9

Semi-Detached Buildings: Planning in partnership

As the world of business becomes ever more volatile, and change becomes a constant feature for us all, it is no longer enough to have the 'best business'; market domination, lean manufacturing, best practice, massive profits are all transient features. They are trophies won from yesterday's battles fought on yesterday's terms. Tomorrow will bring new terms and new battlegrounds, and the strategies and battle plans that you use today may find themselves outmanoeuvred, outflanked and out of the running if they fail to adapt quickly to the new threats and

opportunities that are presented.

Successful businesses of the future will not only need to be good, they will need to be agile; that is they will need to be good on an ever-evolving basis. People sometimes confuse agility with flexibility, responsiveness or the ability to absorb change, but agility is more than that. Imagine, if you will, a cat. A cat is not only fast and responsive, it is 'ready' at the end of every movement. Agility is the ability to move from one state of 'readiness' to another, quickly and effortlessly. It is about presenting a continuous sequence of 'being the best' without ever appearing to have transitioned through anything else.

The approach we have covered in this book provides a firm basis for agility. Its use of meta-level logic, the explicit mapping of relationships and deployment of objectives, a management system that is rooted in 'improvement' all combine to configure your business to its optimum, regardless of circumstances. In the preceding chapters, change hasn't been something to contend with; it has been the very lifeblood of your business. It has been the basis for your objectives, your structure and for realising the creative potential of your people.

But for real agility, there is still something missing. We are still talking about one cat! But what about a cat that can call on the services of a giant eagle? Or a shark?

Okay, the metaphor has now been overstretched - but the point is: a business that is able to reconfigure its approach with a changing set of partners, adding on capabilities and competences at will, has a huge advantage in ensuring it remains agile. As the world becomes more complex, increasing numbers of businesses are finding that alliances provide them away of leveraging their areas of expertise with the technologies and

strengths of other organisations. They are also finding that this approach enables them to focus on constantly honing their core competences, and divest ancillary activities to their partners. As a result, they can become ever-more world-class in a narrow field, and use an ever-evolving pattern of alliances to engage competitively with an ever-changing world.

However, while partnerships can provide you with options and solutions far more extensively and far quicker than you could possibly achieve organically, they do introduce another layer of problems and risks that need to be managed effectively. Chief among these are the difficulties of ensuring that the efforts of both organisations are efficiently aligned on a common set of goals.

This issue of aligning the efforts organisations on a common set of goals has, of course, been the whole subject of this book. But to this point, we have been focusing on are organisation.

Does it work for two organisations in an alliance?

The answer is unreservedly 'Yes!', and for three or more if that is appropriate. In essence much of the approach remains the same, but for a virtual organisation. There are some subtleties over how the objectives are developed and over ensuring that the processes are appropriately allocated to each partner, but essentially the rest is very much as if you were designing one homogenous organisation.

To determine the objectives of the alliance or partnership between two separate organisations, we have found the following approach very effective:

1.   If the alliance or partnership is one

that has been in existence for a lit-
tle while, it is important to get
some shared perspectives on
what needs to be done. A collec-
tive SWOT exercise for the
partnership can be very
effective in this regard:
each partner mapping out
what they feel have been
the strengths and weak-
nesses of the partnership,
and what they see as the opportu-
nities and threats now facing the
partnership. If these are stuck up
in different coloured sticky-notes
for each partner, they provide a
valuable basis for discussion and
for stimulating thought on what the
objectives for the partnership
should be.
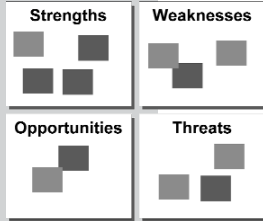
2. Each of the partners (the team
   that represents one of the organi-
   sations in the partnership) should
   then work in isolation to
   develop a clear picture of
   what they want delivered
   from (achieved by) the
   partnership. These
   should be phrased as
   clear objectives (though
   without necessarily
   including quantification)

*For any organisation an
alliance is a means to an
end, and it is vitally
important to get that
'end' clear in the mind of
each allying organisation
if they are to bond effec-
tively.*

and written on separate sticky-notes in flipchart pen.

3. Create a large four square (two by two) grid on four sheets of flipchart paper and stick it on the wall. On the left hand vertical axis, write 'Value to [name of your partner]' and draw an arrow head at the top of the axis. On the bottom horizontal axis, write 'Value to [name of your organisation]' and draw an arrow head on the right-most end of the axis.
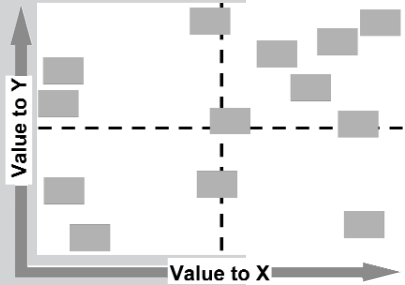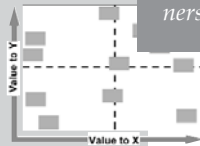

4. Invite both teams to stick their sticky-note objectives on the grid. BUT your partner's team should only stick their notes along the edge of the left hand vertical axis, and your team should only stick their notes along the bottom horizontal axis.

5. Explain that the position a sticky-note has vertically on the grid, indicates the value that it has to [your partner] and the position it has horizontally indicates the

value it has to [your organisation]. Any sticky-notes that are to the right of or above the half way lines are objectives that either partner would like to see included in the objectives of the partnership. Any sticky-notes that are in the top right quadrant are objectives that both partners would see as an objective for the partnership.

6. Explain that your partner's team can only move sticky-notes vertically, and that your team can only move sticky-notes horizontally, and that therefore for a sticky note to arrive in the top right hand quadrant it will need to have been valued and moved by both partners. Invite the teams to gather round the grid and move the sticky-notes in response to how they value them. Initially this is to be done with no conferring between the teams (only within each team).

For any objective to occupy this top-right quadrant means that it has been valued by both partners

7. When the grid settles down, explain the picture that has evolved. Objectives in the top right are ones that both partners want to share in the partnership, objectives in the top left

are ones that your partner would seek to derive from the partnership, objectives in the bottom right are ones that you would seek to derive from the partnership, and objectives in the bottom left can be disregarded in terms of the partnership. Then allow the two teams to discuss the picture together and negotiate things that are important to them. But the rule on which partner can move sticky-notes horizontally or vertically still remains.

Negotiation helps both parties to understand the value and implications of each others objectives and to reconcile them into one set with shared ownership.

8. Ensure the discussion remains fruitful and conciliatory, and reach consensus on those objectives that will form the explicit objectives of the partnership (those in the top right quadrant). There is nothing wrong with either partner then having additional objectives for how they will further exploit the benefits of the partnership (those in the bottom right and top left quadrants) but these do not form part of the shared objectives, which are taken to the next stage.

The grid helps each organisation to understand what they can rely on their partner for, and what they need to take full responsibility for themselves if they are to get full value out of the partnership.

Having agreed the shared objectives of the partnership in this way, the process of developing these objectives can follow the approach detailed in Chapter 2.

Care needs to be taken when considering the structure of the partnership. The house is very useful for allocating responsibility for the common objectives between the two partners, providing the process ownership is clear, i.e. which partner owns which process. In developing a suitable structural model it is important not to compromise this clarity. There are a number of options to help with this:

1. Ensure this is part of the brief given to each of the teams developing the possible models (see Chapter 3), and reflect the different ownership of the activities by using different coloured sticky notes (e.g. activities undertaken by partner A are yellow, while those undertaken by partner B are pink)

2. Each partner only develops models for the parts of the structure that are clearly their responsibility. The complete model is then the combination of the partner models.

3. Start with the existing structural model, and use debate to propose and agree any changes within the structure (e.g. allocation of activities to processes) – ensuring that clarity of responsibility is an element of the debate.

4. Keep the structure in each organisation exactly as it is currently, but use the house to identify the potential for better aligning the processes of

each partner to the objectives of the partnership.

5. Any combination of the above, applied to different parts of the structure as appropriate.

The grid of the house can then be developed as explained in Chapter 4. Collective discussion of the relationships by both partner teams together achieves a lot in the way of mutual understanding and helps to build teamwork and a sense of even greater shared responsibility for the objectives.

Teamwork can be helped further through the process of appointing tenants (Chapter 5). The senior tenant should always be part of the organisation who owns the process, but it builds closer working relationships and better understanding when a team member from the other partner organisation is seconded to the tenant team. This can introduce new perspectives and different ideas when the team comes to think through its response to the relationships in the house (Chapter 6).

The roof (Chapter 7) provides an excellent mechanism for pulling the two partners even closer together through process to process communication that helps to keep the overall strategy aligned, and to defuse potential issues as soon as they arise.

The house can provide further insight and focus both before and after any partnership discussions.

Before the discussions, the work done in the preceding eight chapters (in developing in our house) can help the organisation identify the core processes for their strategy and objectives, and to identify those that may be better or more efficiently provided through partnership.

And, after the discussions, each organisation can use its own

house to ensure that it fully exploits the opportunities that the partnership provides for leveraging their objectives.