The essentials of collaboration

Episode 1: Defining collaboration

Collaboration is an increasingly overused term and can refer to a range of different working relationships. In fact, collaborations can range on a spectrum from those functioning like a close-knit team to a much more distant, customer-supplier type of transactional relationship. This first episode in the "Essentials of collaboration" series aims to clarify our understanding of collaboration by introducing the concept of the 'Collaboration Spectrum'.

Collaboration isn't a black and white process

There is little doubt that in the second decade of the 21st century the business world is becoming increasingly interconnected and with this increasing interconnection the call for better collaboration is also more common. But is more collaboration always a good thing? Just how much collaboration do you need in a relationship, and when? Some leaders may be attracted to the idea of always working in close collaboration with their partners just because that is their own preferred leadership style but as we'll see, if you try to manage your partners as you would your own team you'll quickly run into problems. On the other hand, if you treat a collaborative relationship as purely a series of transactions, where you're the customer and your partners are the suppliers, that's exactly what it will become – and you'll miss out on the potential value and innovation that could have been created in the space between the two organisations.

Thinking of collaboration as a binary process – a relationship is either collaborative or it is not – is a dangerous over-simplification. Successful collaboration are not black or white they contain many shades of gray. Leaders need to start to think about the different amounts of collaboration required across what is often a whole set of relationships. They also need to be clear about whether the specific aspects of different relationships each need a particular style of collaborative working in order succeed.

One of the things that can get in the way of understanding the true nature of each relationship can be the language used. Take the word partnership. The same word is often used to describe radically different sorts of relationship – and ones that need different amounts of collaboration and a very different focus of attention to be effective. We need a mechanism for understanding and discussing these differences.

Transactional, relational or team

When viewed from a collaboration perspective there is a distinction to be made between three different ways in which organisations engage with each other. We call these Transactional, Relational and Team. And you can lay them out on the spectrum based on the amount of collaboration they require to be successful – as shown in the diagram below. At the left hand side of the spectrum organisations engage in 'Team-like' ways of working together, requiring a high degree of collaboration, whereas at the right hand side they engage in 'Transactional' ways of working which don't require large amounts of collaboration.

In this and future episodes we'll see that different situations require organisations and their leaders to work together in different ways. It's not the case that more collaboration is always a good thing. Thinking about where various relationships need to sit on the collaboration spectrum in order to be effective is an important diagnostic tool for organisations and individuals to see how best to focus their collaboration efforts.

The collaboration spectrum

| 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |

Hi degree of collaboration

Low degree of collaboration

relational

team

transactional
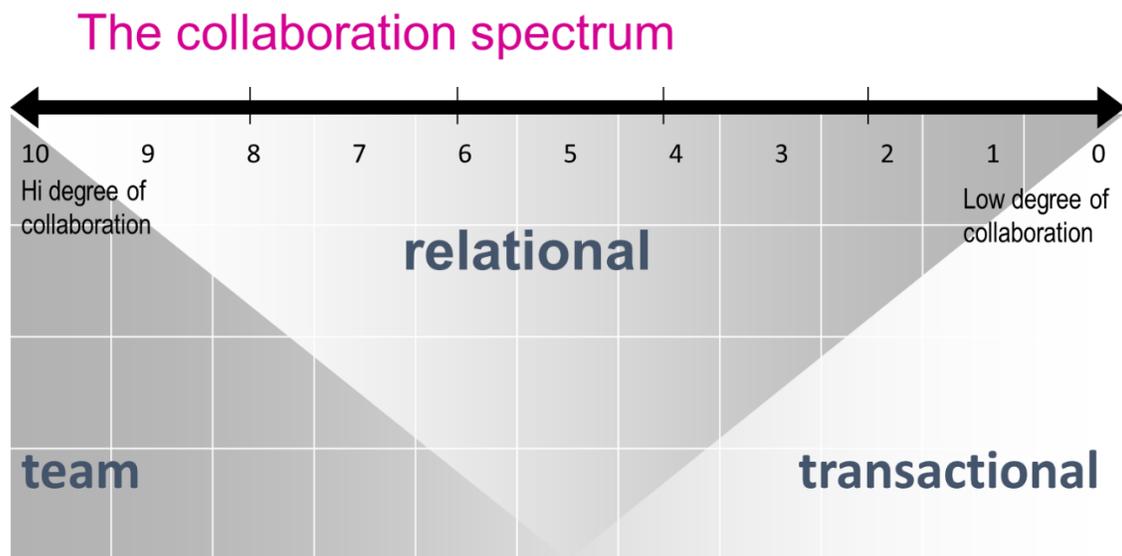
Teams

Those relationships which require the greatest amount of collaboration are easily understood as conventional teams, where each party is heavily dependent on the others for their success or failure. These are usually long lasting relationships (and may feel permanent to participants). Team members are very close, they depend on each other, their objectives are the same or at least closely aligned, and they tend to spend a lot of time together both inside and outside work. These sorts of

collaborations frequently generate strong and lasting loyalty between the organisations involved.

Transactional

Contrast this with engagements at the transactional end of the spectrum (see picture). Here relationships are relatively straightforward and clearly defined, boiling down to a series of simple transactions: I buy, you sell. The engagement works if we both feel we get a good deal. The typical customer/supplier relationship, for example, is transactional – the customer specifies exactly what's needed and the supplier delivers it, or a set of suppliers each set out their stalls in the market place and the customer chooses what they want to buy from each.

As well as being tightly specified, these engagements are characterised by a low degree of interdependence between the parties. The parties may meet to discuss the specification of the service required and then again when it is delivered but outside these points their ways of working are independent of each other. And for these reasons transactional engagements can be short lived.

However things get a bit more complicated in situations when a customer has entered into a long-term deal with a single supplier. Here the amount of choice is reduced and the dependence on that supplier begins to grow. The relationship starts to move from right to left along the spectrum. But the interaction between the parties is small and each could choose to find another partner – all be it, at a cost.

Relational

The collaborative engagements that we're mostly concerned with in this series of episodes fall somewhere between these two extremes. The foundation of these relationships is a belief that there are mutual benefits to be gained from two or more parties working together collaboratively and that these benefits are greater than you would get by merging the organisations to become a single integrated team. These mutual relationships require a degree of collaboration between the parties, but not total loyalty to the combined unit. In fact, too much close collaboration can create an unsustainable overhead on all involved. Many relationships in the centre of the spectrum depend for their success on partners working in a more or less independent manner for much of their day-to-day activity, otherwise the management overhead of being involved in each other's business would get in the way of efficient operations.

These periods of separation are enhanced by clear points when the parties need to come together, solve problems, learn from each other, take collective decisions, and then move apart again.

Individuals in these situations have to divide their loyalties between their own organisation and the whole collaborative relationship – or as management guru Charles Handy puts it, they must manage the dilemma of dual nationalities or 'twin citizenship'[1] It's something we should perhaps be good at in the UK. Someone born in England may support England against Wales in the Rugby World Cup, but root for Great Britain in the Olympics, and even support the European Ryder Cup team. It's much the same for people working in a collaborative relationship – leaders must balance loyalty to your own employer with the good of the whole joint enterprise.

Sometimes this can create tensions and real conflicts of interest. However, the difficulties are balanced by the potential prize: these sorts of relationships allow everyone involved to achieve joint successes that would be hard or impossible to deliver on their own.

The collaboration spectrum
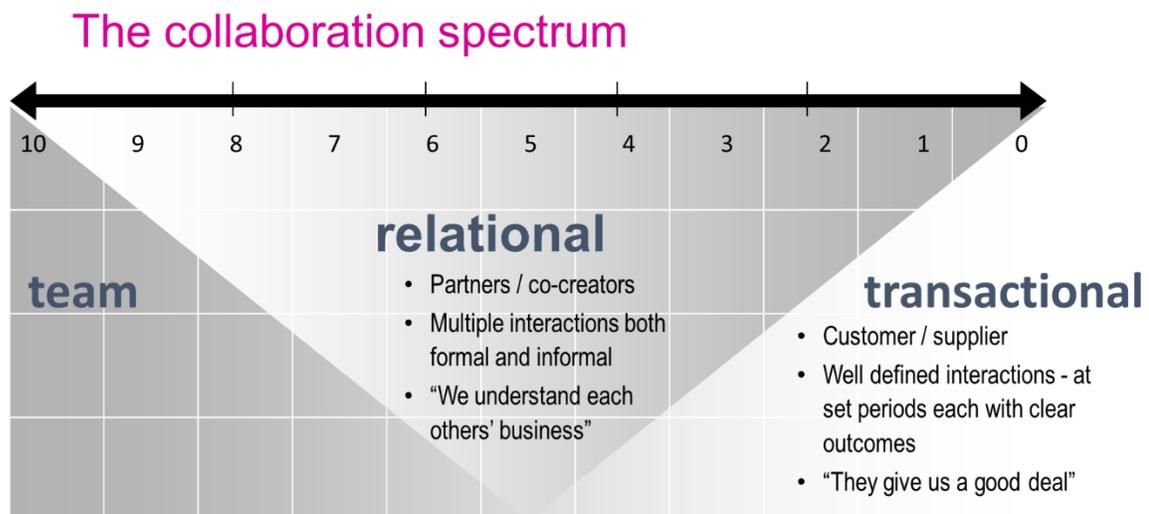
Putting your focus on the right areas

In situations where there are no organisational boundaries between the parties, there is a high level of collaboration expected. However, the simplicity of the organisational context means that the foundations of successful collaboration are relatively straight-forward and well-understood – these are conventional team situations. But in many of the complex multi-party situations, we see leaders tackling day-to-day challenges that don't fit this conventional teamwork box. The barriers between organisations are real, objectives aren't perfectly aligned, incentives drive different priorities, and people look to their own interests and those of their close colleagues first before looking at the system as a whole.

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[1] The Age of Paradox - Charles Handy - Harvard Business School Press - September 1995

The relational and transactional areas of the spectrum are where interconnected businesses really need to understand how to collaborate. Leaders in the relational group of collaborations (at the centre of the spectrum) have to realise that the tools used to run a conventional team or to manage a set of transactional customer/supplier relationships aren't going to suit the needs of their new situation. They need to develop different ways of working for the middle of spectrum - occasionally borrowing from the leadership tools that work at each end. It's a dynamic process. But all parties need to be clear about what is required of them and when. The next episode in this series "The foundations of collaboration" explores the essential components of successful collaborations that sit in the middle of the spectrum and the tools organisations can use to build them.

One way to help parties determine how to act is to start by assessing where different relationships fit on the collaboration spectrum. And the best way to do this is to look for the number of points of interdependence between the parties and to map out where responsibilities intersect.

Points of interdependence

As a rule, the more points of interdependence in a relationship, the more collaborative that relationship needs to be and therefore the further to the left it will lie on the collaboration spectrum. So what do we mean by points of interdependence in a business relationship? For some organisations it's not easy to see where intersections of responsibility lie but one good analogy for mapping points of organisational interdependence is illustrated by a picture that will be familiar to many people across the world – the London Underground Tube map.

The management of London Underground is organised around its different lines.

People who work on Piccadilly Line trains or stations are managed by a different organisation to those who work on, say, the Jubilee or Victoria Line. And at one level that works just fine. For most of the time on most of the network, the two lines are quite distinct and staff don't need to bother themselves much with what is happening on another line. Just looking at the map you can see that the number of points of interdependence is different between different lines. For example the linkage between the Circle line, the District line and the Metropolitan line is very high. (That's the yellow, green and purple lines on the tube map). They use the same trains, share many stations and lots of track and indeed this group of lines is managed as one integrated network.

The number of interchange stations (and hence the linkage) between other groups of lines is much less. They use different designs of trains and don't much track or signalling. At an interchange station what happens on one line has clear implications for staff working on the other but elsewhere lines can operate pretty independently in their normal day to day running. The different numbers of points of interdependence between the different lines in London Underground and hence the organisations that run them leap out from the Tube map – and these have to be managed accordingly.

The notion of points of interdependence on the underground goes deeper still. Within each line, some staff are employed by a part of the organisation that runs stations, and others by a part that runs trains and signalling. Again, for most of their working day the two parts of the operation can get along quite independently. But if a breakdown happens somewhere on the line, and trains and stations start to get very crowded, a vitally important point of interdependence comes into play – the platform edge.

The platform edge is one of the points of greatest safety risk in the system. If a train crammed with commuters pulls into a station where platforms are already full to overflowing and opens its doors, people could be seriously injured in the crush. In those conditions, the trains and stations organisations have to work very tightly together, with all the relevant people given access to enough information and paying minute-by-minute attention to managing the boundary between their two domains.

Defining and managing points of interdependence is a sophisticated operation. Too much sharing is as bad as too little. At London Underground, train managers don't want or need to know the congestion state of all the stations all the time. The sophistication lies in working out when to share information appropriately.

In any collaboration, leaders have to pay a lot of attention to points of interdependence, because these are the areas they simply can't control on their own. Instead they must share responsibility, and trust in the skills of their partner. Flagging up these points, making them explicit and working out ways to deal with them together cuts down on headaches – and minimises potential disasters. This helps leaders decide where to focus management time and effort and, just as importantly, where to leave individual partners to do their own thing. As a partnership becomes more collaborative, it doesn't do it uniformly; rather the number and significance of these points of interdependence increase across the relationship. And the more points where individuals and organisations have to share control, the better they need to get at collaboration.

The collaboration spectrum in practice

The collaboration spectrum has many uses. At the start of a new collaborative relationship it can be used as a tool to help leaders from different organisations understand what the nature of the relationship between them needs to be in order to achieve the stated goals. With the help of the collaboration spectrum, it is possible to plot the characteristics of each relationship at a moment in time, examine how those characteristics are likely to change in the future, and explore where the relationship needs to be in order to deliver its business goals.

Working out where each partner thinks the relationship needs to be positioned on the spectrum can usually help to resolve initial differences in perspective and approach. Often, though, it's the debate generated from this process that is of the most value.

- How much does each party want to collaborate and why? Do they want to operate as independently as possible or to interact closely?
- What are the 'whole system' benefits from more collaboration – and how are these benefits shared?
- Where do parties disagree about the best ways of working?
- Are there potential areas of conflict that are easy to predict?
- Are the answers to these questions driven by an understanding of the needs of the joint enterprise or by the preferences of each of the partners?

At the right hand side of the spectrum, you are working with straightforward transactions with low interdependence and a minimal need for collaboration. These may be quite short-lived relationships where each side takes what they need and moves on. As you move along the spectrum, from right to left, interdependence and the demand for collaboration increase. Each step along the way represents greater involvement and commitment. By the time you reach the left hand side of the spectrum, the relationship has moved a long way from dating – you're well and truly married! And while this commitment can pay huge dividends, at the same time the amount of choice available in the relationship decreases. The consequences of changing your partner are far greater, more disruptive and costly. Divorces are rarely anything but messy.

Where do your relationships need to operate on this spectrum? Partnerships vary widely: some are more transactional, some more relational. It's important for those individuals involved to analyse their own situation dispassionately and honestly – the data is only helpful if it reflects the reality of the situation rather than the way that the parties would like things to be. It's also worth remembering that high levels of collaboration aren't always desirable – in fact highly collaborative relationships come at a considerable cost in time and leadership effort.

What are the measures of success?

The other key to finding your place on the spectrum is to examine the explicit measures of progress and success. Do those measures drive greater levels of collaboration, or do they drive the parties involved to deliver their part of the bargain independently from each other?

If there are a large number of output measures and a stringent auditing process to police them, this will tend to drive the nature of the relationships towards the transactional. If, on the other hand, the measures adopted address the wider objectives rather than the detail – how the relationship will be sustained through the life of the partnership, how added value is shared, and so on – this will tend to move the leader towards a more relational style, and they'll need to find effective ways of incentivising collaboration. What gets measured gets done, but the way things are measured also affects the way things are done. Measure a lot of outputs in a very transactional way and you're likely to get a transactional relationship whether you wanted it or not

So using the collaboration spectrum can help the parties understand what kind of partnership they're getting themselves into. But first, a few words of warning.

The first mistake: 'one team' language

Imposing a 'one team' ethos on a complex collaborative relationship can seem appealing on the surface. With many of their models adopted from sporting or military environments, teams can have heroic, do-or-die overtones. For these teams, performance depends on each of the team members working in highly integrated way. People rely on each other and often can't play their own role without the support of the rest of the team.

The vision of becoming a 'high performance team' is often talked about within organisations, and many groups aspire to this vision in their cross-organisational relationships as well. But the truth is that these cross-organisation collaborations are not 'one team' – individuals must respond to the needs and pressures of their own 'home organisation' as well as the partnership. Pretending to be a team can be misleading at best, and at worst dangerous and damaging to morale.

Using 'one team' rhetoric when in fact each party has their own separate reasons for entering into the relationship may also mask important differences in culture and approach. In particular it can prevent people from airing problems early and so store up conflict for later on. Effective collaborative relationships aren't about ironing out differences or simply pretending they aren't there – the last thing the partners want is to be clones of each other. In fact the most successful collaborations tap into the different skills and approaches of all parties to create something that goes beyond the individual players' capabilities.

The second mistake: pushing for too much control

Seeking simplicity by trying to drive a collaborative relationship to work at the transactional end of the spectrum isn't a recipe for success either. Much has been written about supplier and customer relationship management, but these techniques don't really apply to situations that sit in the middle of the collaboration spectrum. As a powerful customer, treating your partners as a string of independent suppliers may seem attractive, but can result in each party simply doing what they are told, nothing more and nothing less.

Equally, specifying the processes and procedures of a partnership too tightly can choke a relationship if in fact there are multiple points of interdependence. The trend towards service level agreements for just about everything certainly hasn't made partnerships run more smoothly. And although the urge to control is understandable, it can cause frustration and resentment, and may even encourage subversive game-playing behaviour. In the end it's likely to lead to bureaucracy and a blame culture, with each party pointing the finger at the other for poor performance.

In both cases, opting for a simple operational model at either end of the collaboration spectrum can destroy the potential value of the relationship. Most collaborations contain elements from both extremes of the spectrum, but actually sit somewhere between them. Don't rush towards straightforward models of team working or transactions. Get comfortable with shades of grey. And remember that each partner won't necessarily require the same level of investment of time and effort – and shouldn't be given it. Select where it will be most beneficial, and put effort into building collaboration only where that effort gets the best return.

A collaboration planning checklist

As we've seen, indiscriminate collaboration doesn't help a business relationship. You need to choose where to focus your efforts on collaborating, and where to back off. The following questions can help you determine just how much effort to give each potential partner:

- **How certain can you be of the outcome required?** Can you define the product or service you require clearly? And are you confident that your potential partners are fully capable of delivering it with little help from you? If so, then high levels of collaboration are a waste of effort, and you'll often be better advised to go for a productive customer/supplier relationship driven by a clear contract. In a longer-term situation where the product being delivered is dependent on contributions from many parties, the investment in higher levels of collaboration may be justified.

- **Where does your partner think you are on the collaboration spectrum?** Do the other parties involved assume that you will operate either in a highly interdependent or highly contractual manner? What are the signals that you and your organisation are sending to your partners about the type of the relationship that you want? Are the assumptions made by your partners explicitly stated or are they implied? What evidence do you have for your assessment? And are the demands of others realistic given the objective of the relationship and the other pressures on you?

- **What is the direction of travel?**
  How are the demands on the relationships in the partnership changing, and how might you need to change to meet the future needs of the situation? Instead of aiming for a close relationship at the outset, it can be better to start with lower levels of collaboration, until all parties prove they can deliver. Demonstrating that partners keep their promises helps to build high levels of trust, which, in turn, help enable the parties to collaborate more closely. Most successful collaborative relationships grow by moving from right to left along the collaboration spectrum. Start by delivering reliable transactions and build a closer relationship from there.

- **What will help you get there?**
  What processes, organisational structures and ways of working will inhibit your relationship from developing? What will enable it? If you want an effective contract-driven supplier relationship, then this demands a particular skill set and is likely to be distracted by a series of 'team building' meetings! Building relationships requires skill and the right attitudes along with the right structures and processes.

- **What have you learned from past relationships?**
  Have you worked with this partner before? Does this situation require the same or a different level of collaboration, from past experience? What about your own style when it comes to cross-organisational working – do you tend to work more effectively in close highly interdependent relationships or in looser more distant relationships? What is most challenging for you in working with others? And when do you need to challenge yourself more in order to get the most from a relationship?

All this work to define your terms and analyse the nature of a collaborative situation may seem a burden, but it cuts out much bigger problems down the line. Entering a relationship with a clear idea of what you're getting into prevents wasted time on the wrong approach – and saves everyone time and money in the end. It's no use setting up expectations of high levels of collaboration if this isn't going to benefit all parties – after all, collaborative partnerships are a big investment, and have to be worth the effort for everyone involved.

Working out where a relationship needs to sit on the collaboration spectrum helps all parties focus on what they need to do to achieve their own objectives AND the joint objectives of the system as a whole. Just because one party wants a close relationship doesn't mean it should be granted: there has to be a mutual recognition of the need and the potential value in working closely together.

Finally, understanding the type of relationship needed makes it clear what kind of language should be used. 'Team' talk instead of 'customer/supplier' language and vice versa can be deeply frustrating for the people involved who know the reality all too well. Categorising the collaboration properly lets everyone involved tell it like it is – and that's a whole lot healthier for everyone.

Only collaborate when and where you need to

Collaboration costs. It costs in financial terms but it also costs in leadership time and commitment and so only invest in collaboration in proportion to what you see as the potential return. However, having analysed the particular needs of the situation, you still conclude that building collaborative relationships will add significant value and be worth the effort, the next challenge is to focus on the critical elements of the collaboration. We will discuss these *"Foundations of collaboration"* in episode 2.