, meaning you will be applying your learning to real life situation in real time.

(Note: this is significantly different from a seminar format which focuses on discussion, but does not aim at building leadership & action capabilities.)

- You will gain insights, frameworks, language, and tools in an intense 2 day session. However, your head will not be force-fed with too much information too fast (the “fire-hose” approach). You will have time to discuss in your teams, figure out the best application, and work out critical implementation strategies and obstacles.
- We focus on building your capability to perform in the crucible of action. Layering on excessive knowledge without the capability to put new ideas into action is verboten.
- We strongly encourage you to bring several members of your implementation teams to enhance your ability to have a higher impact.

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*If people can't immediately apply something they've learned, three weeks later forgotten 80%.*

*However, if they can apply learning immediately, they remember 80%.*

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*That's how we measure value.*

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### **Customization:**

- **Internal Team, Cross-Functional Integrations, Acquisitions & Alliances:**  
If you wish us to bring the Collaborative Excellence program directly to your organization for your team and alliance partners, we are most willing to work with your leadership.
- **Independent Advanced Modules for your Team:** If one of our advanced workshops is particularly important to your organization's situation, we will help design and deliver one or more modules to your internal teams and alliances, as long as the participants have taken the prerequisite Master Class.

### **Diagnostics & Support:**

- We recommend doing a diagnostic assessment prior to your sessions to ascertain base-line profiles and pinpoint key strengths and problems, then feedback this data to your leadership teams and workshop attendees. Follow-up assessment of the post-learning results will not only validate our value proposition, but provide detailed points for leverage or improvement.
- We can provide coaching support to you or your teams between the program sessions or after the program for follow-up support.

## Part 5: Value Proposition

Based on years of experience, the Six Integrated Collaborative Architectures collectively produce 25% or Greater Competitive Advantage by producing improvements in the following areas:

- Increased Communications
- Increased Trust & Teamwork
- Increased Employee Retention
- Increased Problem Solving
- Increased Innovation
- Increased Speed & Flow
- Increased Value Creation
- Increased Performance
- Increased Productivity
- Increased Profitability
- Increased Success Rates
- Increased Security in Growing Revenues, acquiring new customers & markets faster, retaining existing customers, & creating better solutions.
- Decreased Risks & Breakdowns



This level of boost is typical when compared to most companies.

The improvement is derived not from one single area of improvement, but from the “triumph of small numbers” gained cumulatively from implementation of each of the six core architectures.

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*Few organizations (or people) ever produce more than 50% of their potential. This is because most organizations are “complexified” with muddled leadership, misaligned functions, wasted time and energy, useless non-value added work, misconceptions about human behavior, conflict, turmoil, strife, and misguided understanding about how value is really created.*

*Our Collaborative Systems Architecture aligns beliefs, ideas, evidence, and best practices into collaborative interactions that produces excellence – concrete results: productivity, performance, and profitability.*

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## Supplemental “Deep Dive” Workshops Available





# Appendices

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For Advanced Thinkers (these were the out-takes from the original draft)

Appendix 1. Paradigm Shifting

Appendix 2: Three Basic Culture, Leadership, & Economic Frameworks

Appendix 3: The Nature of Architecture

Appendix 4: Brain as a Pattern Recognition & Prediction Machine

Appendix 5: Twelve Standards of Architectural Excellence

Appendix 6: Curse of Muddled Models

Appendix 7: Immersive Learning Experience

Appendix 8: Collaborative Synergistic Leadership

## Appendix 1- Paradigm Shifting

We have made the assertion that:

- the Complexity-Speed-Collaborative Shift is a Paradigm Shift
- a Paradigm Shift requires a New Design Architecture
- a New Design Architecture requires a shift in Attitudes, Beliefs, Insights, Analogies, Mind Sets, Skill Sets, Rewards Systems, Metrics, and Tool Sets.

These assertions must be heeded; otherwise implosions occur, particularly when the culture has not changed to embrace the shift.

For example, my biggest lamentation in business is that so much of the work I did for companies imploded when the senior executive champion retired or left for another company. Sometimes the implosion was fast, sometimes slow, but it still happened.

In a discussion with my colleague, Louis Traina, we discussed our mutual lamentation, and the sadness it brought when a next-in-line successor disassembled the powerful organization we created. Sometimes a third-in-line resurrected it, but, more often than not, the work, in the long view, was in vain.

We failed to treat our hard-wrought work from a Paradigm Shifting Perspective.

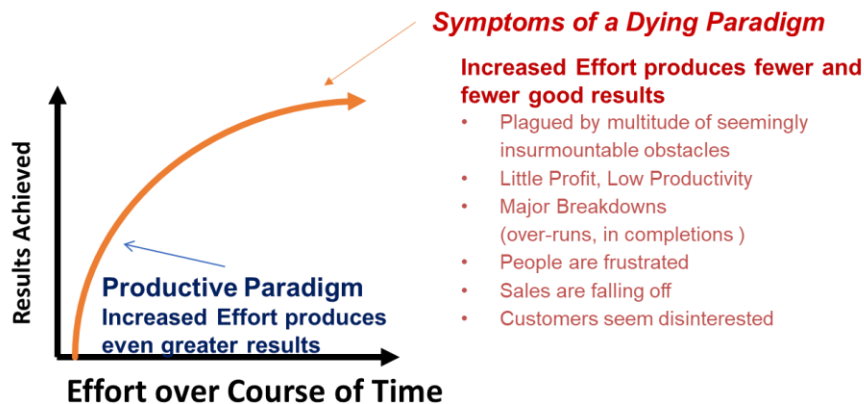
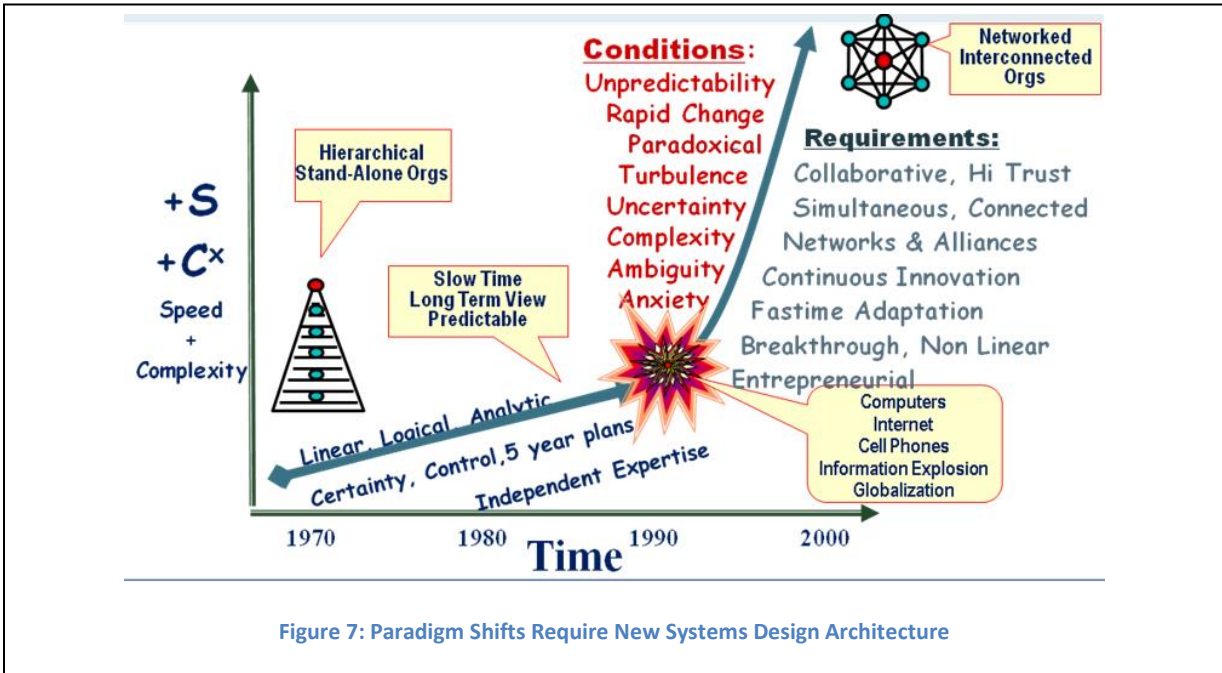
The assertion that a Paradigm Shift requires a New System Design Architecture can be demonstrated by the following historical examples.

In the 1830s, railroads using steam engines and tracks changed the paradigm of transportation. By 1850 9,000 miles of track networked the North East of the U.S. This expanded to 30,000 miles crisscrossing America by the start of the Civil War.

The emergence of the Railroad Networks required a *totally new systems design architecture* that included design of the engines, the cars, the railroad tracks, the rights of way for the tracks, the fuel and water (for steam engines) distribution system, the coordination between corporate hand-offs at junctions, the method of communications to enable switching of tracks, customer coordination for pick-up and delivery, and invoicing and collection of billing. The strategies, ideas and methods used in horse and carriage transportation were essentially obstacles in the new paradigm.

The same can be said of the Telephone and Electric Power Generation Networks of the late 1800s, or the Automotive Transportation systems emerging in the early 1900s.

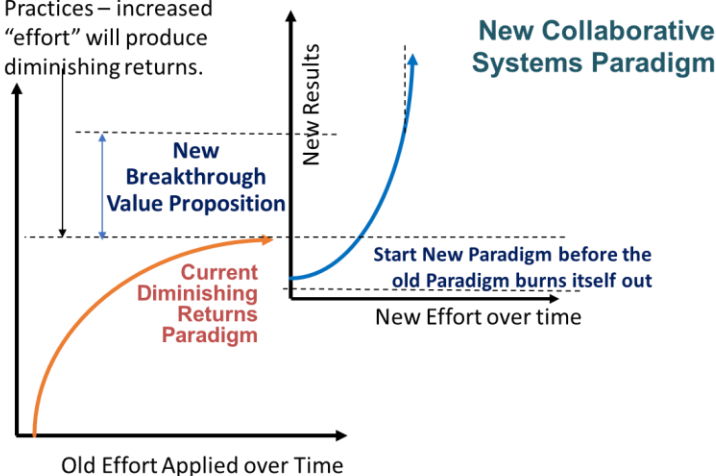
**Paradigm Shifts Require New Systems Design Architecture and Leaders who fully embrace it.**



## Embracing a New Collaborative Systems Paradigm

Results with Great Implementation

We have hit a plateau in the Power of Best Practices – increased “effort” will produce diminishing returns.



## Appendix 2 – Three Culture, Leadership, & Economic Frameworks

Table 1: Three Basic Styles of Culture & Leadership

	<b>Adversarial</b>	<b>Transactional</b>	<b>Collaborative</b>
Key Beliefs	Business is a "Psychological War Game;" Winning comes from Power	Trading, Bargaining, & Differential Views on Value Produces Economic Exchange	Extreme Value is Generated when people work in teams to Push the Envelope on Performance
Behaviors	Argumentative, Money Rules, Use Age, Experience, Position or Budget to get your way, "dog eat dog"	Squeezing & Positioning enables you to get the best result in Negotiations, throw a bone to sweeten the deal	Co-Creative, Teamwork, Trustworthiness, Highly Ethical & Honest; Maximize what's in the best interests of the whole
Rules of the Game	Pressure others; Winning is a result of Cunning & Craftiness; Hype your importance; Protect your backside; Don't Trust Others or you will get screwed; Everything is Win – Lose	Take advantage of every opportunity, Exploit weaknesses; Timing is critical; Perception is everything; Trust but verify; Use lawyers to ensure protection; Everything is a "deal"	Create value & competitive advantage by using Teamwork (internally) & Alliances (externally). Close integration between operating units, suppliers & Close attention to customers/client; Strive for Win-Win
View about Risk Management and Creating "Synergy"	Synergy is an impossible dream, (don't even think about it.). Manage Risk with tough contracts & tougher legal team empowered to litigate. Squeeze your vendors, manipulate your customers.	Synergy is derived from High Efficiency. Competitive Advantage & Profit comes from low cost of production. Risk Management, insurance, & risk shedding to limit losses.	Synergy is a result of high levels of trust, teamwork, and alignment of goals & values. Use high trust & teamwork to reduce risk. Work together to eliminate non-value added work. The biggest risk is failure to adapt & innovate to emerging risks and opportunities
Value Proposition	Minimum Required to Close a Sale; Squeeze vendors in supply chain; Buy Low, Sell High	Competitive Price, Acceptable Quality; transact through supply chains	Performance Excellence thru Value-Networks, Good Price, Speed, and Innovation
Framework for Negotiations	Winning is essential for me; I get more if I push, squeeze, and threaten to ensure I leave nothing on the table. I'm stronger if you're weak	What happens to you is your business. Long term relationships are only the product of me getting what I need/want. Switch suppliers to get best deal.	A Win/Win is essential to create productive long-term relationships to mutually thrive. Use our different needs & perspectives as the source of collaborative innovation.
Competitive Advantage	Gained from Size & Money	Gained from Proprietary Information & Bargaining	Gained from Value Co-Creation Teamwork and Sharing
Information Sharing	Hoarding Information – It's power – others can't be trusted to hold it	Limit sharing of information, consolidate info at the center of power.	The more information people have in the field, the better they can decentralize decision-making and innovate quickly.
Trust Level	Distrust, Deception, Aggression, & Manipulation Prevalent	Caveat Emptor (buyer beware) Trust is elusive and unsustainable	Trust is essential to generating a continuous stream of new value

Seldom are the lines delineated as clearly as defined above – many organizations will demonstrate a broad mixture of pockets of all three. Similarly, leaders may create a muddled style of leadership, mixing and matching a wide variety of often contradictory beliefs, methods, rewards and measures, creating muddled results.

## Appendix 3 – The Nature of Architecture

### *Levels of Examination:*

There are essentially for “levels” to examine any system, from the high level to the down-to-earth:

1. Architecture: A Systems Design that provides a conceptual pattern or framework, alignments of subsystems, balance of forces & needs, integration of functions, and capacity for reconfiguration as needs change.
2. Model: a part of a System that gives working insights into how something might function.
3. Process: A series or string of practices that will produce an intended result.  
It might be devoid of context – Why Lean Management normally fails
4. Practice: An action that as a high likelihood of producing a positive result, especially when used within the right/complementary architectures, models, and processes.

Unless these four levels are aligned and integrated, mediocre results can be assured.

### *What is Systems Design Architecture?*

- Holistic/Comprehensive addressing complex interconnects.
  - Requires Alignment, Balance, and Integration of the components  
Requires people and methods to Align, Balance, and Integrate
- Architecture means a design framework and methodology that *Connects Disparate Functions into a Synergistic Whole*. The energies and internal forces of the component parts must function better in a system than independently.
  - Synergy is difficult to manifest in *adversarial* and *transactional* systems, but more likely to flourish in collaborative systems -- that’s why culture is so important.
  - The energies and internal forces of the component parts must function better in a system than independently.
- Good design architecture is replicable, diagnosable, measurable, remediable, and alignable, replicable, adaptable, scaleable, duplicatable, leverageable, and integrated.
- Good Architecture embraces:
  - Functional Performance
  - Inter-functional Integrations, including human interfaces
  - Governance (control) & Structure
  - Stress & Load Factors
  - Risk Management
  - Design & Beauty
  - Specifications & Requirements

Great architecture should be:

- simple at the surface, and then progressively inwardly intricate.
- logically rational,
- ethically solid,
- emotionally satisfying,
- replicable and scaleable,
- contains key factors and preconditions for success
- diagnoseable when something is awry,
- predictive and prescriptive,
- standards of excellence with clear breakdown & stress criteria
- can be integrated with other similar architectures
- lowers risk and increases returns/rewards,
- definitively distinguishable and different
- actionable with clear processes & practices
- produce better results than lesser alternatives,
- open for improvement , dynamic adaptation, and innovation over time.

Collaborative Architecture enables a team to design, integrate, and maximize synergy, making things fluid and seamless.

- Enables large numbers of people to shift from *Tactical, Transactional, Hierarchical* thinking to *Collaborative, Trust-based thinking and behaviors*.

### ***Why is a New Order of Proficiency Needed?***

- Value Networks are emerging in the Eco-System as the natural evolution of needing solutions to complexity required beyond bilateral (1+1) alliances
- Value Networks entail a ***quantum jump in complexity*** with multiple partners and complex integrations to adapt to change, engage in massive leaps in innovation and create sustainable improvements in competitive advantage.
- This, in turn, demands an *exponential increase* in Collaboration to succeed.
  - Requiring Leaders to have a proficiency in Collaborative Systems Excellence
- The nature of Complexity requires far more than the Best Practices that underpinned prior versions of alliances (Generations 1.0-3.0) Being successful at Collaborative Systems requires a deep understanding of the underlying six essential architectures as well as major changes in calculation of risk and rewards.

### ***Has Collaborative Systems Architecture been field tested?***

- Yes, because the Collaborative Systems Architecture was not derived out of the blue. Its roots are firmly imbedded in the soil of the many examples that have succeeded over the last 25 years, some of which continue in operation.
  - Deployed at Chrysler from 1992-98 with massive success – it was called the Collaborative Enterprise. (this was killed by the acquisition by Daimler Benz)
  - Supply Systems at Toyota and Honda have used it for years with massive competitive advantage and thrive today.



- Mayo Clinic has used it for over 100 years with 25% better results than Transactional Health Care
- High Tech & Pharma have used the Alliance Best Practice configurations with excellent success across the globe.
- It was used to rebuild the Santa Monica Expressway after the Northridge Earthquake in less than 10% of the time projected.

These are but a few of the examples used to build the Collaborative Systems Architecture and the Collaborative Leadership Excellence framework to turn architecture into results.

### *Collaborative Systems Excellence is the Architecture of Synergy*

Systems Integration is, by its nature, the design of synergy.

- On can't be overly constrained by "rules" that limit the capacity of synergy to manifest.
- One must conceive a synergistic system in the mind before one can actualize its functions.
- Too often the primary rule of architecture – form (structure) follows function (operations) – is violated.
- Our need for "structuring the deal" or "structuring the organization" (which stems from our need to impose a recognizable pattern, in this case a pattern that is inappropriate) will pervert the outcome.
- This imposition of old patterns on new phenomenon is the reason why companies that are market leaders are overwhelmed by competitors that have a new architecture for the future. Nokia, Motorola, and Blackberry succumbed to the iPhone's collaborative app strategy for this reason. General Motors lost its #1 position in the global auto industry because of Toyota's collaborative value chain. GM also tried to implement Toyota's Lean Management System and failed because it couldn't adopt the collaborative trust-building methodology that was essential Toyota's success. Southwest Airlines gained the premier position in profitability because of its collaborative labor framework.

Finding Synergy is the quest of so many corporate executives. Typically it is sought in acquisitions. Can merging one company with another produce the magic  $1+1=3$ ?

- About three out of four times<sup>18</sup> the synergy fails to materialize in reality, while, on paper, the merger met all the right conditions. What went wrong? All the lawyers and accountants and strategists put on the acquisition target failed to understand that *synergy is most likely to flourish in Collaborative Systems*, and least likely to materialize in Adversarial systems. Add to this if the acquisition is hostile – which is adversarial – introducing massive levels of fear, uncertainty, anxiety. This poisons the wellspring of enthusiasm, the best people seek jobs elsewhere, and 18 months after the acquisition the acquired company is just a shell of itself.

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<sup>18</sup> According to extensive studies conducted by business schools and consulting companies in North America and Europe.

You've got to be willing the break or bend the old rules of old thinking if you want to integrate across the mind-imposed internal and external boundaries of corporate hierarchies. It means both thinking outside the box while at the same time connecting the boxes.

- The Rule of Rules: There are no Rules that can't be challenged.
- Rules are created to ease the tension on the mind's need to have a concrete pattern it can recognize and act upon.
  - Really good rules, however, are often not rules but Principles, which, in the context of other Principles gives us a set of boundary conditions in which to maneuver.
  - Rules become liabilities when they are too strict to enable innovation and adaptation.
  - Where rigid rules prevail, the doors to wisdom and reality are closed.
- Principles are applicable in contexts. Rules often fit if based on a universal physics "law" such as Ohm's Law, or Universal Gas Law.
- Rules create impermeable boundaries that limit our creativity inside a paradigm.  
[For example Thomas Jefferson, who created the U.S. Patent Office, rejected Nathan Read's patent for a steam automobile because it was inconceivable in 1790.]

While the brain's pattern recognition loves to create either/or (right/wrong, yes/no) dichotomous (dialectic) answers, the reality of new ideas means challenging the old rules with new, multi-dimensional thinking that turns a two dimensional problem into a three, four, or five dimensional problem with multiple variables, then optimizes the results based on the best intersection of the variables. It's like solving a series of simultaneous equations with multiple unknowns. But if you can limit the variance inside the field of variables, its easier to triangulate the answer within a limited range of possibilities.

Innovative minds also means having the creative ability to think in metaphors and ask uncomfortable questions that call into question existing paradigms.

- Metaphors often provide a better definition of the problem that enables a far better solution.
- This is why Einstein said "we can't solve today's problems with the same level of thinking that created the problem."
  - For example, when trying to solve the problem of the relativity of time, he imagined himself traveling on an ever-accelerating motorcycle which finally reached the speed of light.
  - Einstein used a metaphor to explain the phenomenon in the 1950s when he was asked to describe the complex idea of relativity in layman's terms.
    - He responded with a metaphor – "when you sit on a hot stove, a second feels like a minute, but if you sat down with Marilyn Monroe, a minute would feel like a second."

Contrarians must be listened to before being marginalized.

- This is where diversity of thinking can yield powerful new insights. Often the solution is counter-intuitive, making intuition null and void.

Right-Left Brain thinkers are invaluable to integrated systems.

Metrics are critical – understanding and measuring leading indicators and causative factors are just as important as results achieved – which are your lagging indicators.

See Appendix #8 for more insights on Synergistic Leadership

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*Trust is the underpinning of all  
Collaborative Enterprises.  
Without a great trust architecture,  
the system unravels.*

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## Appendix 4 -- Brain as Pattern Recognition & Prediction Machine

Brain seeks to find meaning in everything it processes. The search for meaning often begins with the brain's pattern recognition mechanism. It wants to see something holistic and complete upon which the brain can then predict the outcome and take appropriate action.

Think of why we watch the weather report before going to bed or upon arising in the morning – we need to see the weather pattern, understand the prediction, and take appropriate action on the clothes to wear or the time to get to work. The brain wants to understand safety issues, risks, certainty, enjoyment, difficulties ahead.

Architecture integrates patterns in the mind which are supported by belief systems – patterns become

paradigms, belief systems then frame future patterns and paradigms.

*Architecture is the design framework into which the brain integrates its pattern recognition and prediction processes.*

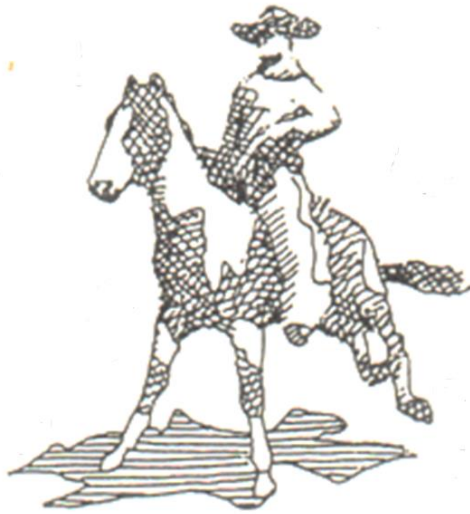
The brain abhors a “blob” – an incomplete, incongruous, abnormal, ambiguous, or contradictory pattern. When it sees such a blob, the uncertainty typically will either register as something not valued and disregarded, or something dangerous to be feared.

To understand the nature of Pattern Recognition and its relationship to “architecture” of anything, look at this first picture:



What does your brain recognize? What is your brain trying to do with this seemingly unclear pattern? Do you feel a sense of anxiety, confusion, and perhaps even distrust as you look at this picture? Or do you just discount the whole set of blobs as irrelevant or inconsequential?

Now look at the picture on the next page. What patterns does your mind now recognize?



Yes, it's a picture (symbol) of a cowboy riding a horse. This pattern recognition is the basic "architecture" the brain was trying to find in the first picture. There are actually three "underlying architectures" in this depiction: Horse, Cowboy, and Shadow.

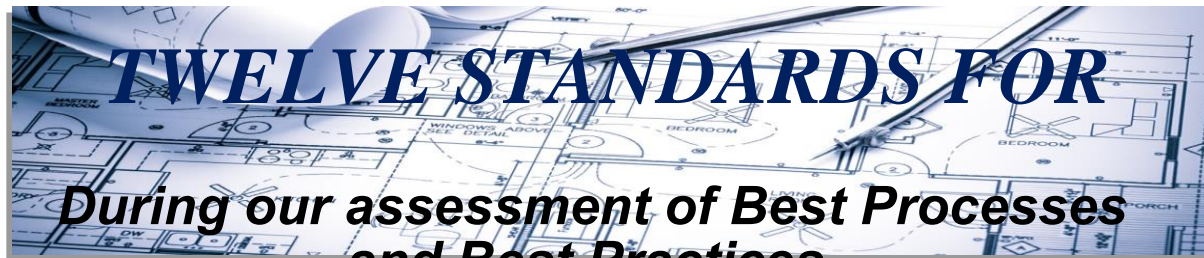
Do you feel a sense of relief that the ambiguity and uncertainty is gone? Do you have a heightened sense of security that the pattern doesn't represent a threat? Does the image now have more utility?

Leaders must be able to communicate their messages through simple brain recognition "maps" – which we call "architecture" – the inherent design of something that we can relate to, connect with, and trust.

*Just as space abhors a vacuum,  
the brain abhors a confused pattern.*

*Patterns are needed to enable  
Predictions to guide our actions*

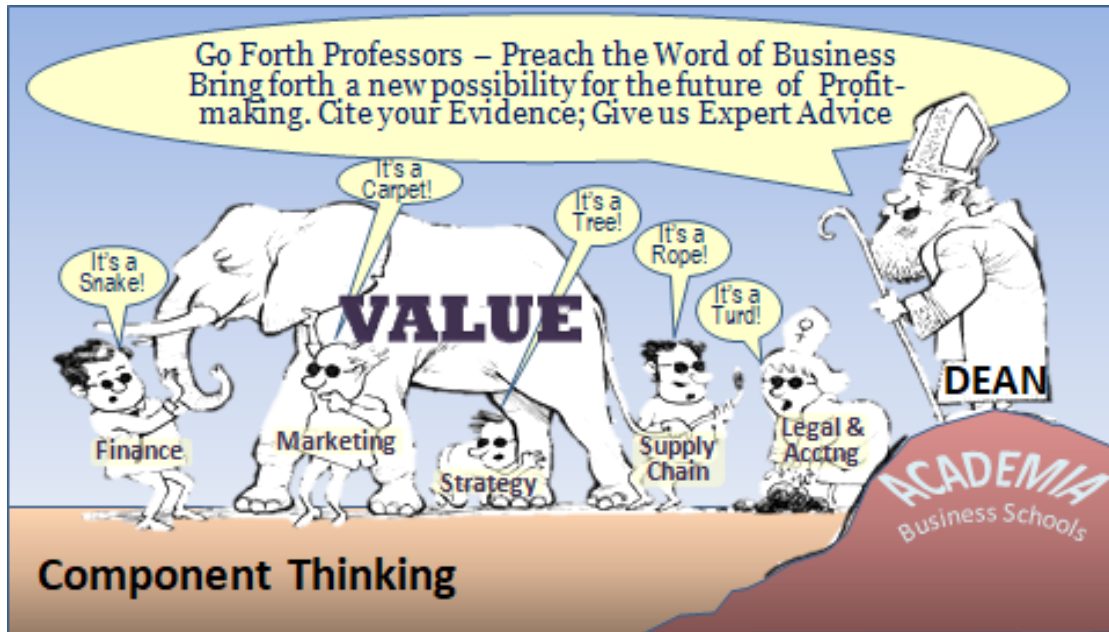
## Appendix 5: Twelve Standards of Architectural Excellence



**During our assessment of Best Processes and Best Practices, we apply stringent standards to ensure the quality of the outcome.**

- 1) **Applicable:** *Is there a clear “flow” of the practices in an orderly or rational sequence? Does the principle or practice have applicability to nearly all situations, regardless of industry or culture?*
- 2) **Actionable:** *Will the principle truly work in practice, or is it just nice theory? Are the Actions clear, concise, and linked to the practice, principle, or process?*
- 3) **Understandable:** *Can this principle or process be simply communicated to those involved?*
- 4) **Verifiable:** *Can we clearly observe the changes when the principle or practice is put into place?*
- 5) **Measurable:** *Is there a method of measuring this principle's/process' effectiveness in action?*
- 6) **Controllable:** *Will the principle enable more effective control of direction, intensity, speed of the collaboration?*
- 7) **Diagnosable:** *Is it clear what “not to do?” When there is a problem, can we see the problem clearly, do we have a way to recognize the misapplication of the principle/process?*
- 8) **Prescribable:** *If an element is missing, can the principle/process be injected into the system to cause a cure?*
- 9) **Replicable:** *Can we recreate a positive result, time and again?*
- 10) **Trainable:** *Can operational managers successfully acquire the skills and knowledge required for implementation?*
- 11) **Valuable:** *Is the principle/process really essential, or merely a superfluous nicety?*
- 12) **Predictable:** *Can we foresee, in advance, the positive or negative results? Are there ‘preconditions’ for success needed in advance of a program launch?”*



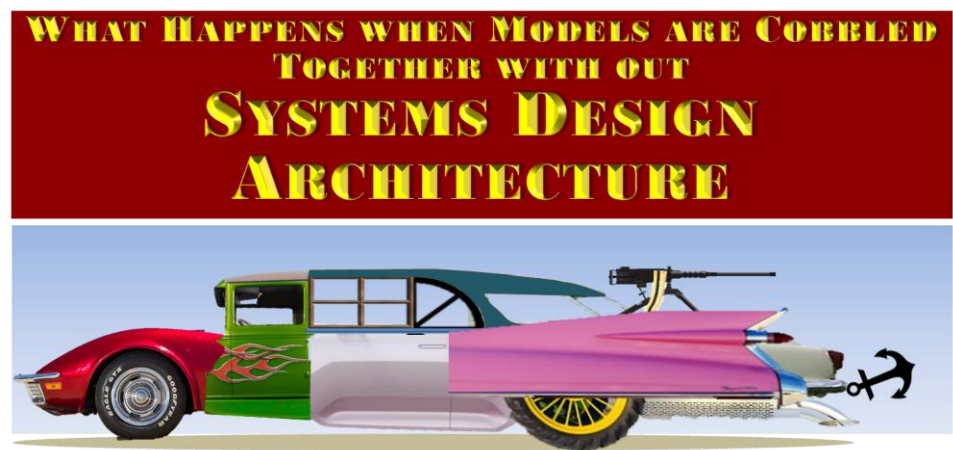


## Appendix 6: The Curse of Muddled Models

### Muddled Modeling & Component Thinking

Figure 8: Fragmented Subject Matter Expertise

The greatest difficulty in implementing Collaborative Systems Excellence is the massive “installed base” of muddled thinking, fragmented models, and fractured component expertise thrown at decision-makers every day by subject matter experts, consultants and business schools. Typically they smatter the brain’s pattern recognition system with ideas that have



The Mating of a Chicken, Frog, Worm, Shark, & Butterfly doth not make an Eagle.

not been integrated into a system, or are actually contrary to collaborative excellence. When ambiguity and uncertainty lies ahead, leaders all-too-often turn to their “palace guard” (i.e. lawyers and accountants) who, in the name of safety and protection, impose strictures and constraints that inadvertently trigger the corporate auto-immune system against itself.

When fractured subject matter experts create their own proprietary models, they actually increase the chasms between concepts and best practices, producing monstrosities of design that look like Figure 7.

Figure 9: Results from Lack of Systems Integration

### Appendix 7: Immersive Learning Experience

Because of the “installed base” of legacy thinking and muddled modeling imbedded in the minds of so many leaders, an intense re-framing learning journey is essential. A “smattering of this and a tweak of that” is simply unproductive and unsustainable.

Learning Collaborative Excellence requires an Immersive Learning Experience. The re-learning journey has three fundamental components: the “Three A’s” (see Figure 8)

1. *Awareness* explains WHY something is so important
2. *Architecture* provides a logical framework of WHAT the system looks like
3. *Action* tells us HOW to produce great results.

This is the way the mind learns.

Each and every module in the Immersive Team Learning Workshop Program is designed with this Triple A Learning Loop

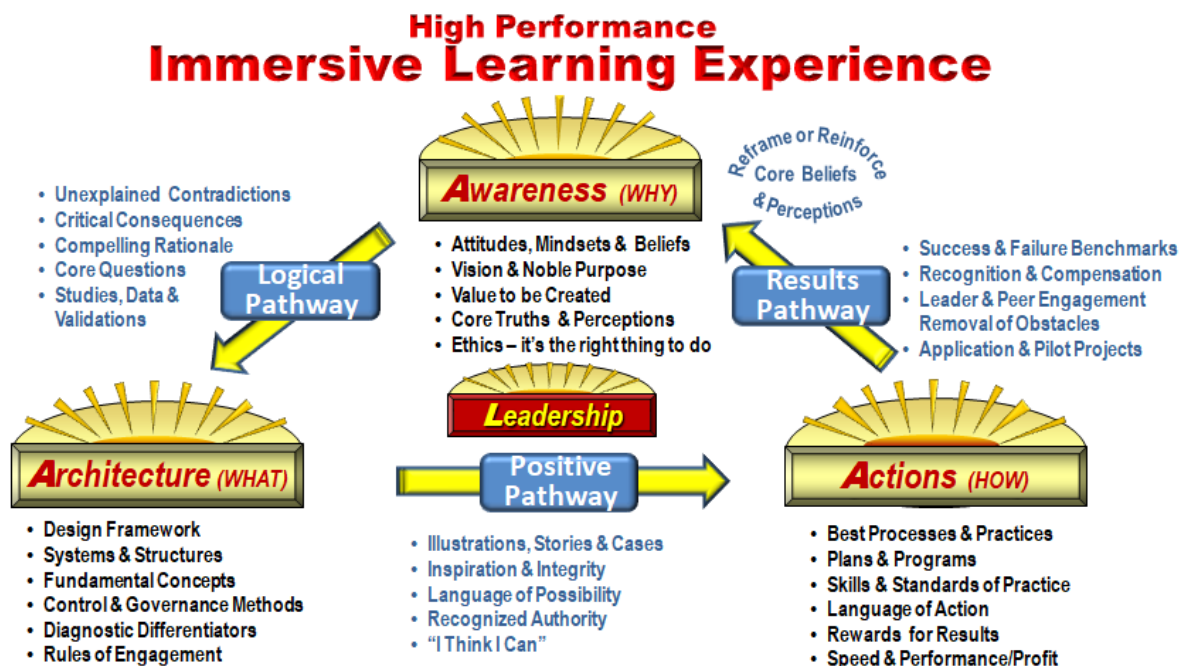


Figure 10: “Triple A” Immersive Learning Experience

#### *What's Unique from Other Programs?*

**What's makes this program different from all the others I've attended?**

First, most likely all the programs you've attended in the past, from college to advanced adult learning, were fragmented – you received advice and models from one authority that did not integrate their model with another authority. Thus you were challenged to integrate in your

## Collaborative Excellence

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own head a patchwork of frameworks, methods, and mindsets that may not really have created synergistic impact with the other models.

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*We have ensured that our models and frameworks all fit together seamlessly,  
so that one framework elegantly dovetails into the next.*

*We believe this to be the first fully integrated collaborative systems excellence program ever delivered.*

---

Second, all too many management training programs and business schools amalgamate a pastiche of strategies and methods, some of which are *adversarial*, some *transactional*, and others *collaborative*.

We have fastidiously ensured that all our approaches capitalize on creating a collaborative system – all the way from the neuro-chemistry of the brain to large-scale organizational transformation.

Third, our workshops integrate scientific studies with the wisdom of the ages, along with best practices, tested operational strategies and universal fundamentals of human behavior a holistic, integrated, easy-to-use architecture that will culminate in a revelation that will demonstrate:

- What really causes humans to act the way they do
- The best leadership methods that will produce highest performance
- What causes people to distrust, fight, and destroy each other
- How trust is actually hard-wired into the brain's DNA and how to access it quickly
- How to build a world of trust and avoid the traps of guile and manipulation
- How to align teams and turn breakdowns into breakthroughs
- How to create synergy and unleash innovation
- How to spot the untrustworthy and limit any damage they might do.

Because our approach begins at the universal level of human behavioral trust-building, it helps transcend and transform cultural differences.

What you learn can be (and has been) used in a wide variety of cultures across the globe.

## Appendix 8: Qualities of the Collaborative Leader

### **The Collaborative Leader Seeks First to:**

- Unite, Not Smite
- Guide, Not Divide
- Inspire, Not Open Fire
- Elevate, Not Denigrate
- Embrace, Not Disgrace
- Enlighten, Not Frighten
- Enthuse, Not Confuse
- Engage, Not Enrage
- Align, Not Malign
- Integrate, Not Segregate
- Lift, Not Rift
- Trust, Not Disgust
- Learn, Not Spurn
- Innovate, Not Desecrate
- Empower, Not Overpower
- Create, Not Hate
- Explore, Not Deplore
- Resolve, Not Devolve
- Demonstrate, Not Castigate
- Understand, Not Reprimand
- Reclaim, Not Blame
- Use Differences as Engines of Innovation,  
Not Destruction



The Collaborative Leader, engaged in the 4 Alignments, thus becomes a “Synergistic Leader.”

### Synergistic Leadership

Synergistic Leadership is not focused strictly on the Leader -- it’s about getting teams to align and create together, getting differences to become additive, to join collaboratively in an organizational “symphony” integrating harmony, melody, rhythm, beat, counter-point -- each individual’s special personal nature -- their “instruments” that can make real music, not just a lot of noise.



Synergy is “Aligned Energy.”

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*It’s about Inspiration, Vision of a Noble Cause, Innovation, and building a System of Trust that unleashes and focuses human energy.*

*The Revelation about Synergy is that it is, in the final analysis, about “Aligned Energy.” The only way to align energy to build upon a powerful Architecture of Collaboration.*

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When a leader understands how to align differentiated skills, thinking, and the driving forces of human behavior, then the potential of achieving a “Symphony of Synergies” comes within reach

### *Mastery as Relationship Architects*

Very seldom does synergy happen by accident. It manifests because people believe it is possible; and then design a methodology to make it a self-fulfilling prophesy. To those who build strategic relationships, our work is not just a business profession, but a mission with its roots solidly set in the “architecture of cooperation.”

Our mission is to transcend divergent points of view, thus co-generating bold new futures where differences become the ever-renewable source of creative energy, the essence of innovation, the dynamism of new possibilities. Ours is a noble endeavor -- designing the synergy of compatible differences. Daily we must use honor and integrity to build the trust that is essential to all our relationships.

Held within the seed of the architecture of collaboration is the power to let us bring a new insight, a new pathway, a new hope, a new spirit, and a new power to our world.

Each day, when we create a strategic relationship and use collaborative innovation, we are contributing to the creation of that higher order of experience and action that makes our workplace a better place to live. Daily we are honing the skills and transmitting the abilities and multiplying the possibilities to spawn a better world around us.

As we expand our capabilities in teams and alliances, we can use these proficiencies in a multitude of applications -- better government, better teams, better families, and better communities.

In the large span of things, step by step, relationship by relationship,  
we will have created a better world for all of us.



## **Synergy and Synchronicity (or “Synchronergy”)**

### ***How the Synergistic Leader Builds Powerful Collaborative Relationships***

*By Robert Porter Lynch*

One of the deepest desires of any normal human being is to be harmonized, synchronized and unified with others, as brother, sister, husband, wife, father, mother, neighbor, or friend. It is this common unity that underpins marriage, family, teamwork, community, alliances, nations, and the world of humankind. Yet it remains our most thwarted and elusive goal.

The “Quest for Synergy” is, at the same time, mankind’s highest aspiration, loftiest ideal, and most soulful yearning. “Synergy” is the elusive but alluring song of all teams and alliances. Its archetypal attraction is bound in its possibility of creating something more the sum of its parts. Synergy captivates all, escapes most, briefly visits some, and for the blessed few, bestows enormous wealth and success.

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*Where there is Neither Vision Nor Trust,  
Everything Defaults to Politics.*

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What then is the magic of synergy? Or is magic at all? The quest of every team or leader is to find this holy grail -- the formula or architecture that will manifest this gallant goddess with singular regularity; to unveil synergy’s secrets like Edison’s applications of the power of electricity or the Wright brothers manifesting man’s ability to fly.

#### ***The Illusion -- What’s Missing?***

Not understanding the essential nature of synergy results in comments like these:

“We know how to create alliances, but don’t know how to manage them!” reflected one American top executive, who lamented the lack of success in achieving his alliance’s primary goals.

“Government needs cooperation and coordination if we are to be efficient. However, we never seem to get alignment between the Federal, Provincial, and Municipal governments. Sometimes we get in bitter entanglements. It doesn’t look very good when the press gets hold of it,” was the complaint of a deputy minister in a Canadian province.

“Our internal teamwork is terrible. We can’t get any cross-functional group to work. People seem to build internal walls between our departments,” groused a senior executive who watched his company polarize in the face of increasing competition and customer demands.

“It looked great on paper, but it was a terrible fit in reality. Our cultures clashed on every issue from decision making processes to rewarding our sales force;” stated a dejected alliance manager in the pharmaceutical industry.

“During negotiations, the deal makers poisoned the well, and we haven’t yet recovered. We had to undo all the damage caused by the adversary legal jargon;” was the battle-weary response of the president of a multi-billion dollar international joint venture.

“Alliances are an unnatural act for us. They are extremely difficult to manage; we’d prefer to do acquisitions; that way we can control them, ” complained a senior vice president of a large German chemical manufacturer. Later, he noted that 30% of his revenues and nearly 50% of his division’s profits came from alliances, but “ we spend only 5% of our management time on them.” For some inexplicable reason he failed to allocate management resources to the highest profit generator in his business.

“Our acquisitions are largely a failure. We’ve bought very successful companies, but soon afterward the best of all the newly acquired people drift off into other jobs. Then the real problems begin...customers are lost, profits decline, innovation wanes....” was the sad comment of a chief financial officer.

“We seem to reorganize over and over again, hoping we can attain better teamwork, coordination, and launch new initiatives better. Unfortunately no amount of reorganization seems to make a difference,” a dejected government leader lamented.

In today’s fast moving, rapidly changing, and interrelated world, organizational relationships have become complex and often confusing. Fundamentally, executives, managers, and civil servants who’ve been managing in traditional hierarchical command and control companies are befuddled when given an assignment that requires them to develop relationships outside their span of control.

The synergy they seek from the relationship remains elusive; cultural differences become insurmountable obstacles; project management turns into problem management; and the bureaucracies of the two parent organizations can become a quagmire of politics.

### *Secrets of Synergy*

Not every complex organizational relationship experiences these impasses.

“I am amazed how well our two companies are working together. We are actually ahead of schedule, and have had relatively few difficulties;” was the delighted comment from the alliance manager of a strategic sourcing venture consisting of a European food service company and a Canadian partner.

“After only 6 weeks of working together, it’s hard to tell the difference between the employees of their company and ours;” explained the director of an international mining company, commenting on his joint venture with an electronics firm.

“I’ve forged alliances internally with our different departments and locations, with our work force, with our suppliers, and with our best customers. It’s enabled us to put new programs into place rapidly. Our sales and profits have increased over 150%,” was the proud statement of a Canadian manufacturer.

“Our team is unlike any other I’ve worked on. Even though the members are very diverse, we trust each other, and work for a common goal and purpose. Our differences are additive, unlike others that seem to be fighting continuously.

These collaborative managers achieved success because they insisted that their joint teams spend ample time understanding the unique aspects of strategic relationships, building cross-cultural teamwork, and establishing processes and skills to access and embrace the unique value of their joint vision and their partner’s unique strength.

Experience has proven that there are invaluable beliefs and skills which are often overlooked that enable collaborative managers to produce high performance results: skills at managing differences, breakthroughs, speed, and transformation.

### *The Value of Differences*

The fundamental reason why teams or alliances are formed is to access a capability within other people, groups, or organizations, thus finding the magical synergy, the 1+1=3. However, this means capturing the value of differences.

Lying within these inherent differences is the promise of the new team to create bold new futures, or conversely, to implode upon itself as differences turn destructive. Unfortunately, for all-too-many organizations, differences become corrosive, actions become angry, self-protection arises from distrust, and polarization rigidifies points of view. Some people turn to lawyers to generate reams of legal documents to create surrogate contractual trust. Others stand their ground more firmly, often with dire consequences – liberals versus conservatives,

Protestants versus Catholics, Muslims versus Jews, capitalism versus communism, blacks versus whites – and the list goes on. Seemingly, the difficulty in managing differences is a relationship problem has gone on since the beginning of recorded time. The Bible is filled with these conflicts, Chinese history records similar conflicts, and even the wisdom of Socrates and Plato did not diminish the carnage.

Traditional approaches to managing cultural differences have focused on becoming sensitive to differences, cross-cultural training, understanding linguistic nuances, and acculturation. While these methods have their worth, a number of very essential approaches are often overlooked that distinguish successful organizational relationships (each element will be explored in detail in the following pages):

- Power of Shared Vision
- Synergy of Compatible Differences
- Trust Building
- Commitment to Mutual Benefit & Camaraderie
- Sharing Expands Possibilities
- Conflict Transcendence
- Turning Breakdowns into Breakthroughs
- Transformational Flexibility

### ***The Power of Shared Vision***

The universal vitality of focusing on a powerful common vision, backed up by a dynamic and inspiring value proposition that speaks to the customer shows no cultural boundaries. For example, take this typical vision for a government:

“We will be the leaders in (energy management, or education, or transportation, or public service, etc.).”

It presents a “vision vacuum” by saying nothing, containing no commitments, and inspiring neither the organization’s stakeholders nor its customers nor its suppliers. Devoid of a powerful vision, everything defaults to politics, manifesting as cultural differences, which then divide the stakeholders against themselves.

As the old adage from Alice in Wonderland states: *“If you don’t know where you are going, any road will get you there.”* And that road will be fraught with in-fighting, subversion, despair, and confusion, all of which will ultimately lead to the ruin of the alliance.

Contrast the weakness of a faulty vision with the motivational force of a more commanding perspective:

“Our team will create 10 new innovations each year that will reduce the costs to our customers by 25%, while accelerating their throughput by 50%.”

By having a powerful central vision and value proposition such as this, partners focus differences on how to achieve the joint goal, rather than arguing amongst themselves as to whose way is the “right way.” A shared vision helps ensure synchronicity. Powerful visions are all founded on belief in the ability to discover the unknown, accomplish the seemingly impossible, and overcome the apparently unattainable.

Therefore, strong leadership must be present to build such a vision and to unify and align the team’s differences for a common purpose.

### *Synergy of Compatible Differences*

Synergy does not just occur as a natural byproduct of a relationship nor from a tough legal agreement, nor by dint of a dream.

Rather, it must be designed with architectural aplomb. But more, synergy must be activated by a powerful set of actions founded upon the understanding of how differentials produce the 1+1=3 effect.

“If two people in the same room think alike, one is unnecessary;”  
commented the philosopher Ernest Holmes.

The eminent psychologist, Carl Gustav Jung foresaw the potential of relationships when he said: “The greater the contrast, the greater the potential. Great energy only comes from a correspondingly great tension between opposites.” Joel Barker, in his groundbreaking work on paradigms, recognized that new paradigms originate from outsiders who think differently, not from insiders who see their world from an old and tired perspective. Each of these men understood the profound impact differences can have on the co-creation of bold new futures.

Invariably, however, ethnocentric or business culture attempts to enforce its mighty and frequently destructive hand. Some team members may begin by making judgments regarding the other side’s culture, branding it as strange, wrong, inefficient, bad, or unproductive. As soon as this begins, fear, uncertainty, doubt, and distrust begin to fester, and then the alliance begins to unravel. This calls for strong action.

Adept relationship managers, leveraging the vision for the alliance, will call for creating a “synergy of compatible differences” in which differences are respected as source of innovation, cherished for their ability to break paradigms, and expected to produce creative solutions. The manager’s ability to create this new “super-ordinate” culture within the organization enables the relationship to produce at higher performance levels than either individual member can achieve alone.

Because complex organizational relationships cannot be commanded, the mechanisms for leadership and control are dramatically different compared with most conventional hierarchies. Great relationship managers tend to be “integrators,” possessing outstanding skills in bridging differences through their ability to translate across cultural boundaries. The greater the differential between cultures, the greater the need for highly skilled integrators.

Often the effective integrator will develop principles and values for the alliance that forge unity of vision and purpose. Integrators empower those around them by recognizing that “people support what they help create.” Thus, they use techniques to unify alliance members, rather than divide them, to bring out the best in others.

### ***Trust Building***

Ask any collaborative manager about the value of trust in a relationship, and they will wax eloquently about its impact on success. Without trust, relationships fail, period.

Trust is the foundation of all cooperative enterprise.

Trust is the hallmark of the personal relationships between the people who constitute the team. Without this trust, no legal agreement, no strategy, no structure, and no process can achieve its objectives. These personal trusting relationships distinguish great team leaders from their transactional cousins who forsakenly bring the *Fool's Golden Rule* into relationships:

“He who has the Gold: Rules.”

The best strategic relationships tend to use three “metallic” rules:

**Golden Rule:** *"Do unto others as you would have them do unto you."*

**Silver Rule:** *"At least do for yourself what you would do for others."*

**Iron Rule:** *"Don't do for others what they can do for themselves."*

Trust is the glue that binds personal relationships and the grease that prevents frictional differences from becoming fractious.

Trust and Integrity are the threads of the complex relational fabric. Integrity is more than just being honest or trustworthy. Integrity means being true to oneself, to one's deepest values; and the benefits are ultimately both a divine blessing and a liberating freedom.

“Integrity resides in the ability to constitute yourself as your word. As such it is a home, an anchor, a self-generated and continuing commitment to honor your word -- despite contrary thoughts and feelings if need be. It is a



consistency of being, speaking and acting that shapes who you are -- to yourself and to others.” -- Anonymous

Integrity becomes a divine gift by enabling us to touch the deepest yearnings of others around us, thus creating a new set of possibilities filled with hope and inspiration. Integrity is thus expansive, allowing us to become more than ourselves, to create with others, to empower others. Integrity includes setting expectations and consistently meeting them. Integrity marvellously liberates us to live our relationships forward into the future, enabling us to experience the present moment cleanly and without fear that our past will undermine us, corrode our vision, and erode our energy.

The lack of integrity inevitably forces one to look back over one's shoulder, haunted by a past filled with historic baggage which will harbor tomorrow's illness, or threaten to destroy one's false illusions that were invented to disguise the sordid realities of a disingenuous life.

In a fast moving world, trust and integrity thus spawn a massive competitive advantage, because together they enable the teams to make rapid decisions without the need for a legal contract every time someone tries to make a decision. What's more, trust and integrity enhance creativity, build teamwork, reduce unnecessary transactional costs (such as memos to protect oneself), and make the relationship more fun, thereby building human energy.

*Trust has been elusive;* ultimately, no amount of pages in a legal contract can substitute for or replace weak trust. It's the single most important thing that separates collaborations that thrive from those that fizzle. Trust enables everything to move faster, more effortlessly, and with less conflict. Mistrust causes everything to be more complicated, slower, and far more fragmented. In spite of its importance, trust is too often taken for granted.

The alliance professional that can build a strong relationship of trust creates enormous economic value. Our economic studies have shown consistently that trust can double the rate of innovation, accelerate speed of implementation by two or three times, and cut non-value-added work in half, or more. The economics of trust are compelling, especially considering that it costs little or nothing to create trust, while it is excruciatingly expensive to co-exist without it.

Why is trust so seductively elusive? Because there has been no clear “architecture” or “system” for trust, it has fallen into a vague and ambiguous area where the mind-set for trust is fuzzy; the skill-set is deficient; and the tool-set inadequate. Alliance professionals need not be trapped this way.

Because trust has been an interdisciplinary target caught between academia's cracks, zigzagging the boundaries of leadership, political science, sociology,

anthropology, psychology, organizational behavior, and neuroscience, no concrete “trust architecture” has emerged. We aim to change that.

This has left us lost in a multitude of platitudes, slogans, and aphorisms, such as “trust but be sure to bring your lawyer,” “trust but verify,” “trust must be earned,” “be skeptical before you trust,” “be sure to have an exit strategy,” and so on. Unfortunately none of these approaches really produce any trust. [the UBC course will provide this “architecture of trust” in a compelling way.]

Because fear is the principle cause of distrust, leaders should be very hesitant to use fear as a means of motivation – its short term gains may be very limiting in the long run. While fear causes people to withdraw, withhold, undermine, and generate suspicion, trust does just the opposite, being both the grease making things work fluidly, and glue that binds.

Embedding a system of trust into your alliance yields enormous rewards for all stakeholders. Trust unleashes latent human energy and enables it to be aligned on a common purpose. Many leadership situations require influencing without authority, which can only happen when those we wish to influence trust and value us. Trust produces highly effective people, high performance teams, useful ideas and innovations, and people who want to come to work because it is an energizing, co-creative experience. Leaders who want to support collaboration, be considered trustworthy, and trigger innovation should keep the “FARTHEST” principles in mind:

- **Fairness** in all your dealings to be sure everyone gets a fair shake. Successful innovation leaders are perceived as being even handed, good listeners, and balanced in their approach.
- **Accountable** for your actions. When you make a mistake, admit it and move on. Accountability is the external manifestation of internal Integrity. Leaders without integrity are quickly dismissed as hypocrites.
- **Respect** for others, especially those with differences in skillsets and points of view is critical. Without respect for others, trust cannot be built. Giving respect is the first step in gaining trust – then moving forward to synergize differences in thinking.
- **Truth** is an absolutely essential component of building the type of trust that triggers innovation. Remember, your emotions or perceptions are seldom real truths. Stick to the facts – things that are measurable or concrete. And remember, a critical comment has about five times the impact as a positive comment. So balance your truths carefully.
- **Honorable purpose** must be the foundation of all your actions. If people perceive your purpose for innovating as strictly for selfish purposes, without a

component impacting the 'greater good,' you will not be perceived as trustworthy.

- **Ethics & excellence** in standards. Innovation is propelled by the idea of always getting better, improving continually, reaching for the highest level of performance. If anyone sloughs off, they must realign to the highest measures, otherwise others will be resentful or fall off in their performance.
- **Safety & security** are essential to all human beings. This includes ensuring that there is "No such thing as Failure, Only Learning." Be careful not to punish what might look like a failed attempt at creative solutions; encourage learning from failure. And always avoid the Blame Game. Fear does not produce innovation. You will know when people feel safe – they will be laughing. Creativity is not all grinding labor; it's having fun and laughing a lot, spontaneously creating in the moment – that's magical. Research shows that laughter releases endorphins that trigger creativity.
- **Transparency & openness** enable everyone to see intentions, share data, and exchange ideas in a culture that supports challenging of ideas and develops new insights.



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