The Business Case for Investment in Collaboration & Collaboration Platforms

COLLABORATION DEFINITION

Where individuals & groups share common global goals and value the specific goals of others within a common framework of the common environment they interact. They are mutually supportive and pro-active in innovating new outcomes for the shared good. They will engage once-off, periodically or on an on-going basis as required to achieve common goals.

LEVELS OF COLLABORATION MATURITY

- Leadership
- Competitive Advantage
- Competitive
- Learning
- Comfort
- Critical
- Dead

Continuum of organisation Maturity

At one end of the spectrum we have the highly intelligent organic organisation that continually innovates and adapts to maintain a leadership position in their segment and maximize value for stakeholders. These are learning organisations with strong values and collaborative behaviours.

At the other end of the spectrum is an organisation in the critical zone which may have lost all inertia internally and will fail unless there is an intervention to create inertia.
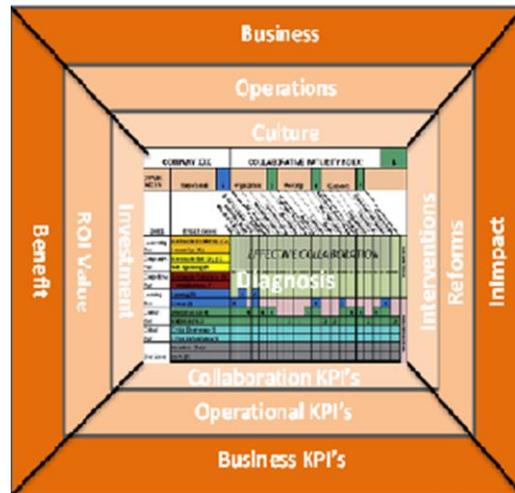
Introduction

In recent years working with small and large organisations the challenge has been put to me "What is the business case for investment in collaboration? " .The senior managers who pose the question know or feel that changing the way people work and how stakeholders engage can really release talent and impact the organisations performance. They have observed the power of really effective cross functional collaborative teams, or seen the power of social media platforms, however securing commitment for the investment normally requires a sound, factually based financial business case which is traditional in organisations and good corporate governance.

The dilemma of course really relates to the fact that the ultimate value of a highly collaborative organisation with tools that support collaboration is that it's not a top down benefit but a bottoms up outcome. What do we mean by this, well fundamentally what we want to do is change behaviours within the organisations human systems enabled by the various supports such as a platform and training as examples. We want to create widespread collaboration vertically and horizontally across and between organisation(s) as the way we do things.

. The consequence of this are that because we are trying to release talent we cannot predict the exact outcomes as they bubble up to the top line, however what we can do is create a framework to harness that release of talent and leverage that framework to provide a new structure for the preparation of a business case and also for the guiding of a new collaborative environment to achieve the top level business goals.

Having examined approaches to collaboration and looking at organisation development and management have evolved since the industrial revolution, what we see is an evolution whereby we have organised the humans in an organisation in different ways to achieve different outcomes such as division of labour, specialisation, command and control hierarchy, quality control processes etc. Then over time we have put processes, procedures, training and the next great management initiative such as TQM, JIT, Lean, etc. to enable the more rigid structured become more flexible and facilitate training, teamwork and collaboration. Look at your organisation have you some or all of the following:-

1. Well defined roles for individuals , teams and functions, and interfaces defined
2. Cross functional program teams for big projects
3. PMO's to ensure all stakeholders are included in projects
4. Defined good practice meeting process and associated training
5. Soft skills development programs

Now let us look at this from a different angle ,take the recent crisis in middle eastern countries and citizen uprisings seeking democracy, inherent in these events was the role of social media platforms , citizens communicated, organised, kept informed and mobilised for nation change through leveraging new media for collaboration. That said I am not suggesting that employees will revolt if you allow them freedom to collaborate as their normal way of working, but the point is there is power in a collaborative culture enabled by technology to facilitate major change.

COLLABORATION IP consulting

Why must the business case consider collaboration Maturity ?

20 Collaboration Dynamic Constructs

Interpersonal

➢ Trust
➢ Sharing of Aims
➢ Collective Responsibility
➢ Competence Confidence
➢ Culture

Organization

➢ Management Involvement
➢ Self-Organization
➢ Communications
➢ Boundaries
➢ Business Process

Working

➢ Autonomy
➢ Feedback
➢ Goals
➢ Motivation
➢ Attitude to social media

Customer

➢ Results
➢ Engagement
➢ Connectivity
➢ Satisfaction
➢ Communities

Four Levels of collaboration KPI's

1. Primary Business KPI's
2. Operational KPI's
3. Collaboration KPI's
4. Collaboration Maturity Indices

If we believe that changing how people work and creating a collaborative culture will change things, which most leaders do then we need to understand the maturity of current collaboration so that the correct investments and interventions can be made. Depending on where an organisation lies on the maturity scale will identify the time to maximising the value of the investment and the potential ROI. But that said assuming the ambitions are realistic regardless of the position on the maturity scale and by choosing the correct intervention investments and ROI can be achieved.

In order to baseline what the collaboration maturity level is we use the only available scientific and normative diagnostic available on the market which is the collaboration maturity index from Holignment. This framework model provides an online diagnostic; dashboard and set of reports that allows the organisation understand what their collaboration maturity level is and select targeted and systematic interventions creating systemic learning and progress towards the next level up in collaboration.
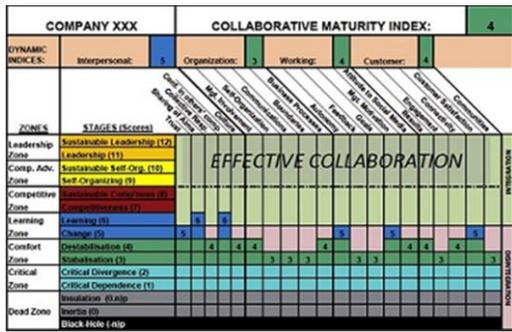
Most organisations on average habituate the middle levels in or around the learning zone, and few are on the extremes. What we have established is that the interventions when an organisation lies closer to the dead zone are more traditional organisation development interventions and practices and at this level the use of sophisticated tool will fail. We also know that for most organisations because they are human systems that deployment of more sophisticated platforms and tools will only maximise traction and ROI if they are strategically integrated in the business and OD strategy and enabled by targeted softer interventions such as training, coaching, interpersonal skills development etc.

We also know that deploying a sophisticated collaboration platform is unlike a traditional IT/system deployment project because we are changing the way staff work, behaviours and cultural values and even at the higher levels of maturity soft interventions and new support/mediation/facilitation roles and processes will need to be embedded in any rollout.

Preparing a business case for investment in collaboration & collaboration platforms

Ultimately we will be required to provide the cost benefit analysis, or ROI plan and correctly so. Though this is not rocket science in that it is basic maths. How much will we spend and what will we save or increase financial performance , when is it positive and by how much over time so some level of investment decision criteria may be applied. This paper is not intended to educate on the financial aspects of preparing a business case but more understanding where and how to pitch investment in collaboration thus avoiding failure, wasted expenditure or long ROI periods.

The importance of KPI's and metrics for the business case and for guiding any collaboration program.

It is important to believe also that with well-informed leadership and good financial support that the majority of metrics even if they are not actual accurate financial indicators, they can have applied an acceptable financial value on a reasonable accounting basis, and though they may not be 100% accurate if we maintain consistency in measurement criteria and application of coefficient that any relative change is a solid business indicator.

Business (Primary) KPI's

Most organisations will have 5 to 8 overall KPI's which the stakeholders have bought into as indicators of achievement of goals for the organisation. Within these primary KPI's there is usually 2 but maximum 3 that are considered primary and usually what the leaders are measured on. In the private sector these will often be Revenue, Profit & Market share as examples. In the public sector there are often citizen service levels, costs, & Headcount. Below is a sample table which may be used to help develop the business case:-

Operational KPIs

Most Organisations will have operating KPI's which measure key internal or functional outcomes and/or processes. If the organisation adopts a management by objectives process and has good performance management, there will be a top down, bottom up process that aligns all the organisations KPI's to an individual level in some manner. There are many KPI's here and they may differ from business to business, group to group etc. Here are some examples:-

Operational KPI Type	Increase	Decrease	Other	Primary KPI Impact	Value $ € £
Volume or Quantity (Production units, service incidents ,changes, new products etc)					
Cycle Time (time from start to finish of a process or sub process)					
Responsivness (Time from activation to response)					
Schedule (Timliness of an action, project, deliverable)					
Cost (Of a task, activity, unit etc)					
Conformance/Compliance (To target, Standard, process etc)					
Re-Use (a Deliverable, Output, knowledge, Information)					

Collaboration KPI's

These are the visible indicators that can be measured and also mapped to operational and primary business KPI's. These KPI's are important when making Collaboration investments as they will give indicators of what is working and what is not.

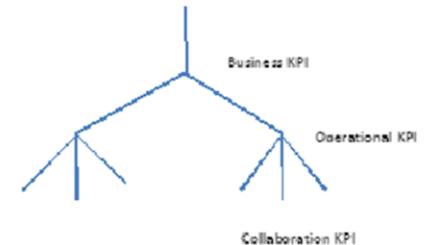| Collaboration KPI Type	Increase	Decrease	Operational KPI Impact	Primary KPI Impact	Value $ € £
New Discussions					
Active Discussions					
New Communities					
Active Communities					
Contributions to KB					
Removals from KB					
Profile completeness					
Search effectiveness (person, expertise, group, artifact, information etc)					
New & Active Teams					
Bookmarks					
Chats					

Mapping KPI's

Mapping KPI's to KPI from level to level is a useful exercise in preparing the business case , however it can become complex unless kept focused, when I do this to validate planned actions and impacts on KPI's I use the 1,2,3 rule. I.e. pick one primary KPI, then identify the top two operational actions and related KPI's that will have the maximum positive outcome on the primary KPI. Then do the same for the Top 2 operational KPIs with the Top 3 collaboration activities and KPI's.

Public, Intra Organisation, Crowdsourcing type collaboration

The same approach may be adopted for an organisation that is seeking to engage with external stakeholders whether it is on a public platform like Facebook, LinkedIn, etc. or their own proprietary platform. So Organisations may want to create unique communities, engage with customers, suppliers, industry associations, citizens etc. There will be different drivers for each organisation and therefore different KPI's that must be quantified to ensure the investment and ROI are valid and achieved. Drivers may include create new users, new customers, a brand, new sponsors, new donations, inform stakeholders or be informed by stakeholders for example to plan future needs, to influence your product or service roadmap, to enhance satisfaction or to test satisfaction, to seek opinions etc.

Summary & Conclusions

Collaboration can release talent within and across organisations, the motivations for moving towards new ways of working and/or engaging with each other are driven by the organisations primary goals. Understanding the organisations collaborative maturity is the first step in designing interventions that are your investment, it allows those interventions to be selected and deployed at the habituated level of collaboration that currently exists, taking into account human and human system behaviours and learning, thus minimising the risk of failure and maximising ROI. Collaboration interventions must also be facilitated and measured as we are dealing with an organisation development change.