

Building The **CLIENTS FOR LIFE** Organization

A Series for Leaders

How to Develop a Culture of Collaboration

**Is Your Organization Greater
Than the Sum of Its Parts?**

by Andrew Sobel

Number 1, October 2014



Welcome to

Building The

CLIENTS FOR LIFE

Organization

This quarterly series is designed exclusively for a small group of my senior-level clients, contacts, and friends who can influence strategy and create the organizational enablers that help individual professionals excel and build trusted client partnerships.

These articles will answer essential questions such as:

- How do you develop a client-centric, collaborative culture that consistently nurtures long-term client relationships?
- How do you systematically coach your rainmakers to be outstanding at client development, not just delivery?
- What are the best ways to assess and monitor the health of your client relationships?
- How do you enable your deep subject-matter experts to become trusted client advisors and not just experts-for-hire?
- How do you turn individual relationships into institutional ones?

All the very best,

A handwritten signature in black ink that reads "Andrew Sobel". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew Sobel
President
Andrew Sobel Advisors



How to Develop a Culture of Collaboration

By Andrew Sobel

The Beatles have sold 1.4 billion copies of their records, and they are universally considered the most successful pop group in history. Were John, Paul, and George simply better songwriters than everyone else? Yes, but there's more than that to the story of their success.

The fascinating thing about the Beatles is that the whole was always greater than the sum of the parts. Together, the four of them wrote, recorded, and performed better music than they ever could have or did as solo artists. There was, quite simply, something magical about the way they collaborated together. And that collaboration created an astonishing body of work that was much bigger than any one individual band member.

Creating a Whole That is Greater Than the Sum of the Parts

We have many examples of small, highly collaborative teams—musical ensembles, sports teams, even astronauts. But why do most companies struggle to engender *firm-wide* collaboration to innovate and serve clients? In a large organization, how do you create a “whole” that is greater than the sum of the individual parts—the experts, offices, and other resources spread out across many cities?

This idea is absolutely essential because without strong collaboration, it's difficult if not impossible to grow large, institutional client relationships. Without collaboration, the

whole idea of cross selling is a bad joke.

I've conducted several surveys of collaboration in large service organizations, incorporating responses from over 500 professionals from a wide variety of industries and markets. I've also worked as a consultant to dozens of leading firms on this issue. In the rest of this article I'm going to share

Lou Gerstner and IBM

When Gerstner took over as CEO in 1993, IBM was planning to break itself up into separate businesses. He spent his first four months visiting IBM customers all around the world. Their input drove his now-famous “client focused” agenda, which included breaking down the silos within IBM to improve internal collaboration and growing Global Services to help clients use IBM's hardware and software to solve their business problems.

what I've learned. First, you must be aware of six fundamental barriers to collaboration:

Warning Signs: Six Barriers to Collaboration

1. **A culture that excessively worships individual success.** Especially toxic is the practice of lauding high-performers who are not team players, treat colleagues with contempt, trample on the values of the organization, and basically run their own individual profit center. When you tolerate people like this, you send a clear signal: If you bring in the bucks, anything goes. It only takes a few bad apples to ruin your culture.

Are you tolerating individuals in your organization who are “poisoning the well” with their individualistic, selfish behavior?

2. **A perceived lack of time and budget to work on other peoples' client relationships.** This is really a problem of priorities, of course, not time—we make time for the things that are important. But if people feel like their recognition, rewards, and promotion are only driven by the success of their own client portfolio, it makes them less eager to reach out and help their colleagues.

Is helping your colleagues out with their own client relationships a cultural value that is reinforced and celebrated?

3. **Lack of availability of shared information about clients.** This came up very strongly as a barrier to collaboration in my research. “I'd like to help, but I don't know how or with whom,” was a frequent comment from client-facing professionals I surveyed.

Do you share, with appropriate safeguards, information about client relationships among your relationship managers and other key professionals? Do people inside individual service lines or product areas know who your most significant clients are and what their key priorities and needs are?

4. **Measurement and rewards that overly emphasize short-term, individual performance.** When you are selling a complex solution to long-standing clients, and when many people have contributed to the relationship over time, how can you precisely assign credit to one individual?

Do your performance metrics value both short-term cash returns and long-term investments in relationship growth and adherence to collaborative values?

5. **Lack of trust.** There are three types of lack of trust that get in the way of collaboration:

- First, a lack of trust that comes from simply not knowing the colleagues with whom you ought to be collaborating.
- Second, a lack of trust based on the feeling that your colleagues aren't as good as you.
- Third, a lack of trust stemming from a belief that no-one else will treat your client with the same level of service and urgency that you do. They may be competent, but they won't deliver quite the way you do.

Do you have the organizational trust that is the foundation for collaboration? What more could you do to raise the level of trust between colleagues?

6. **Organizational silos.** One of my clients, a major bank, has 16 global product groups. It's not easy to coordinate the sales and delivery of so many different solutions into the same multinationals around the world. It's hard to pay more than lip service to collaborating with others when:

- Your organizational and cultural identification is deeply rooted in a particular service line or product offering.
- You are geographically and physically isolated from everyone else.

Two Scorecards

One of my clients bases performance management on two different but complementary scorecards. One focuses on short-term financial results, and it becomes the basis for year-end cash bonuses. The other scorecard emphasizes long-term investment initiatives such as developing new service offerings and building strategic client relationships. Progress against these goals drives year-end equity distributions.

- You are measured on your performance only within your group.

Every organization has silos. What do you do to actively create interchange among your silos? Have you created mechanisms to help bridge formal organizational boundaries in order to super-serve your best clients?

Three Strategies to Improve Collaboration

As a leader, there are three important areas you can leverage and develop in order to promote collaboration.

1. **Inculcation: Engage in powerful leadership role modeling.**

To inculcate means to “teach and impress through frequent repetitions.” That’s exactly what firm leadership has to do in order to develop a collaborative, client-centric organizational culture. Are you and your leadership team role modeling collaboration and teamwork to serve clients? Here are actions that will help:

- Make visible decisions where you emphasize the greater good of the firm as opposed to favoring individual departments or business units.
- Be seen as getting along with and trusting your colleagues.
- Accept your share of the responsibility for setbacks, rather than blaming colleagues behind the closed doors that propagate the rumor mill.
- Publically recognize teams of individuals, visibly call out collaborative efforts, and acknowledge the full range of contributors to a client success.
- Confront behavior that is destructive to the culture, and move/remove individuals—even top contributors—if necessary.
- When you hire both young professionals and experienced executives, during onboarding explicitly teach and discuss the cultural values you are trying to promulgate.

2. **Institutionalization: Build organizational enablers to support your rainmakers.**

To succeed with clients, market-facing professionals must be supported by a variety of systems, processes, and policies that are sponsored from the top. It’s not enough to be a talented rainmaker—you need support from your organization. For example:

- *Recruiting.* Do you explicitly screen new hires for cultural fit and the ability to work as team players?

- *Professional development.* Do you provide formal training and development opportunities to strengthen client development skills?
- *Performance management, measurement, and reward.* Do you reward your people based on a balanced set of quantitative and qualitative contributions, including collaboration with colleagues?
- *Key account planning and management.* Do you sponsor a robust key account process that draws in experts from many different parts of your organization to build and implement relationship plans for your best clients?
- *Organization structure.* Do you organize solely around products/services, functions, and geography or is there a complementary focus on markets and client sectors?
- *Client listening.* Do you sponsor institutionalized client listening activities such as surveys, relationship reviews, and CEO-to-CEO visits, in order to better understand client needs and the health of your relationship?
- *Decision-making.* Does your process for making important decisions involve key stakeholders across the organization, so that people feel bought into the implementation?

The Old-Fashioned Power of Physical Space

Shortly after I helped start my former firm’s London office in the 1980s, we moved to a new building and decided to create a “partners room” where all eight equity partners would have their desks. The collaboration, teamwork, and information-sharing that ensued was powerful. Partly as a consequence of this arrangement, multiple partners began working together on key client relationships. Within a few years we had built the largest and most profitable office in the firm.

3. **Infrastructure: Use collaboration platforms.**

Infrastructure comprises collaboration technologies, knowledge management systems, and even office space. These are the hard-wired elements of a firm that are increasingly helpful in enabling collaboration. The ubiquity of the Internet and the rapid development of collaborative software tools have opened up a whole new world of possibilities for engaging and connecting professionals who may be spread around the globe. Examples of the use of infrastructure to enable collaboration include:

- Collaboration software to enable dispersed team members to work together seamlessly, 24/7.
- Crowd-sourcing initiatives to gather expert input from large numbers of employees.
- Virtual, online employee events—which can include clients—to plan and innovate.
- Office space that is designed to promote interactions between employees and create opportunities for ad-hoc relationship-building.

The so-called “Allen Curve” (named after Thomas J. Allen) portrays the extremely negative correlation between distance and communications between individuals—even if they are connected digitally across that distance. In *Workspaces that Move People* (Harvard Business Review, October 2014), researchers state that “The ‘Allen curve’ estimates that we are four times as likely to communicate regularly with someone sitting six feet away from us as with someone 60 feet away, and that we never communicate with colleagues on a separate floor or in a separate building.”

Conclusion

Professionals collaborate because they like and trust each other, have common goals, and work in an organizational culture that values collaboration. One of your most important jobs as a leader is to help create these enabling conditions. If you do so successfully, then you will most certainly build an organization that is vastly more meaningful and valuable than the mere sum of its parts.

About Andrew Sobel

Andrew Sobel is the world's leading authority on the strategies and skills required to earn lifelong client loyalty and build trusted business partnerships. He is the most widely published author in the world on this topic, having written eight acclaimed, bestselling books on client relationships including *Power Relationships*, *Power Questions*, *All for One*, and *Clients for Life*. His books have been translated into 12 languages and sold hundreds of thousands of copies worldwide.

Andrew's comprehensive programs for building clients for life, which integrate training, coaching, and eLearning, are now available globally through certified partners on four continents.



About This Series

Building the Clients for Life Organization is published four times a year. It offers practical articles for leaders on how to build and lead a client-centric organization that steadily grows client relationships and revenue.

If you would like a PDF of this article to share with your colleagues, write to Andrew or simply go to this private web page where you can download a copy:

andrewsobel.com/leaders-only

Contact Andrew

Andrew Sobel Advisors

andrew@andrewsobel.com

www.andrewsobel.com

New York

229 W. 60th St., Apt. 16

New York, NY 10023

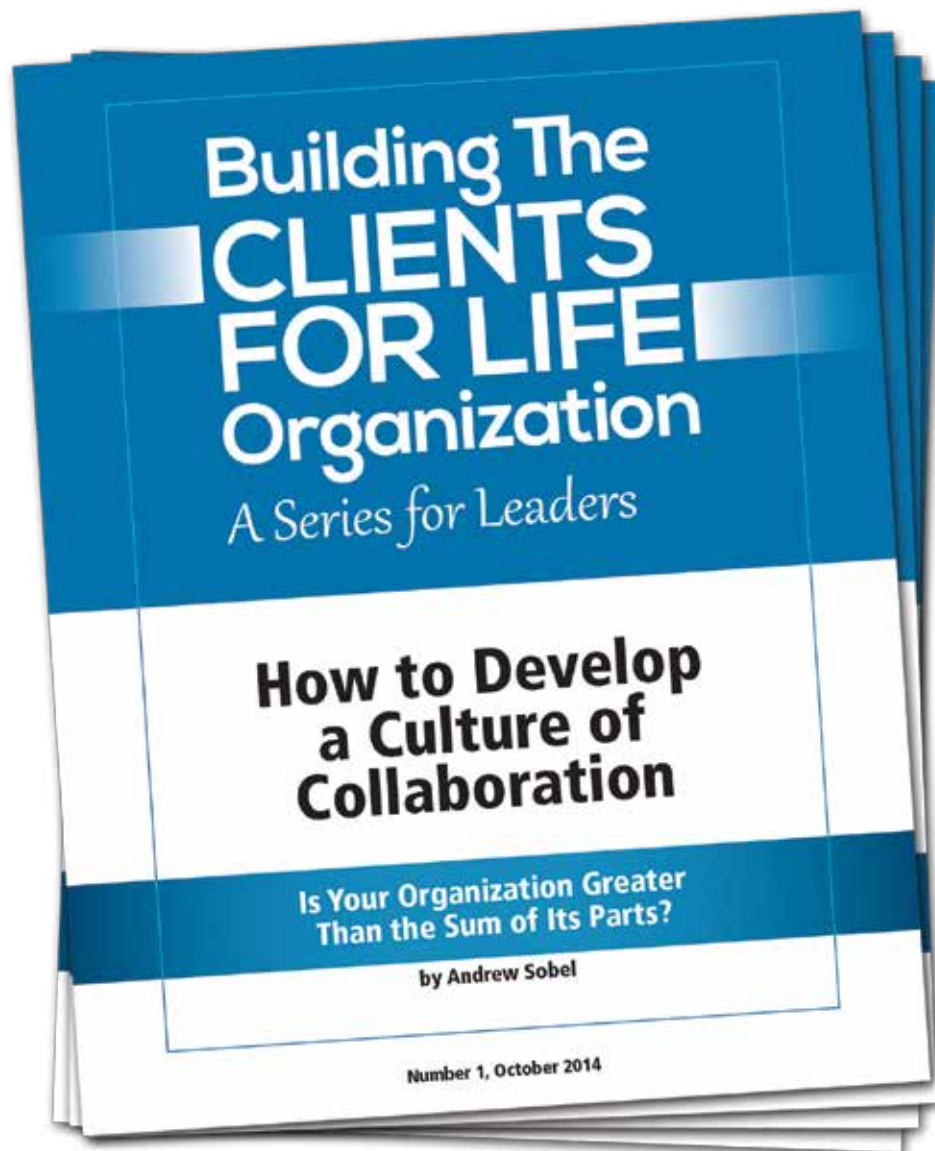
Telephone: 212.706.1297

Santa Fe

10 Bishops Trail

Santa Fe, NM 87506

Telephone: 505.982.0211



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