

FORETHOUGHT INNOVATION

Learning the Fine Art of Global Collaboration

by Alan MacCormack and Theodore Forbath

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Companies that excel in using partnerships to innovate are known for doing many things well. For example, they figure out how collaboration can improve the top line as well as the bottom line, and they organize themselves to work effectively with partners. What isn't widely appreciated is how much time and effort these companies put into getting better at collaborating.

Unlike the many companies that treat collaboration as a form of outsourcing, leading firms make significant investments to develop their collaborative capabilities—for instance, by experimenting to learn what processes and practices work best or by selecting a new partner in order to tap its broader experience of cooperating with others. These firms don't assume that their existing staff and processes are equipped to work with creative partners around the globe. In fact, they believe the opposite—that they must discover new skills and organizational arrangements to make collaboration work.

Our worldwide study of collaborative innovation reveals that this willingness to invest in improving partnering capabilities is one of the factors that help successful companies develop collaboration as a new and important source of competitive advantage. The study, encompassing a range of industries, from aerospace to software, included interviews with more than 100 managers in 20 firms that use collaboration extensively in their innovation efforts.

Our work revealed that leading firms make strategic investments in collaboration, drawing funds from outside the budgets of individual projects. These investments address four crucial areas:

People. Successful firms alter their recruitment, training, evaluation, and reward systems to focus on “soft” skills such as communication so that managers can better learn to motivate and coordinate team members who are outside the firm and, sometimes, in vastly different cultures. Many of these companies

also help to train partners—for example, by inviting them to internal development programs so that future teams learn together what it takes to collaborate.

Processes. Leading firms use a learning-driven approach to designing collaborative processes. German electronics giant Siemens recruited several university teams around the globe to test different strategies for managing distributed teams. Among the lessons learned: Teams from different cultures have different strengths and working methods, which must be matched to their assigned tasks; and formal requirements are no substitute for frequent, high-bandwidth communications, which are critical for resolving unanticipated problems.

Platforms. It's important to create an infrastructure—a set of tools and standards for sharing data—that allows dispersed teams to work together seamlessly. Failure to do so puts a project at risk. In 2006, Airbus revealed that its flagship A380 aircraft would be delayed two years, at a cost of billions of dollars, because partners' use of different versions of design software resulted in 300 miles of wiring and 40,000 connectors that did not fit together.

Program. Successful firms manage collaboration as a coherent program, not a series of stand-alone efforts. Many companies achieve this by, in effect, designating a “chief collaboration officer,” who oversees all partnered efforts and focuses on building the firm's overall collaborative capabilities.

Boeing's development of the 787 Dreamliner, scheduled for introduction later this year, highlights what can be achieved by addressing all four crucial areas. The incredibly complex project includes 50-plus partners from more than 130 locations that have worked together for more than four years. From the start, Boeing's aim was to leverage advanced capabilities from this network, not replicate partners' skills. For example, rather than trying to become the primary expert in the new composite materials that were being deployed, Boeing

tapped the expertise of smaller firms that already possessed leading-edge capabilities in those materials.

Our observations suggest that Boeing's source of competitive advantage is shifting. While the firm possesses technical skills in hundreds of diverse disciplines, those skills no longer differentiate it from competitors. Instead, the company's success is increasingly tied to its ability to orchestrate and integrate the efforts of hundreds of global partners. Boeing is learning how to collaborate.

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