

PLAY NICE TO WIN

By Ted Abernathy



Maximizing
Competitiveness through
Collaboration



Before signing the Declaration of Independence, Ben Franklin told the other stakeholders at the Continental Congress: “We must hang together, gentlemen, else, we shall most assuredly hang separately.”

Franklin knew that many people in the room had different ideas and priorities, and that they understood the risks of their collaboration. But they shared the common goal of freedom from England. Those patriots remained united until victory and then began a process of cooperation and compromise — sometimes civil, sometimes not — to sort out their other differences. That process continues today.

The stakes for all of us, as we manage our organizations, likely don't include hanging, but recent times have brought real urgency to our work. This economic downturn has been different. We have been challenged and confounded by an economy that has hurt communities, big and small. We have faced economic transition and lost jobs before, but this time the losses came faster, reached further and stayed longer. Jobs, companies, personal savings, home values and local government revenues have been hit hard. Recovery has been slow, and answers have been few and far between.

Former Speaker of the House Tip O'Neill said, “All politics are local.” What I've heard from chambers of commerce and economic development leaders is that local is precisely the geography of today's economic recovery. In the Southern Growth Policies Board's *The Road to Recovery is Named Main Street*, community leaders said they needed to find ways to help themselves. They knew their answers would not be found on Wall Street, but on Main Street. The other clearly articulated message: local groups must work together as partners to achieve their goals.

Much has been written about the challenges of regional governance, the fragmentation or even “balkanization” of local governments or economic development organizations. Just mention one more effort to break down silos and leaders across the country will roll their eyes and lock their wallets.

COLLABORATION ISN'T SECOND NATURE

Collaboration is defined as “the act of joining together to make possible that which cannot be accomplished alone.” However, more often than not we hear the alternative definition, “an unnatural act between un-consenting adults.”

Let's be clear about the type of collaboration we're talking about. This is not about marriage or merger. Those “till death do us part” efforts can be wonderful (or not), but for this discussion imagine a barn-raising, or the construction of a Habitat for Humanity house. We are talking about people or groups working



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— Perry Webb, IOM, CCE, Springdale (AR) Chamber of Commerce

together to achieve a specific, narrowly defined, common goal, guided by an agreed-upon plan. There is a clear advantage to synchronous collaboration (where people work together, share ideas and innovate), but asynchronous collaboration (where one party agrees to frame and roof the Habitat house and another agrees to paint) can also succeed. Understanding where on this spectrum of collaboration your specific effort falls can help guide the rest of the choices.

Collaborations do not always work. Some end up like the famous barn-raising in the 1954 musical “*Seven Brides for Seven Brothers*,” where jealousy, competition and pride led to fighting and failure. But across America in places like Northern Colorado, Northwest Arkansas, and North Carolina’s

Piedmont Triad, groups are working together to build a more competitive economy.

Why go to the trouble if collaboration is hard and failure is a possibility?

If we stop and think about the big trends in economic development, regionalism, globalization, talent, clusters and entrepreneurship, very few chambers of commerce or economic development organizations have the resources or expertise to address all the needs on their own.

According to *Area Development Magazine’s* 25th Annual Corporate Survey, infrastructure, labor and the various components that make up the cost of doing business remain the most important factors for site selection and attracting new jobs and investment. Again, very few of us can influence those factors without help.

To successfully build a strong local cluster, educational organizations, business support groups, recruiters and those involved in improving quality of life and business regulation need to work together. We know ours is a world of global competition for new jobs and investment. If we want to compete successfully, we have to improve our communities and our regions. Simply put, we must collaborate if we expect to win.

That’s why the Southern Governors Association took a group of nine secretaries of commerce to China last year to promote the South, and why the Heartland Civic Collaborative is working with almost a dozen cities across states in the Midwest on transportation and energy. These leaders want to win the economic competition and know that they are stronger together.

Here are five methods to help chambers of commerce improve collaboration in their communities:

UNDERSTAND EVERYONE’S MOTIVATION

The first rule of collaboration is that people collaborate when it is in their interest to do so. The win-win scenario has become a cliché, but collaboration will fail if it is two wolves and a sheep deciding what to have for lunch. Work to understand the motivations of each participant and what context each brings to the effort.

“Understanding motivations is critical for us in Northwest Arkansas because there is no one dominant city,” says **Raymond Burns, president and CEO of the Rogers-Lowell Area Chamber of Commerce**, in fast-growing Northwest Arkansas. “The cities in our region are similar in size, but they each have a distinct character and different motivations.”

Perry Webb, IOM, CCE, president and CEO of the Springdale Chamber of Commerce, another key partner in Northwest Arkansas, says, “Regional collaboration can be successful only

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when you have local buy-in. That's why any regional strategy must create a win-win for all of our local communities."

In his most recent book, *Drive: The Surprising Truth About What Motivates Us*, Daniel Pink challenges our ideas about carrots and sticks. Taking for granted that your fellow collaborators can be motivated by money or threats is a recipe for failure. More often, we are motivated by our feelings of purpose and being able to direct our work. The rise of open-source development and social entrepreneurship are two examples.

Pink found that monetary rewards and goals set by others for complex efforts actually resulted in less cooperation and success. The simplest way to begin a new collaboration is by asking everyone involved what he or she wants and needs from the effort. Allowing the group to work together to establish goals and measures of success will begin to build trust.

Understanding the context of each group's participation is also important. As Nelson Mandela said, "Where you stand depends on where you sit." We live in a world where scarcity has replaced plenty as the norm, where the pace of change has accelerated, where leadership is transient, where we have cultural fragmentation, and where everybody competes for everything everywhere. It is not surprising that it takes time for everyone to feel comfortable.

Keith Hopper, a Boston writer on social participation, says, "Enlightened self-interest can be defined as individual motivations that are neither purely selfish nor altruistic, but are ultimately based in the knowledge that helping the group might ultimately help oneself." If we start by understanding enlightened self-interest, the odds of success rise.

BUILD THE TEAM

Teams take time to evolve, and they go through predictable stages of building trust. Creating familiarity, building common language, agreeing on specific actions and ultimately sharing the work and the risks are stages that almost all groups go through before they can effectively act.

Structure your local process to allow the team to evolve. If you try to jump from the initial gathering, where you have to go around the room for introductions, to asking for a commitment of resources and dividing the work without some time passing, you will lose partners.

Some communities start with much higher social capital than others. In some places where groups have suffered and succeeded together in the past, there is a clear advantage. Building social capital is a continuous process. Authors Larry Prusak and Don Cohen say: "The connections, trust, mutual understanding, and shared values that make cooperative action possible" are part of a process that we must go through and most of us have experienced. Leadership programs, recognition dinners and public-private partnerships all serve to hardwire our local social capital.

In some communities, new CEOs or plant managers are invited to undergo a structured process where they get to know and trust other private leaders. Many chambers invite newly elected officials to get to know their leadership and their needs. Young professional groups are now standard chamber practice. Even if you do not call this social capital building, intuitively you know that the next time you need help you can make the call and expect better results.



To help build a connected, trusting cadre of regional leaders for Northern Colorado, the Fort Collins, Greeley and Loveland chambers of commerce formed Leadership Northern Colorado, a six-month interactive leadership development program.

"Relationships matter in all things, but they are especially important in a regional context," says **David May, CCE, CAE, president and CEO of the Fort Collins (CO) Area Chamber of Commerce**. "Leadership Northern Colorado helps build understanding,

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trust and a network of leaders from across the region who know each other and can reach each other when they need to.”

If you have a diverse group of leaders from many organizations and businesses at the initial meeting and no introductions are necessary, you have a competitive advantage. It allows you to be quicker and more nimble, prerequisites for success in today’s fast-changing economy.

Removing the introduction barrier is a primary motivation behind the Piedmont Triad’s Chamber3 initiative. Chamber3 is a collaborative project to bring together board-level leadership from the chambers of commerce in Greensboro, High Point, and Winston-Salem, N.C. The boards convene meetings together each year and host other joint social events.

They have even traveled together on an intercity visit to Indianapolis.

“Learning is an important aspect to this program; we want our leaders to have a regional perspective,” says **Gayle Anderson, president and CEO** of the **Greater Winston-Salem (NC) Area Chamber of Commerce**. “But building connections is equally important. We want our respective organizational leaders to know each other on a personal level.”

In a recent commentary, Arthur Felts, a professor at the College of Charleston, in South Carolina, reminds the audience of the adage, “When you are up to your neck in alligators, it is hard to remember your mission was to drain the swamp.” He uses humor to introduce the idea of purposefully building “community resilience.” The idea is rooted in communities recovering from natural disasters, but is gaining traction as a process to anticipate and plan for economic disasters.

Community resilience is dependent on pre-planning, but also requires building social capital. In a recent Brookings report, the need for metropolitan business planning was discussed as a means to increase competitiveness. The Lincoln Institute of Land Policy has released its *Principles of Regional Collaboration*. In every one of these structures, you begin with a group that has to work together. If you begin to hard-wire the trust before it is needed, you gain an advantage.

DON'T FORGET LEADERSHIP

The Council on Competitiveness’s recent publication, *Collaborate*, concluded that one of the reasons that some regions were more successful than others was their ability to collaborate as a region and to have “effective regional leadership.” The report also says, “new regional leadership must create a shared regional narrative, build consensus, institutionalize innovation, and lead change.”

The necessity of leadership during a period of change brought together regional stakeholders in Northwest Arkansas. “We realized that the incredible economic growth our region enjoyed for the past two decades has leveled off,” says **Mike Malone, president and CEO** of the **Northwest Arkansas Council**. “Hiring by our flagship regional employers has slowed and our region can no longer just ride the wave.” Malone says the motivation for various community partners to come together to work on regional growth strategies was “an effort to define our economic future together, as a region, rather than on a city-by-city basis.”

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“Today, successful leaders are networkers and bridge builders. They have to be comfortable with technology, and they have to engage a broad group of followers who may be leading the next effort.”

To get started, the region needed a shared direction. A steering committee of 27 business and civic leaders from all corners of the region gathered to tackle this challenge. After a year of planning and research, the group released the Northwest Arkansas Development Strategy, a blueprint for growing jobs and creating economic opportunities in Northwest Arkansas into the next decade.

Over the past 30 years, economic development leadership has changed dramatically. Factors such as more frequent job turnover, corporate downsizing and consolidation, and the proliferation of non-profits have resulted in hierarchical leadership being replaced by a new leadership model. Today, successful leaders are networkers and bridge builders. They have to be comfortable with technology, and they have to engage a broad group of followers who may be leading the next effort.

If you have effective leadership, you have an advantage. In a more polarized world where our inclinations are to align ourselves with those who think as we do, finding leaders who can motivate a broad group is difficult. If your process can include anyone who wants to contribute, you have an advantage. If you can start any collaboration with leaders who are motivated to build long-term partnerships that will help everyone involved, you have an advantage.

In Northern Colorado, the horizon for payoff on building leaders is long-term. “We won’t know the full success of Leadership Northern Colorado until sometime down the road,” says May. “The program is building leadership capacity to address future challenges.”

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Today one of the job descriptions for leadership is to make sure that all information is shared broadly. A first meeting commitment to transparency can eliminate some of the inherent distrust and accelerate the process of group engagement. The way people receive information and communicate varies greatly. Do not choose between blogs and newsletters or between written and digital. Use every means possible.

Nudge, the book by Richard Thaler and Cass Sunstein, looks at how we make choices and how we are influenced by both information and peer pressure. Effective leadership can increase cooperation just by ensuring information is available and by establishing a “play nice” expectation.

NARROWLY DEFINE THE GROUP’S CHARGE

Within any collaboration, various members will have different priorities. There are always more things to do than time or resources allow, but setting specific achievable goals is the only way to sustain engagement. All collaborators must understand both the goals and the measures of success. Most importantly, the goals must be achievable. Too many collaborations fail because goals are not attainable.

Every child should graduate high school, but setting a 100 percent graduation rate as a goal is not attainable for most communities. Setting goals when needed resources are obviously unattainable is also a quick way to ensure failure. If you have \$25,000 in the budget and a goal to create a new technology brand for your region in China, you will fail. If your leadership

is involved in too many failed collaborations, they will be less likely to work on the next one.

Regions are the geography of today’s economic competition, but for different efforts you sometimes need different geography. Determine the geography of the effort, but remain flexible. For instance, the map of the region served by an international airport will be different from the map of the region served by a water and sewer system. The collaborators for any specific effort may be different. For each goal, be clear and specific why it matters to all involved.

Engage every partner by being clear about what actions and results are expected from them. You are not collaborating if you have nothing to do. As Vince Lombardi said, “Individual commitment to a group effort — that is what makes a team work, a company work, a society work, a civilization work.”

BUILD COLLABORATIVE CAPACITY

This capacity can be volunteers, staff or even one of the collaborators, but they must act to support the whole effort. Effectively engaging each partner and clearly communicating takes resources. Not providing for this capacity is a common mistake that often leads to a slow, predictable “loss of steam” for the collaboration.

The role of collaborative capacity is to bring people and groups together, keep minutes, make coffee, set agendas, make the hard calls to those disengaging, and smooth the rough spots. Usually when collaboration has been successful very



few outside the group would notice this job, but the collaborators know the value.

Sometimes we need an outside expert, catalyst, or agitator to aid a collaborative effort. Sometimes someone who can leave town the next day can say what needs to be said. The hired gun can be useful, but in almost all westerns the local townspeople take up the charge, and, in the end, when the outsider is riding into the sunset, they are working together to build a better place.

In these tough times with limited resources, our first instinct might be to avoid the hard work of collaboration and try to go it alone. But building a more competitive workforce, stronger infrastructure, higher quality of life, or a more attractive business climate are all efforts that involve many people and organizations.

We know how to work together. Now is a good time to start. ☐

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