Collaboration: What do SME's need to know?

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Innovation and creativity mentality
advancement in SMEs

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1   Introduction

As an owner/manager of an SME, you already know that you are not an isolated entity but part of a larger market, with social and business relationships. You need to collaborate with others to gain competitive advantage. Collaboration can allow for you (and your staff if you have them) to acquire new skills and resources. It can also bring different groups together, improve the opportunities for successful creativity and innovation, solve problems and help exploit external potential.

Collaboration is a … respectful, co-creative process that includes …people, processes, and tools that allow (you) to more effectively, efficiently, and elegantly respond to the changing needs of today´s practice environment.

1.1   What is this guidebook about?

Currently, you probably use one or more types of collaboration possibly within or outside your organisation. Have you ever asked yourself, how can I get best advantage from working collaboratively? The aim of this guidebook is to explain collaboration from the point of view of entrepreneurs (particularly small and medium-sized enterprises, also called SMEs). We will help you to analyse collaboration in a structured way to see how to manage it to lead to successful innovation in your business. We will point out the critical success factors you need to consider for managing the collaboration process and also help you to understand which type of collaboration is suitable for your organisation (and staff).

The influence of business collaboration on innovation has been studied for decades. This guidebook is based on the European Standard Innovation Management – CEN/TS 16555-5 (with more information in CEN/TS 16555-1).

It will answer these questions:

- How is collaboration management aligned with innovation?
- How can I (my organisation, staff) benefit from collaboration management?
- Which type of collaboration can I apply in my organisation?
- How can I (my organisation, staff) apply collaboration process in my organisation?
- How can I (my organisation, staff) find right partners for collaboration?
- Which factors influence the collaboration process in my organisation?

This guidebook is structured in 5 parts, following the process of managing collaboration, from defining what collaboration is to the critical success factors for implementing collaboration management in an organisation.

Every so often in the document you will see this symbol. Please take a moment to complete the exercises as this will help you to apply the advice.

This guidebook includes tools which will be indicated by this symbol. Many are not unique to managing creativity and you might already be aware of them.

Now that you are familiar with the guidebook let's start by looking at the 5 stages of managing collaboration and an overview of what they mean.

1.2   What is the process of collaboration management?

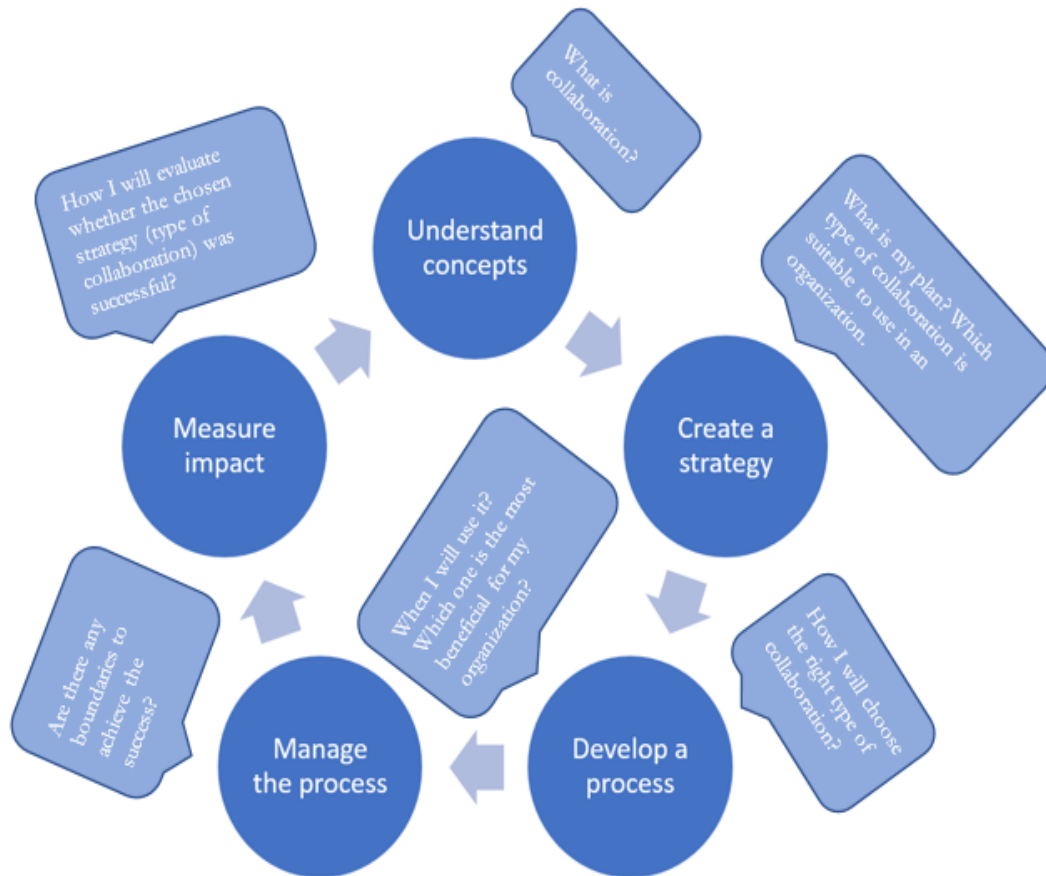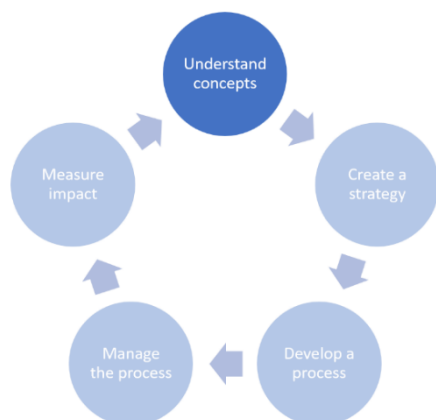There are roughly 5 stages in the process of collaboration management.

Figure 1: The 5 stages of managing collaboration

Each stage corresponds to a section in this guidebook. Ready to read more? Then continue!

2   Understand the concepts or what is collaboration?

Collaboration is an activity that pools skills and resources that the organisation does not have itself, at less cost and/or by sharing risk, to contribute to a shared goal. To be successful, collaboration must be built, sustained, and grown culture-wide within firms and project teams.

Innovation can arise from interactions among people with different skill sets and experiences, who either solve problems or generate ideas that create value. Collaboration is very important to increase the potential for innovation and as such is vital to innovation.

> *Collaboration is an activity that pools skills and resources that the organisation does not have itself to contribute shared goals.*

2.1   How do I do it?

At a very high level, you can collaborate successfully by doing the following:

- agree shared intentions
- define a single definition of success
- create a shared level of engagement
- establish common goals by negotiation
- divide the whole task into subtasks
- distribute subtasks to the appropriate people to complete, and finally,
- combine the complete subtasks to get an outcome which is better than you could have achieved by yourself.

Each person should have a clear position within a group and their roles should be related. Each must understand their specific role as well as the overall project vision, a dance that is choreographed by the team's leaders.

Productivity is all about teamwork and how people come together and work together as a team to achieve a common goal. We work in teams every day. We also regularly make and break teams, often without considering the implications of what we're doing. It is this group of people, that you collaborate with, that will ultimately determine the success or failure of your work and so it makes sense to think about how people can work together effectively and how to take advantage of that to successfully manage collaboration for success.

Collaborative management can be broadly seen as the act of working together as a team to accomplish a common goal within a given timeframe.

2.2   Who can I collaborate with?

The people with whom you collaborate can be internal and/or external to your organisation. We will discuss how to decide which type of collaboration to choose later one but for now, here's a brief description of each.

2.2.1   Internal Collaboration

If you have staff, they communicate and collaborate with each other every day and such teamwork is essential for your business. Collaboration and teamwork are defined as "developing and using collaborative relationships to facilitate the accomplishment of work goals". As a concept, working together seems so straightforward. However, with gender, race, culture, and many other elements coming into play, it is sometimes far from easy. In a later section on critical success factors we will discuss ways to make it more successful.

2.2.2   External Collaboration

There are many potential sources of external collaboration resources and capabilities that small firms like yours could access to provide innovative stimulus and capacity such as:

- participating in networks and fostering partnership agreements between firms
- collaborating with universities and research agencies
- collaboration with other organisations, sometimes competitors.

What are the benefits of external collaboration in organisations? Think of a time you collaborated with another group – what were the most useful outcomes?

Collaboration might have led to reduced costs, brought complementary expertise to a project or more ideas from fresh viewpoints.

External collaboration can complement core competencies, reduce costs or bring complementary expertise to a project. It can also help to achieve a common goal – develop a new global product/service or make a bid to a major customer institute. It can yield research which can be exploited and brought to market and also allows a wide range of disciplines to be accessed to generate ideas for new products and services.

Research suggests that the future of collaborative leadership depends on the ability of leaders to engage and collaborate with the business, the government, and the social sectors. "***If we cultivate the right collaboration, we can achieve the great things not possible when we work alone***".

When you are collaborating externally with other stakeholder groups enthusiasm isn't enough. Most collaborations begin with mutual respect between two organisations or entities. Both parties must respect each other and have shared values.

Think about the types of people or groups you have already collaborated with or could collaborate with in the future.

There are probably a wide variety! Take a look at the picture below and see if you recognise any of the following as being stakeholder types you have previously collaborated with or might in the future.
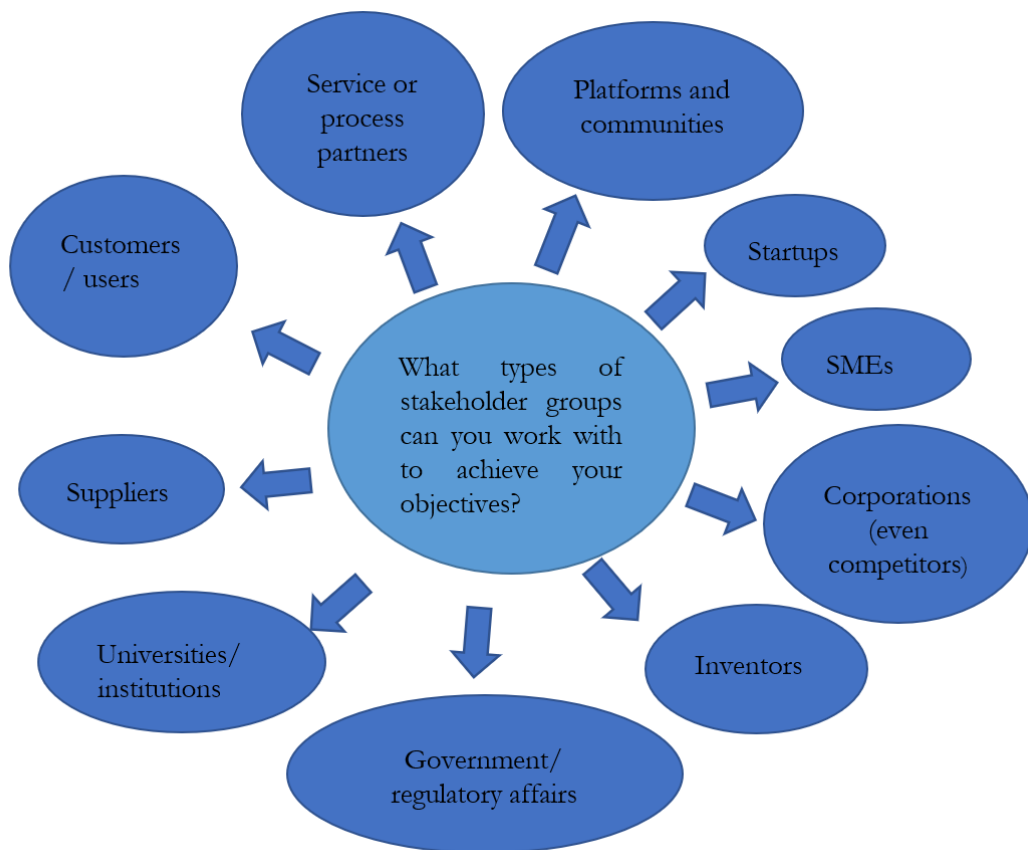
Figure 2: Groups to potentially collaborate with

There is a lot of potential for collaboration out there! The different stakeholder groups we just looked at can roughly be divided as in the following diagram. Read on for some key points to consider in each type.
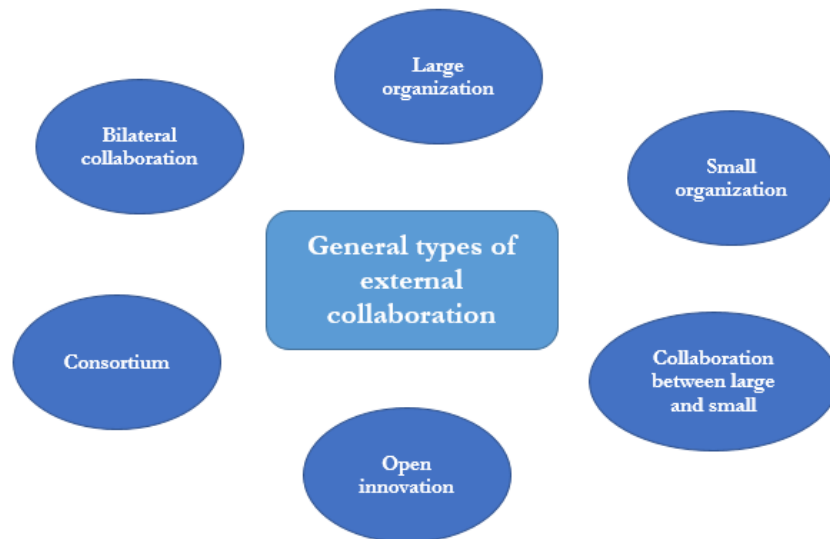
Figure 3: General types of external collaboration

Open innovation

The central idea behind open innovation is that in a world of widely distributed knowledge, with the border between the organisation and its environment becoming ever more permeable, organisations cannot afford to rely entirely on their internal knowledge. Instead they should look to complement it with external knowledge by for example buying, licensing or co-generating processes or inventions from or with other organisations.

Consortium

A consortium is an association or combination of multiple partners. It is essential to agree in advance how the consortium will work and the ownership of intellectual property.

Bilateral collaboration

Bilateral collaboration is a simpler version of the consortium where two partners are involved. Nonetheless, the same issues should be addressed.

Large organisation

For a large organisation, a smaller partner can bring access to a specific technology, speed and flexibility. They can also have weaker governance, lack resources and be frustrated with the pace of decision-making in a larger organisation. Larger organisations wishing to collaborate should:

- Minimize bureaucracy and paperwork, to be in proportion to the size of the project.
- Consider setting up a limited, project-specific team to reflect the size of the smaller collaboration partner.
- Discuss partnering expectations.
- Be fair and reasonable.

Small organisation

A small organisation partnering with a larger one can get access to resources, especially specialized ones, and a greater market impact. On the other hand, large organisations' processes can swamp a small one. Small organisations wishing to collaborate should:

- Be confident and have belief in the proposition while remaining open minded.
- Be prepared with a well-presented proposition and business plan which demonstrates how each party will benefit from the joint venture.
- Establish expectations of reporting and governance.
- Establish trust at an early stage. If the parties cannot work together in an open and trusting way then they should be prepared to walk away.
- Have patience as large organisations need time before making large financial and resource commitments. However, reasonable time scales for decisions should be agreed, particularly if the answer is to be "no", as this can then free the parties to find alternative partners.
- Establish, even if there is a large disparity in size, if the partners who are collaborating share the same values, drive and shared objectives. If these are not present then difficulties may arise down the line.
- Clearly identify and register intellectual property before approaching a potential collaboration partner (often large organisation s demand this as a prerequisite).

Collaboration between large and small organisations

Partnerships should provide mutual benefit to each participant, even when they are significantly different in size although a very large disparity in size is often perceived as a potential obstacle to collaboration. Cultural differences and speed of decision-making are two areas where problems can arise. However, there are several ways in which organisations can prepare themselves to work with others of a different size. Perhaps the most important activity for both parties is to create a partnership agreement, but there are different issues to which each side should pay attention as just outlined.

Before you start the collaborative activity, you must create your strategy or plan.

3 Create a strategy or how do I manage collaboration in the workplace?

There is no standard technique for introducing collaboration into an organisation but there are lots of ways to try, some of which might be useful to you. This section includes some suggestions on how you can encourage and help your staff to collaborate starting with identifying weak areas and making formal plans to address them. As with any major change in practice it's a good idea to create a plan or strategy to guide you with clear steps for implementation and to determine how you will measure success.

3.1 How to set your goals

There are many tools which you can use for goal setting and you may already have a technique or tool you like to use. But if not, here are 2 ways in which you could set your Collaboration goals, MBO and SMART goals.

3.1.1 Management by objectives (MBO)

Management by objectives (MBO) is a process of defining agreed organisation level objectives to be achieved so that the management and the employees understand their roles and duties to reach them. The MBO process involves five steps as outlined below.

Figure 4: MBO process

1. **Review organisational objectives** – gives you a clear understanding of organisation's overall objectives.
2. **Set worker objectives** – you and any staff you may have meet to agree on worker objectives to be achieved by the end of a given time period.
3. **Monitor progress** – at regular intervals. you and your staff check to see if the objectives are being reached.
4. **Evaluating performance** – measure the workers performance at the end of normal operating period, to assess if they reached the objective.
5. **Give reward** – give rewards to the worker based on reaching the objectives.

How do you think this can help collaboration?

3.1.2   SMART goals

Everyone has different goals. But how do you make sure you have created goals that will help you? One way to do so is to use the SMART rules. Writing your goals in a SMART format will make sure that you are clear on what you are trying to accomplish, as well as when and how.

S	M	A	R	T
SPECIFIC	**MEASURABLE**	**ACHIEVABLE**	**RELEVANT**	**TIME-BOUND**
State what you´ll do	Provide a way to evaluate	Within your scope	Makes sense within your job funcion	State when you´ll get it done
Use action words	Use metrics of data targets	Possible to accomplish, attainable	Improves the business in some way	Be specifitc on date or timeframe
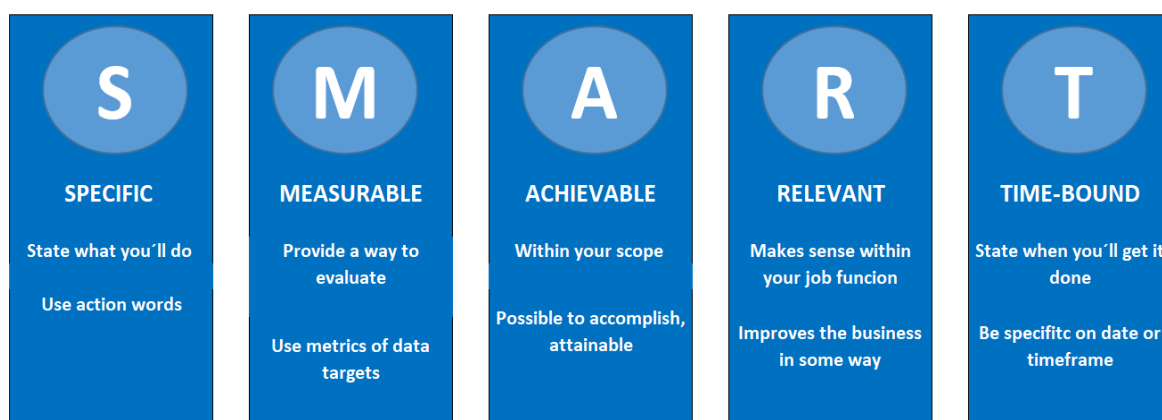
Figure 5: 4 SMART rules

SMART goals are specific, measurable, achievable, relevant and time-bound. We suggest that you develop two or three smart goals to help you focus your Collaboration Management efforts over a specific timeframe of perhaps three, six, nine or twelve months.

Use the following template to draft your own SMART goals or share the template with your team so that they can create theirs. Repeat it for each goal.

Is it Specific?	Does the goal define both what needs to be attained and by when?
Is it Measurable?	Can it be measured and how?
Is it Achievable?	Is it possible to do in the timeframe?

Is it Relevant?	Will it be useful and appropriate?
Is it Time-bound?	What time period have you set to attain this goal?

Figure 6: SMART goal template

Here's an example to help you better understand how to use the template.

SMART Goal example: Goal is to reach 300,000 new unique site visitors per month (Melanie Balke, Growth Strategist, BAMF Media)

Is it Specific?	Yes. The goal defines both what needs to be attained and by when.
Is it Measurable?	Yes. The goal is measurable within Google Analytics.
Is it Achievable?	The goal is a 20% increase of their current site visits which is achievable considering they have additional budget and the three-month time frame is realistic while still being ambitious.
Is it Relevant?	Yes. Measuring all visitors to the site would give a large figure but would not help the goal of getting new eyes to the site. Therefore, they chose to track new unique site visitors to single out every new single visitor.
Is it Time-bound?	Yes. They set a period of three months to attain this goal.

3.1.3 Benchmarking

You can also use benchmarking to give you an assessment of your company's current state and the external business environment to identify gaps and discover ways to improve performance and meet your goals, once established.

You can use benchmarking in the following three key ways:

Process benchmarking

To help you to better understand your processes, compare performance against internal and external benchmarks, and find ways to optimise and improve your processes. The idea is that, by understanding how top performers complete a process, you can find ways to make your own processes more efficient, faster and more effective.

Strategic benchmarking

This compares strategies, business approaches and business models to strengthen your own strategic planning and determine your strategic priorities. The idea is to understand what strategies underpin successful companies (or teams or business units) and then compare these strategies with your own to identify ways you can be more competitive.

Performance benchmarking

This involves collecting information on how well you're doing in terms of outcomes (which could mean anything from revenue growth to customer satisfaction) and comparing these outcomes internally or externally. This can also refer to functional performance benchmarking, such as benchmarking the performance of the HR team (using metrics like employee net promoter score or staff engagement surveys) or the marketing team (measuring net promoter score or brand awareness, for instance).

Before you start with benchmarking you should answer following question:

Would it be helpful to you to confirm or discover your organisations' strengths and weaknesses through empirical data?

If the answer is yes, carry out the following:

1. Decide what you want to benchmark.
2. Identify performance measures.
3. Evaluate your own firm's capabilities.
4. Identify firms to be benchmarked.
5. Conduct research of selected firms.
6. Analyse to collected data and develop an action plan.

3.2   Plan how you are going to manage collaboration in your organisation

Collaboration management is the effective and efficient management of relationships in a cooperation between separate and relatively independent organisations or individuals, with the goal of improving their competitiveness. We will talk more about how to manage the collaborative process later in this guide but for now, the most important things you need to know about collaboration management are:

- It is a complex decision-making process with decisions on all managerial levels.
- The main goal is to satisfy the needs of the people who are collaborating.
- All activities need to occur according to the agreed principles of management and collaboration.
- You need to find a suitable balance between the efforts for commercial success and maintaining the goals of the cooperating parties.
- You need to focus on reaching a goal via effective use of resources.

3.3 Choose what type of collaboration to use

Choosing a collaboration type depends a lot on the type of activity you are going to carry out. If you want to carry out analysis of a medical device you might want to create a community of external experts. An activity where consumer product awareness is needed would lend itself to an external Network collaboration where global data and views could be gathered up. Adding a server to your own server farm would work best with internal team collaboration. Depending on what you are trying to achieve you might use all 3 collaboration types just mentioned! Here are some questions to ask yourself to help decide but remember that you may use more than one type or change as the work changes.

3.3.1 Do you have all the expertise you need in-house?

If so, go for internal collaboration. There are many advantages to this approach. The members of the team probably know each other, you can establish clear tasks and handoffs between tasks, everyone understands their established role. It's like a football team. They all know their positions, plays and how to interact with each other. The problem with this approach however is that the team may have a very narrow perspective which does not encourage innovation. Knowing that in advance can help you to combat it however.

As previously mentioned, collaboration requires people in a group to fulfil their obligations and respect the rights of others. For effective collaboration, the dynamics of teams must be understood as a whole comprised of discrete parts: leader, follower, followers working together (i.e., team), and team lead by leader (i.e., collaborative team). Essentially, people want to be led, not managed. Leadership is grounded in a relationship between leaders, followers, and their common goal.

Figure 7: Collaborative team

"Essentially, people want to be led, not managed".

If you decide that you need more expertise then go for external collaboration. As you have already read, there are many different types of groups you can collaborate with, each with their own characteristics. We will talk a little later about how you can find the right group of people to collaborate with externally.

3.3.2 How will you create a collaborative team?

Many people think that it is easy to create a collaborative team. However, it is not! Your team must be carefully structured to support effective behaviour, develop innovative solutions, and deliver successful outcomes. In collaborative teams all team members are actively involved in the planning and control process. Management is seen not as an activity for

managers only but as part of the role of all team members. This creates a high level of transparency and a shared awareness of quality among team members.

Here are some guidelines for how you can create a successful team.

1. Investing in signature relationship practices, e.g., investing in physical areas that will encourage collaboration, such as open plan offices or spaces for teamwork.

2. Modelling collaborative behaviour. Practice what you preach!

3. Creating a "gift culture." This can be done through mentoring and coaching, enabling necessary networks to be built.

4. Ensuring the requisite skills. Professional development that focuses on building relationships, communicating well, and resolving, conflicts will help people in the workplace develop the skills they need for collaboration and teamwork.

5. Supporting a strong sense of community. Building community builds collaborative practice.

6. Assigning team leaders who are both task- and relationship-oriented. Both are key to being a successful team leader!

7. Building on heritage relationships. People feel more comfortable when they know each other, so build on this and put at least some people who know each other on the same team.

8. Understanding role clarity and task ambiguity. Understanding roles and responsibilities is key, and essential for functional cooperation.

Collaborative teams almost always contribute to successful project outcomes and innovation. Those that do not, fail to do so because of one or more dysfunctional behaviours that are easily remedied. Research has shown that having multiple eyes on a project solution helps teams avoid major errors. Collaborative teams offer more opportunities for new ideas that advance innovation. This is due to the diversity of members' backgrounds and prior experiences before joining the team. Finally, collaborative work environments encourage people to be self-motivated, self-assured, and satisfied with their jobs.

> Collaborative teams almost always contribute to successful project outcomes and innovation.

Have you ever worked on a team of very talented individuals who were outperformed by a team without such expectations of success? Why do you think that happened?

It might have been leadership or the team composition.

Leadership was probably a factor. Leaders who know how to get the best out of the team bring people together in a common purpose and can lead the team to achieve outstanding results in the process. It may also have been the team composition. Maybe thought was given to how we put teams together, not only balancing skills, experience and expertise, but also the fit of people to give the team the best possible start and the collective tools for the job ahead.

Where this isn't always possible to put together the ideal team, a little more awareness around this subject will help teams to collectively work together through a mutual understanding of where problems could arise. We need to have more awareness of who we are as people and how this colours our daily working relationships.

While we have looked at various influences and agendas, there is of course just the factor of how we are as people, how we prefer to work, communicate and engage with others.

Clearly people come in different flavours. For instance:

- Those that like to be more ordered and organised, use lists and schedules.
- Those that are more gregarious and prefer to work things out with others.
- By contrast, those that are perhaps more withdrawn and prefer to process and think things through individually before sharing their ideas.
- Creative, ideas types that are not so practical in their approach.

Details on various ways of helping people identify their preferences for communication and engagement with others can be found here:

• Myers Briggs: http://www.myersbriggs.org

• Belbin: http://www.belbin.com

• Keirsey: http://www.keirsey.com

Of course, personality types, or indicators of behaviour, only identify preferences in the way people prefer to behave. This doesn´t rule out their behaving outside of their "type" in certain situations, in response to pressures or other agendas – because that´s what people do. But being aware of how they act and like to communicate can help you to create a more successful team.

3.3.3   How will you improve communication?

As we just mentioned, people have different preferred ways of communicating but we all communicate daily, whether that's through verbal, body language, phone or written means. You can make your collaboration more successful through considering how you and the rest of the team communicate and then making some improvements if necessary.

> "Wise men speak because they have something to say; Fools because they have to say something."

Tips for more successful communication

Tip #1: Know who you're talking to (and how they like to communicate – do they like to chat or would they prefer an email?)

Tip #2: Use simple, straightforward language (say just enough to get your point across)

Tip #3: Engage your listeners in the conversation (Request feedback)

Tip #4: Respond when addressed (so they understand that you heard their message)

Tip #5: Make sure you are understood (look for signs that people understand you)

Tip #6: Develop your listening skills (don't spend your time thinking about what you will say next – listen to what is being said)

Tip #7: Watch for visual signs that your listener understands, agrees or disagrees with your message

Tip #8: Maintain eye contact

Tip #9: Respect your audience

Tip #10: Stay positive

You can also improve communication when carrying out other tasks such as solving problems. Try the following fun game with your team to help them see how different people think about and respond to problems.

Six Hats Game

You can use this technique when you are trying to find a solution for a problem. But you can also use it as a way to:

- Encourage innovative thinking
- Improve problem-solving techniques
- Improve communication skills
- Support informal communication
- Contribute to team building
- Improve empathising.

At a high level, you play it as follows:

1. The coordinator explains the problem to be solved or innovation to be introduced.
2. Put on one hat and discuss the problem from the point of view of your colour.
3. Change the hats and repeat the discussion.
4. Coordinator makes a list of potential solutions.

By collaborating and thinking through different viewpoints you not only get a wider list of potential solutions but also help your team to become aware of how they normally react to problem solving and how others think differently.

Each player presents his/ her point of view in line with the role he/she is playing. The other players can express their opinions and join the discussion. Please don't allow anyone to mock other ideas or to discourage others. A bit like in brain storming, there are no bad ideas.

When the discussion slows down, seems everything has been said the players can change the hats and play again. The coordinator may now distribute the roles. If somebody has many objections to the player with for example red hat now let them try this position.

The coordinator makes notes (records) with the goal to **list potential problem resolution strategies along with the risks and benefits associated with each one.**

Later on, the coordinator may come with another proposal how to solve the problem and play the game again.

Each member (might be more than one if the team is bigger) of the team puts one hat on the head. The hat may be real or virtual and it means the person is playing one role of the following:

PROCESS
Blue Hat - Process
Thinking about thinking.
What thinking is needed?
Organizing the thinking.
Planning for action.

CREATIVITY
Green Hat - Creativity
Ideas, alternatives, possibilities.
Solutions to black hat problems.

FACTS
White Hat - Facts
Information and data.
Neutral and objective.
What do I know?
What do I need to find out?
How will I get the information I need?

BENEFITS
Yellow Hat - Benefits
Positives, plus points.
Why an idea is useful.
Logical reasons are given.

FEELINGS
Red Hat - Feelings
Intuition, hunches, gut instinct.
My feelings right now.
Feelings can change.
No reasons are given.

CAUTIONS
Black Hat - Cautions
Difficulties, weaknesses, dangers.
Spotting the risks.
Logical reasons are given.

3.3.4   How will you collaborate successfully?

Here are some practical tips for promoting high quality collaboration:

What to do	How to do it
Forge a shared purpose that inspires all participants	Explore the question "What can we only do together, that none of us can do alone?" Being able to answer that question – in a way that is both personally and professionally meaningful to participants – is vital if the group is to focus and function effectively.
Craft an agreement for engagement and accountability	Well-conceived guiding principles and clearly articulated behaviours are useless if not implemented. Summarise them on a scorecard the group can use to monitor and reflect on its performance after each meeting. Leaders have an important role to play in fostering reflection both on whether their team is meeting its goals or not and how well the groups collaborating.
Clarify roles and decision rights	Take time to understand how your team's composition, scope, and structure affect decision making. Teams that are smaller and more geographically intact can often rely on more democratic methods of decision making because challenging issues can be worked through in person. Teams that are globally distributed need more structure and differentiation in terms of roles and decision processes.

Create systems and processes for communication and coordination	A leader's commitment to clear, open communication sets the tone for his or her team and organisation. In a collaborative context, transparency is vital. It contributes to trust and productivity, while hoarding or withholding of knowledge and information undermine them. Leaders must also ensure that everyone understands specifically what's expected in terms of information sharing and responsiveness to communications.
Harness collective intelligence	Many leaders tend to be conservative when it comes to inviting input – but often the insight they most need can only come from a broader network of stakeholders. Challenge yourself to find ways of experimenting with enterprise social media to solicit ideas on key strategic questions from people throughout the organisation.
Ensure accountability for results	Invest trust in your team at the outset – and assess continually to deepen that trust or identify where help is needed. Be clear about what you are trusting others to do and what mutual accountability means. Have the self-confidence to share credit generously. Above all, be trustworthy and accountable. Do what you say you're going to do.

3.3.5   How will you find the right partner/partners?

You need to know exactly what you want and what you are prepared to give in return before embarking on a collaborative venture. Decide on your motivation for the partnership. Here are some reasons that other smes gave for deciding to collaborate externally which might give you some ideas:

Figure 8: Reasons for collaborating externally

You should prepare a clear business case (there's lots of information publicly available on how to do that) and then choose your partner/partners. Sometimes finding the partner is the easy part as there may be a person or organisation that seems to be a great fit, perhaps because they have the expertise, skills or intellectual property you require.

Steps	Consider	Don't forget that:
Bring together all potential collaboration partners	Local governments National governments Social partners Entrepreneurs Businesses NGOs Education sector Scientific sector Representatives of society	Partners can be • cooperating • competing • ignoring • resistant to large scale change • prefer short term or long term solutions
Agree partnership principles	Equal rights or partnership agreement	Funding of entrepreneurial or NGO activities. Separate strategic and single decisions to avoid conflicts of interest.
Agree ownership	Partners must agree on a common strategy based on shared (unanimously accepted) analysis.	Build consensus and accept that some issues might constitute a problem for one group but not be considered as a problem by others.

You may create one of the following groups.

Top-down interventions

Cooperation between a small set of powerful stakeholders: government, international donor projects, and private enterprise groups. These promote their own agendas, knowledge and value systems. There is little or no participation from other stakeholders. The planning is top-down.

Modified top down interventions

Cooperation is made by a small set of powerful stakeholders: government, international donor projects, and private enterprise groups. There is possible to obtain information from

other stakeholders about their interests and knowledge before decisions are taken. There is some participation because of this information gathering, but planning is still top-down.

Participatory interventions

The programme is designed and owned by a small set of powerful stakeholders, but it is implemented by using *bottom-up* planning. Stake-holder groups are engaged in assessments, and joint decisions are taken about programme activities at specific locations. These activities are co-managed by the programme and beneficiaries, and they are evaluated jointly.

Have you ever been part of a collaboration that seemed potentially great but just didn't work? What factors do you think may have caused this?

Different Values and Interests | Risk, responsibility, accountability and benefits not shared | Partnership established just to make money | Inequalities in resources and expertise negatively influence decision making | Partners unable to identify and resolve internal conflicts | One partner has all the power to drive processes | Partners not chosen carefully enough

4   Develop a Collaboration Process for Innovation
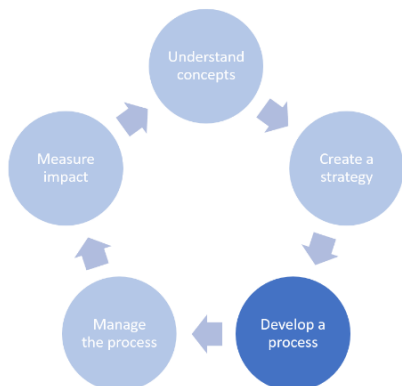
A collaborative process is better than a traditional process as long as everyone understands that it is a perspective and a way of relating with each other and the organisation, and not just a tactic, or a set of skills/tools. It can give a clear and elaborative way to achieve goals through working together.

The collaboration produces tangible, substantial, and sustainable results by moving from formation stages to joint participation and action.

4.1   What is it?

In a successful collaborative process, trust among the members overcomes initial hesitance/suspicions and participants work to satisfy, not just their own but the interests of all members and the organisation with all perspectives considered

Try to avoid the following three pitfalls when beginning a collaborative process:

1. overestimating the economic value of collaboration
2. underestimating the costs of collaboration (in time, money, and infrastructure)
3. ignoring opportunity costs associated with taking part in collaborative projects over other types of projects.

At the lower level, you need to define the necessary requirements for adequate process development, as well as the infrastructure of support needed to execute them. Think about:

1. process alignment.
2. Information System/Information and Communications Technology (IS/ICT) interoperability
3. complementary skills
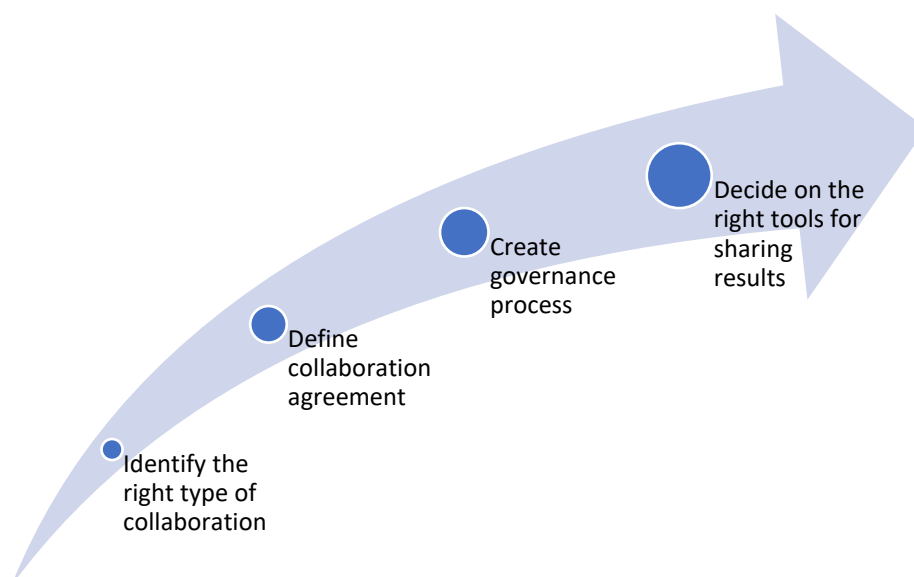4. coordination between activities.

Figure 9: How to develop a collaborative process

4.2　How do I do it?

Phases	Description	How you do it
Identify the right type of collaboration	When you decide why you are collaborating and what you hope to achieve	Define the reasons for innovating and the scale of ambition.
		Encourage collaborative behaviour as part of the innovation process.
		Choose a partner or partners depending where you are in the process.
		Embed the aim in your organisation's strategy, supported by leadership and accepted by staff and other stakeholders.
Define the collaboration agreement	When you create a clear understanding between all parties.	Include the roles (who does what), responsibilities (each party will be held to account), liabilities (what money or other assets each party owes to the group), rights of the parties (what each party will receive from the collaboration) and management of the undertaking and intellectual property.
		Include the governance process containing a schedule for achieving it; a resolution process for surfacing and resolving issues and an escalation procedure.
Create governance process	When you want to achieve all goals of governance process	Standardise process initiatives (establish procedures and tools if required).
		Align with other key business initiatives.
		Encourage continuous improvement of business processes.
		Define process roles and responsibilities.
		Determine process owner.
		Create change management processes if not already existing.
		Become a more agile organization in response to change.
		Promote the quality of process initiatives.

Decide the right tools to share your results	When you have generated results which you want to share with your partners	There are many potential collaboration channels e.g. Phone, Meeting, Instant messaging, E-Mail, Forum, Wiki, File sharing. Define tools and channels for each kind of collaboration activities within the organization. Track what happened and when so if there are any notable changes everyone can see them.

4.1   How will Collaboration make my business more innovative?

You can choose to collaborate at different stages of the innovation process. So, for example, you might have no problem coming up with a great idea (especially if you use the tips in the INCREMENTA Creativity Guidebook!), but at a later stage in the process you might decide that you need help solving a problem. As all stages of the innovation process are important, so collaboration is useful throughout.

Innovation is the implementation of a new or significantly improved product, service, process or working practice. It involves selecting, developing and successfully implementing creative ideas and solving any practical problems that stop you from implementing the idea. In other words, it is the practical application of a creative idea.

Innovation is the practical implementation of a creative idea

5   How do I manage the Collaboration Process?

Many of the cultural barriers to collaboration are as prevalent within as between organisations. It has been suggested that information can flow more easily between, say, software developers from different companies meeting at a barbeque than between people from different departments within the same organisation. Organisations therefore need to create a culture of sharing and, often, to overcome political resistance to working across silos

Collaborative working is tough. This is not about cosy, complacent relationships with no disagreements. This is about cultivating the very best and challenging thinking, of going to the limits of a relationship in arguing and contesting, exploring and testing, listening and reflecting. This is an environment of contrast – of action and reflection, of safety and of risk, of trials and of reward. But it should also be a culture of warmth and respect, of humility and pride, of sensitivity and firmness. The challenge we have is that people will view the problem with differing perspectives – reflecting their experience, circumstance and skill.

What factors do you think can influence collaboration?

There are many factors that can influence collaboration such as strategy, communication and culture. Please read on for a brief discussion of some of the main factors.

5.1   Critical success factors

When managing collaboration, you must consider the following 5 keys success factors:

Leadership   Culture

Communication

Structure   Finding the right

partner

5.1.1   Culture

Companies that create a culture and climate for knowledge generation, transfer and use perform better. Culture is the collection of fundamental values and belief systems which give meaning to organisations and is created from a broad range of internal and external influences, some of which are difficult to manage. Your organisation's culture can either help or hinder collaboration.

You can:

1. develop a visible connection between sharing knowledge and practical business objectives
2. integrate knowledge creation and transfer with an existing key business initiative
3. align reward and recognition structures to support knowledge transfer and reuse
4. try to encourage trust, cooperation and management of conflict in your business.

5.1.2   Leadership

Effective leadership is important for successful collaboration and innovation. Leaders can influence a group to achieve their goals by establishing and communicating goals building trust and inspiring teamwork defining a clear purpose and strategic intent .

You can:

1. Make innovation a regular item for discussion
2. Ensure some of your funds go towards innovative projects.
3. Ensure staff have the time and training necessary to collaborate.
4. Set expectations and get ready to hear all kinds of different viewpoints.
5. Give people time to problem solve by themselves.
6. Allow space for conflict and disagreements.
7. Make communication and problem solving transparent.

You could also try the following collaborative problem-solving technique as by taking on collaborative problem solving with clear goals, leaders are more likely to discover smart, creative solutions to help the team progress in its mission:

Action	Description	How collaboration helps
Problem Finding	Determine the origin of a problem, what happened and why it happened	Widen your focus. Plan an integrated approach that takes the roles and goals of all key people involved into consideration.
Fact Finding	Spend time to find what went wrong, what solutions already tried	Depending on the nature of the problem, use techniques to collect as much information as possible (talk to key informants, observe, interview, make research).

Problem Definition	Find the root of the problem	If you only fix what you see on the surface, the problem will almost certainly return, and need fixing over, and over again. So, involve others to get to the root.
Idea Finding	List potential problem resolution strategies along with the risks and benefits associated with each one	Involve others to list potential problem resolution strategies along with the risks and benefits associated with each.
Selection and Evaluation	Read case studies, interview experts and play online business simulation games	Read case studies, interview experts and play online business simulation games.
Planning	Before implementing a solution, assess its impact.	Do a small-scale survey and measure reaction. Get an opinion, especially from more experienced people.
Selling the Idea	Promote your idea to fellow team members	Identify the key influencers in your company or your customers and make sure you get them on board.
Action	Refresh your project management skills?!	Create step-by-step actions for solving the problem along with a communications strategy for notifying stakeholders and a timeline for implementation.

5.1.3 Communication

Collaboration facilitates the cross fertilisation of ideas. Communication among employees and with outsiders stimulates their performance. Thus, the better that members relate to each other and with key outsiders the better their performance.

5.1.4 Organisational structure

The structure of your organisation is a critical success factors for collaboration. This comprises the definition of authorities, responsibilities, roles and tasks assigned to each member. Even if they do not work on the same thing your staff can learn from each other's experiences and apply this new-found knowledge to their work. Mixing staff allows employees from all sorts of different social and work backgrounds to learn from their colleagues' experiences from a different perspective. Thus, they can bring fresh ideas to the project by thinking out of their comfort zone.

When collaborating externally, although each enterprise keeps its own organisational structure, it is sometimes useful to define an inter-enterprise structure to not only allow fast decision-making but also help to manage the complexity of the collaborative association.

Think about:

1. Collaboration leadership
2. Compatibility of management styles
3. Joint decision-making
4. Multidisciplinary teams.

Most alliances are defined by service level agreements (SLAs) that identify what each side commits to delivering rather than what each hope to gain from the partnership. The SLAs emphasize operational performance metrics rather than strategic objectives, and all too often those metrics become outdated as the business environment changes. Alliance managers don't know whether to stick to the original conditions or renegotiate. By that time, the companies' leaders have returned to run their own organisations and haven't followed up to ensure that their vision for synergies is being realized. The middle managers coordinating the alliance, who have no clear way to translate their leaders' vision into action, simply focus on achieving the operational SLA targets instead of working across organisational boundaries to make the alliance a strategic success. And because the managers usually remain under the HR policies and follow the career development paths of their parent organisation, they have little incentive to commit much energy to the project.

5.1.5 Finding the right partner

We have already discussed the importance of finding the right partner, but it is worth repeating here as it is so important for successful collaboration. Both sides of the collaboration need to determine what they want from the partnership and what they are willing to give to achieve it. It is also vital to put a collaboration agreement in place to create a clear understanding between all parties.

You should also consider other factors such as:

- Holding face to face meetings
- Having a top-level executive sponsor.
- Ensuring that participation is seen as approved – even mandatory-behaviour.
- Creating a shared sense of purpose.
- Providing a reward – intrinsic or otherwise – for participation
- Involving your staff early in the process.

6 Measure the Impact - Collaboration Scorecard
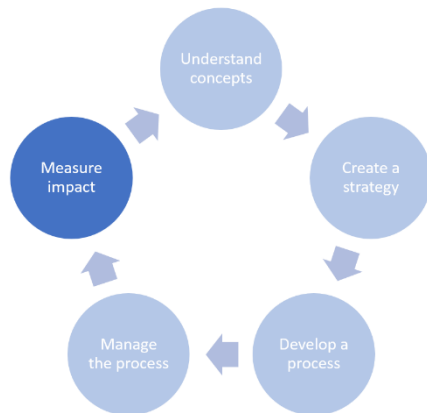
6.1 What is it?

A scorecard is a common tool used to evaluate certain processes or actions. You may have used one before for a business plan, or any other company requirement. By analysing the performances of certain aspects of the company, you can made well-informed decisions, based on data obtained from surveys and interviews. The scorecard can help you to align specific parts of your plan. The information on the scorecard comes from investigations by management, company employees, and clients, detailing comments on the performance of a project, or team.

The balanced scorecard allows you to look at the business from four important perspectives. It provides answers to the following four basic questions:

- How do customers see us? (customer perspective)
- What must we excel at? (internal perspective)
- Can we continue to improve and create value? (innovation and learning perspective)
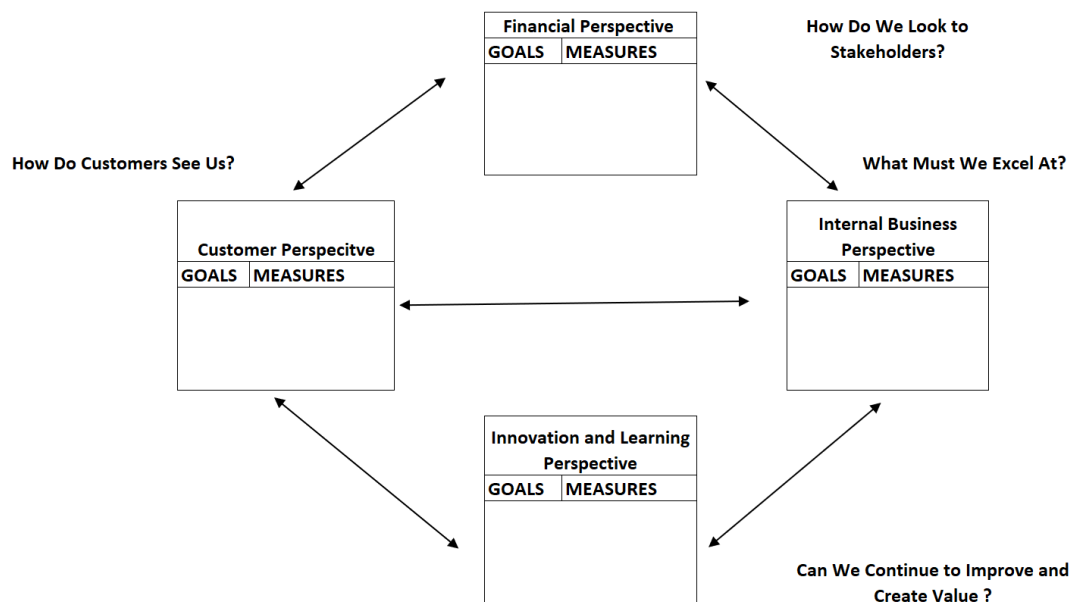- How do we look to shareholders? (financial perspective)

Figure 10: 4 basic questions posed by the balanced scorecard

Use the Balanced Scorecard to translate your business mission and strategy into tangible objectives and measures.

6.2 How do I use it?

Think of the balanced scorecard as the dials and indicators in an airplane cockpit. For the complex task of navigating and flying an airplane, pilots need detailed information about many aspects of the flight. They need information on fuel, air speed, altitude, bearing, destination, and other indicators that summarize the current and predicted environment. Reliance on one instrument can be fatal. Similarly, the complexity of managing an organisation today requires that managers be able to view performance in several areas simultaneously.

Let's have a look at the steps of how to create a Balanced Scorecard.
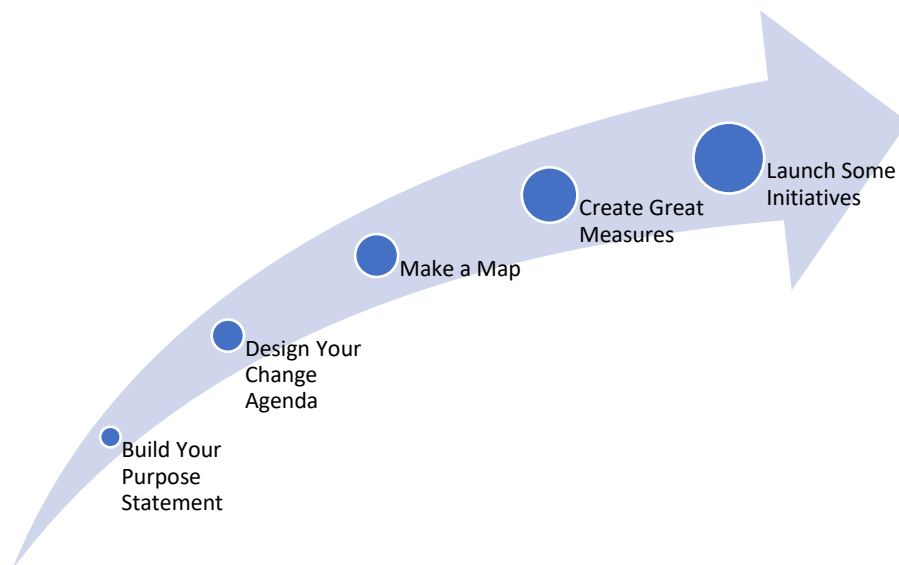
6.2.1 Build your purpose statement

A purpose statement clearly communicates how you'll be different to your competitors, and it should include three different aspects:

1. Objective
2. Advantage
3. Scope.

Put simply, your purpose statement tells the world what you're going to do (your objective), how you're going to win (your advantage), and where you're going to do it (your scope).

6.2.2 Design your change agenda

If the purpose statement looks outward, the change agenda looks inward. What do you need to make better in your organization to achieve your purpose statement? What levers can you pull to drive change? Your change agenda is a simple representation of the changes that will occur in your organization as you execute your strategy.

6.2.3 Make a map

Without a map to guide you to your destination, it's very easy to make lots of wrong turns on your way to strategy execution. A strategy map is a simple, one-page visual representation

of your strategic objectives, with cause and effect linkages. It paints a picture of your strategy, so everyone can understand it.

6.2.4   Create great measures

Once you have your map, it's time to think about measures. Measures do two things: They help you manage (understand what's not working) and they help you motivate (people respond to what's being measured, even if there's not compensation tied to it.) Choose the measures that help you drive your strategy.

6.2.5   Launch some initiatives

Initiatives (or projects) are where your strategy comes to life. What projects do you need to kick off in order to execute this strategy? And, just as important, what things are you going to stop doing in order to focus on your strategy?

6.2.6   Present the information

We have used the **Scorecard Slides for PowerPoint** as they are ideal for employee evaluations and company reports. They are widely available. You can edit the data and graphics on the scorecard to fit your own specifications. The PowerPoint slide is customisable and easy to adapt but you can use any other template that you find useful.

You have three options to present the information, applying the same table format. The first type uses stars to indicate the score on the table. The columns are highlighted in bright colours for easy identification. The second type contains the same stars but does not have highlighted columns. The columns in the last slide are shown in red, grey, and blue. The specific points are demonstrated by grey circular PowerPoint shapes.

Figure 11 Example of Scorecard Slide Design
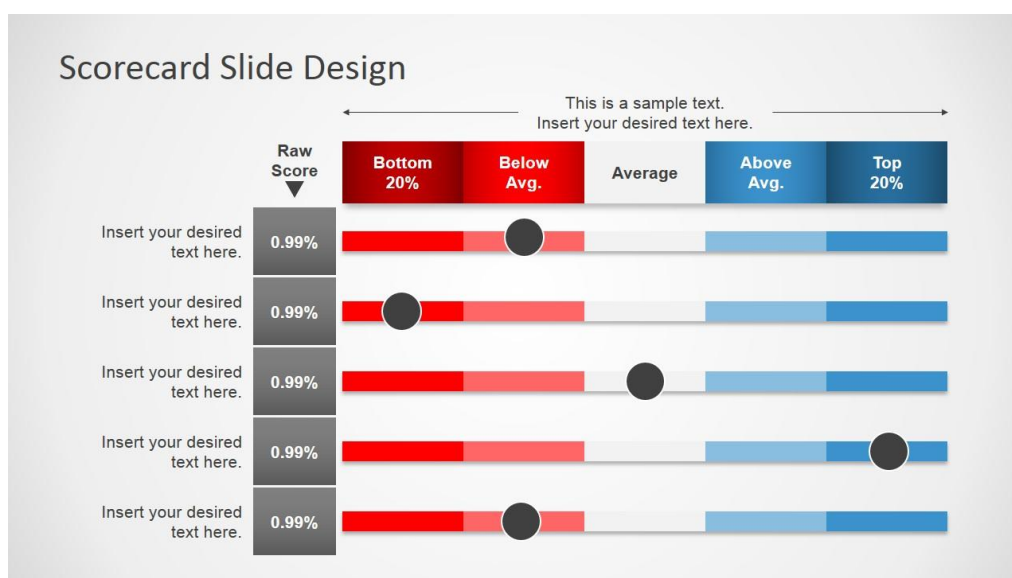
To use the balanced scorecard, you should define goals for time, quality, and performance and service and then translate these goals into specific measures.

Here's an example of how senior managers at ECI used it. They established the following general goals for customer performance: get standard products to market sooner, improve customers' time to market, become customers' supplier of choice through partnerships with them, and develop innovative products tailored to customer needs. The managers translated these general goals into four specific goals and identified an appropriate measure for each as in the following diagram. To track the specific goal of providing a continuous stream of attractive solutions, ECI measured the percent of sales from new products and the percent of sales from proprietary products. That information was available internally. But certain other measures forced the company to get data from outside. To assess whether the company was achieving its goal of providing reliable, responsive supply, ECI turned to its customers.

Here's an example of its output:

ECI's Balanced Business Scorecard

Financial Perspective

GOALS	MEASURES
Survive	Cash flow
Succeed	Quarterly sales growth and operating income by division
Prosper	Increased market share and ROE

Customer Perspective

GOALS	MEASURES
New products	Percent of sales from new products
	Percent of sales from proprietary products
Responsive supply	On-time delivery (defined by customer)
Preferred supplier	Share of key accounts' purchases
	Ranking by key accounts
Customer partnership	Number of cooperative engineering efforts

Internal Business Perspective

GOALS	MEASURES
Technology capability	Manufacturing geometry vs. competition
Manufacturing excellence	Cycle time Unit cost Yield
Design productivity	Silicon efficiency Engineering efficiency
New product introduction	Actual introduction schedule vs. plan

Innovation and Learning Perspective

GOALS	MEASURES
Technology leadership	Time to develop next generation
Manufacturing learning	Process time to maturity
Product focus	Percent of products that equal 80% sales
Time to market	New product introduction vs. competition

Figure 12: Balanced business scorecard example

6.3   The end of the reading…..and the beginning of your collaboration!

So now you should understand that Collaboration is a good thing for you and your business. It can help you to get new skills, solve problems through different insights, and improve your opportunities for creativity and innovation.

Over the course of reading these materials you have thought about:

- How collaboration management is aligned with innovation
- How you can benefit from collaboration management
- Which type of collaboration you can apply in your organisation
- How you can apply collaboration process in your organisation
- How you can you find right partners for collaboration
- What factors influence the collaboration process in your organisation.

Overall you have learned that collaborative leadership is an increasingly vital source of competitive advantage in today's highly networked, team-based, and partnership-oriented business environments. You have also learned that certain factors are vital for successful collaboration. While some factors, such as culture, leadership, organisational structure and communication are vital to both internal and external collaboration, the most important for external collaboration is to find the right partner.

Innovation can arise from interactions among people with different skill sets and experiences, who either solve problems or generate ideas that create value. Collaboration is very important to increase the potential for innovation and as such is vital to innovation.

At a very high level, you now know that you can collaborate successfully by doing the following:

- chose the right partner
- agree shared intentions
- define a single definition of success
- create a shared level of engagement
- establish common goals by negotiation
- divide the whole task into smaller tasks
- distribute the tasks to owners to complete, and finally,
- combine the work to get an outcome which is better than you could have achieved by yourself.
- If you are improving internal collaboration it's a great idea to bring your staff along with you and ensure they feel part of the process.

You should also now have some practical strategies tools you can use along the way, like the balanced score card to translate your business mission and strategy into tangible objectives and measures and the collaboration process for innovation.

We hope you now feel confident to use these materials to improve your collaboration and harness its benefits for your business.

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