More patents are awarded, per capita, to companies in Silicon Valley than anywhere else in the world. This relatively small bit of geography near San Francisco is home to myriad innovations that enrich millions of lives on a daily basis. From technology to bio-tech, health-care and alternative energy, these companies manage to out-compete and out-innovate others by being better—better at sparking ideas, better at sharing knowledge across functional boundaries, and better at delivering results. For nearly a decade, I have been examining why.

Best practices aren’t enough.
One of the biggest factors in determining the success of any business is its ability to out-perform competitors in a global setting. The pressure to add value or to deliver exceptional service has never been greater, or more challenging. Process improvements and product/technical advances are rapidly copied by other companies, making it more difficult to maintain a competitive edge. No matter how hard organizations work to please their customers in unique ways, it is inevitable that their best practices will be used by others in an on-going cycle of innovation and repetition.

Stereotypes abound around the topic of Silicon Valley. It’s easy to point to pool tables and espresso machines in the lobby, and try to explain these
companies’ successes. But the reality of what puts the best-performing companies ahead of their competition, in Silicon Valley and elsewhere, is their focus on collaboration. This seemingly simple process of sharing knowledge and leveraging the experience of others to reach a common goal can be challenging.

Everyone recognizes the importance of getting teams to work together toward common goals. This requires team members to develop effective work relationships and to share ideas and knowledge. But if an organization focuses on rewarding individual performance, employees may see that teamwork as a hindrance to their own success. **Collaboration requires an intentional framework to be successful.**

**Why is collaboration so important?**

How well employees collaborate is now one of the main differentiators for organizational success. Over the last decade, numerous studies have shown that organizations with collaborative cultures significantly outperform those without collaborative strategies. Put simply, teams that have the skills to collaborate effectively generally outperform those that don’t. And collaboration can yield big dividends.

- sharing knowledge and experience informally,
- discussions aimed at reaching agreements around compatible work processes,
- ongoing interaction to ensure the success of interdependencies between groups.

**Interdependence is fundamental to organizations.** People love to collaborate. 88% of millennials say they prefer to work collaboratively rather than competitively (Inc., June 6, 2016, G. Tredgold). Working toward a shared goal, and shared success, can motivate and inspire an entire organization. This interdependence is the reason organizations exist—to capture the collective brainpower of a large number of people. To capitalize on this basic principle, the focus of all teams needs to be on overall organizational goals and how they can contribute to those goals, rather than each team being concerned only with their own isolated goals.

Collaboration is a powerful way to create outcomes that are better than what can be created individually. Leaders have become increasingly aware of the need for better collaboration between individuals, teams, and divisions in order for their organizations to achieve their goals. And those leaders are aware that they do not want to slow the speed of decision-making or the delivery of products and services to customers while fostering those interactions. To create connections that further the achievement of business goals, collaborations may include:

- sharing knowledge and experience informally,
- discussions aimed at reaching agreements around compatible work processes,
- ongoing interaction to ensure the success of interdependencies between groups.

Collaboration benefits.

For example, most work groups develop a set of goals. But quite often they cannot achieve those goals without support from other teams. In such cases, intertwined groups may, in essence, have two sets of goals. The first set are those goals
that are totally within the control of their team. The second set are the ones in which the group is either supporting the work and goals of others, or seeking support from others to effectively complete their work. In situations where two sets of goals are involved, team members may prefer to concentrate on the goals that are totally within their own control because those objectives fall within the team’s realm of influence and are thus felt to be more achievable. However, the overall success of the organization may not always benefit from such an approach. At times, some work groups will need to under-perform on their own goals in order to support others who are pursuing goals more critical to the mission of the organization. The key is always to keep sight of the organizational goal.

In studying highly successful organizations, I discovered that collaboration was a significant factor in degree of achievement of goals. In essence, how deeply the organization recognized its “interdependent-ness.” It came down to how well an organization maximized their knowledge-based resources—how well groups and departments were able to leverage the experience and knowledge of others, and how well they worked together toward common goals. The higher an organization’s ability to manage these three factors, the higher their collaboration quotient.

Interdependence can be construed in neutral terms when it’s meaning centers around groups who are mutually supported by each other. Or it can be interpreted negatively, implying that groups which depend on others are subordinate to those others. This is an important distinction, and a reminder that leaders need to proactively foster the neutral meaning of this concept if they expect interdependencies to be successful, since most people prefer not to think of themselves as inherently subordinate to others.

Why is a collaboration framework important?

It’s all well and good to say “We need to be good at collaboration,” but few people, yet alone organizations, understand true collaboration and how to design cultures and systems that build a collaborative ethos. Collaboration does occur naturally between some people in some organizations. However, these organically occurring work relationships often do it in a way that includes only selected individuals and some work processes, while passing over others that crucially need to be involved. These relationships help to disseminate valuable knowledge and core competencies between those in the relationship, but are insufficient by themselves to ensure that work is appropriately integrated to meet customer needs or that all the right people are involved.

Sharing knowledge can directly benefit an organization’s bottom line.

For example, a pharmaceutical firm was able to increase sales considerably by analyzing the ways physicians commonly wrote prescriptions, determining how they could assist those physicians, and providing that information to their national sales force. In another instance, a computer hardware manufacturer was able to significantly decrease the length of its new product development cycle when they began capturing key ideas regarding their various successes and failures and sharing those learnings widely with their staff.

Unfortunately, there are at least as many examples of the devastating results of ineffective cross-group work. One infamous example was Hewlett Packard’s first attempt at creating a laptop computer. The interaction between marketing and engineering groups was inadequate to create products that reflected customers’ desires. The marketing group was unable to communicate...
the importance of a lightweight laptop to engineering, so the first portable computer weighed 23 pounds. Because of the inability of these groups to work successfully together, the resultant product was unpopular in the marketplace.

To capitalize on this basic principle, the focus of all teams needs to be on overall organizational goals and how they can contribute to those goals, rather than each team being concerned only with their own isolated goals.

Creating a culture of collaboration.
Collaboration is about synergy—the synergy of multiple disparate elements coming together around a shared goal. To be successful, the participants must learn to complement each other’s strengths, their differing approaches and work styles, and to appreciate their challenges.

Knowing this and being collaborative can be easier said than done. The difficulty of this is evidenced by the large numbers of leaders wondering how to encourage effective work relationships and sharing between employees, teams, and departments, as well as by the number of employees who complain about others ‘not doing what’s needed’ so that they and their team can accomplish their goals. So, organizational leaders also need to create a culture of collaboration, by design.

The key is to first determine your collaboration needs and then create a solution that meets those needs. The right tool needs to be used for each job. It’s important to understand that great collaboration requires leaders who are committed to fostering a collaborative working environment. Successful collaboration also involves the use of soft skills. Making sure your teams have these skills can be equally as important as having team members with outstanding technical skills. The most impactful soft skills include being able to resolve conflict productively, open dialogue, negotiating, having and expressing concern for others, engagement and joining in.

The need for a more deliberate, organized process for collaboration doesn’t mean leaders have to know how to produce such an outcome. A collaboration specialist can help to guide the design of specific processes customized to meet the needs of your organization. In general, these steps are critical to creating collaboration by design.

1. Create an internal Design Team to partner in developing and maintaining collaboration processes. This ensures that you create processes that match your culture and lessen dependence on external consulting.
2. Assess the current state of collaboration in your organization, create goals regarding the desired state, and determine how to close the gap between current and desired states.
3. Compile this information into an action platform for ‘collaboration by design’ that meets your unique needs.
4. Develop a change management process to ensure your efforts are successful.

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