

ALL TOGETHER NOW

It might seem anathema to some businesses, but are there advantages to be found by working with your competitors? **Dr Liz Alexander** looks at collaboration in action



IT'S A ROUGH and tough old business world out there. No matter what sector your company belongs to - from technology or finance to retail or tourism - everyone is scrapping hard to fight their corner and make their business stand out, while at the same time trying to find that elusive 'competitive edge'. In the immediate aftermath of the recession, it was difficult enough just keeping a company afloat, but as the general economic outlook improves, firms are expanding and going after business once again.

But just how do you push forward when you might not have the manpower, the funds or the expertise to capture a bigger slice of the pie? The answer for many businesses lies in collaboration.

Whether you call them partnerships, alliances or joint ventures, collaborating has been around since humans first recognised the value of cooperating with others to achieve shared goals. But collaboration can often mean teaming up with an 'enemy', and it's this idea many people have to get over when asked to partner with a competitor.

Take law firms CM Murray, Hierons and Maurice Turnor Gardner, who, along with accountants Buzzacott, formed the Professional Practices Alliance (PPA) in June last year. The aim? To create a one-stop seamless service typical of 'magic circle' firms, but also with the in-depth specialist knowledge for which boutique firms like theirs are known.

"A number of recent changes affecting the profession meant we couldn't continue working the same way," says Corinne Staves, a Partner at Maurice Turnor Gardner. "This collaboration serves our clients better by drawing from different perspectives and vantage points, not just the aspect of their business we each happen to specialise in."

"Let's say two Jersey-based professional practices want us to help them merge. The client still has one point of contact but through this collaboration we can be more nimble and adaptive to their needs," explains Staves. Those needs might include employment law, partnership law, mergers and acquisitions, risk and compliance or outsourcing payroll and HR - all of which are offered by the PPA partners.

And they've managed to avoid any conflicts and drama. "We're all honest about what we can do and how our services overlap, because stealing each other's clients isn't the way we want to do business. These conversations aren't something you think about once and then stop - they're ongoing," she adds.

Shared goals

In this case, the PPA partners were from the same, or closely related, worlds, but collaboration often happens between very different parties.



“Success in collaborating is less about your sector and more about what types of leaders are at the helm”

Irrespective of which is the case, the point of collaboration is for parties to work towards a common goal. Yet often the biggest challenge is in knowing what that goal should be. Take the Brompton Dock initiative, for example.

Brompton Bikes have built innovative, hand-made folding bicycles and sold them at premium prices since the early 1980s. But increased competition from bigger businesses made Brompton realise that it could soon be out-produced and out-priced. In an effort to grow the brand and become more attainable, the company began a bike-hire offshoot called Brompton Dock.

They partnered with universities, local authorities, corporates and train operators who bought the bikes and the docking stations, putting them in key locations. Brompton covered the cost of monitoring and maintaining the bikes, and both sides shared the revenues from membership fees and tariffs. But the plan wasn't working, so Harry Scrope was brought in to turn Brompton Dock into a success, or wrap it up.

Scrope saw huge unrealised potential for folding bike hire at Manchester's Piccadilly station, but unless he could convince Virgin Trains, they were going to shut him down. By promoting bike hire through search engine optimisation, social media and posters, Scrope helped stimulate local commuters' interest and more than tripled membership of the initiative. Since only 40 per cent of bikes need to be hired for the project to break even, Scrope had a financial incentive to offer Virgin. But he chose to offer a bigger, more compelling vision.

“I pointed out that Virgin business is green and that by collaborating with us they have a fantastic PR tool in not only promoting a quality British brand but being a change agent for how people commute - by reducing their carbon footprint, and engaging in a greener, healthier way of living. At that point the Virgin executive said, ‘I've heard enough - give these guys what they need,’” says Scrope.

Of course, all of this begs the question: how do you find a partner to collaborate with, and, more importantly, how

do you make that collaboration work? For the four firms that make up the PPA, this was a no-brainer - they were already working closely with one another. It simply took Claire Murray, Founder and Managing Partner of law firm CM Murray, to suggest formalising the arrangement, without forcing a legal obligation or losing their professional independence. The relationship is fluid in being non-exclusive - there is no fee sharing and no referral fees, simply a shared ethos of doing the best for the client.

“For us, it's more of an understanding,” explains Staves. “Aside from being honest with one another, we also share a common culture and outlook in the values among the four firms. We will obviously have to constantly review this as the Alliance gets bigger.”

A new paradigm

When it comes to setting the parameters at the beginning of a collaboration and setting up the processes to effectively assess its success over time, Jacob Morgan, author of *The Future of Work* and co-founder of the Chess Media Group, a strategic advisory firm focused on collaboration, says: “The important thing for any organisation to figure out is why they are seeking to collaborate to begin with. Once you understand the ‘why’ you simply attach relevant metrics that allow you to measure it. Then you should benchmark and look at the numbers periodically to see if you are moving in the right direction. Or you can do what many other companies do and just realise that collaborating is simply the new way

Start from the inside

According to Jacob Morgan, author of *The Future of Work* and Co-founder of the Chess Media Group, if you want to be able to collaborate with outsiders, a company needs to foster a culture of collaboration internally. He has five tips for making this happen.

- 1 LEAD BY EXAMPLE** Morgan cites Motley Fool, which has a Chief Collaboration Officer, and Telus, which has a Head of Learning and Collaboration, as shining examples. If senior leaders don't subscribe to collaborative strategies, no one else will.
- 2 CREATE A SUPPORTIVE ENVIRONMENT** Make the physical environment and corporate culture reflect the community. Telus listened to employees when developing more flexible work-life relationships: 30 per cent of team members are 'resident' workers (work in Telus buildings); 40 per cent are mobile workers; and 30 per cent are 'at home' workers.
- 3 FOCUS ON 'WHY' BEFORE 'HOW'** Specify the outcomes you want to achieve, then identify the technologies needed to make that happen. In his white paper 'The Business Value of Collaboration', Morgan identifies 'soft' business outcomes including improved company morale, communication and innovation.
- 4 GET OUT OF THE WAY** Give employees encouragement, education and training, but don't force them to do things the way you want them to be done.
- 5 BE PERSISTENT** New habits take time to embed, not least an ethos of sharing and learning from one another. Motley Fool's values include being competitive in the marketplace but collaborative internally so employees accomplish things together.

that work must get done, and accept it, without spending additional time and resources trying to measure it.”

Perhaps unsurprisingly, a number of innovative partnerships have emerged from the technology field - from Microsoft's collaboration with Toyota 'to jointly fabricate a software platform dedicated to managing the information systems for electric vehicles', to the recycling venture between the Coca-Cola Company and the UK's ECO Plastics aimed at 'more than doubling the UK's ability to recycle plastic for reuse in new bottles'.

While this might suggest the tech sector is especially good at establishing and managing collaborative ventures, Morgan says: “I find that whether or not companies will be successful at collaborating to be less of an issue of what sector you're in and more about what types of leaders are at the helm of the company. If you look at leadership and the corporate culture of an organisation, it's much easier to gauge and predict what type of company will perform better.” (See box below left).

Just don't let the excitement of a clever idea and the business opportunity blind you to potential difficulties and downsides. “The key thing is being upfront at the start,” says Scrope. “While it's easy to find common ground, the other partners' agendas might pull everything apart.” ■

DR LIZ ALEXANDER is an author, educator, business strategist, and Founder of business consultancy Leading Thought

The role of technology

Technology's helping to bring together networks of experts and members of the public in a collaborative way - something that happened recently in the Channel Islands.

Stephen Ozanne, an Associate with legal specialists AO Hall, was a participant in an ambitious plan to create legislation around the use of Google's driverless cars in Guernsey, using the concept of crowdsourcing.

Over one weekend last May, local experts in digital mapping, a few lawyers, but mostly members of the public, used online collaborative tools like Google Docs and Google Moderator to brainstorm more than 50 discussion points.

“Opening up these kinds of discussions to the public might have resulted in a chaotic free-for-all, but we had a structure and an experienced Guernsey resident who led the

process,” says Ozanne. He added that the original idea was to experiment with how such collaborations could help mitigate some of the resource problems faced by government, as well as make the proposal of new laws more accessible and engaging for the general public.

Similar collaborative initiatives facilitated by technology are emerging around the globe, including the gay rights legislation approved by the Finnish government, and the OPEN Act written by a US senator to protect internet freedom and intellectual property, which drew from crowdsourced ideas gathered via the online program Madison 2.0.

As technology continues to proliferate, it's likely to play an increasing fundamental role in collaborative endeavours for both businesses and governments.



Flexible workspace solutions to support your business

- Fully equipped offices, available short term or long term
- Meeting rooms and drop-in business lounges
- Video Conferencing

01534 719100
regus.co.uk

