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Compass: Putting the Horse Before the Cart

A Conversation with Bruce J. Rogow

Bruce J. Rogow is a former colleague and long-term friend. Bruce and Jim Ware worked together in the 1980's at Nolan, Norton & Company (NNC), an IT and organizational change consulting firm based in Lexington, Massachusetts (since acquired by KPMG, now Bearing Point). Bruce spent ten years at NNC before moving to Gartner Group, where he was EVP and head of research for five years and then became a Gartner Fellow.

He's spent the last decade as an independent thought leader and consultant. He has been an active contributor to several of Don Tapscott's research projects, and he writes regularly for several IT industry publications. He's also been conducting "Odyssey" listening tours for over a decade. Odyssey is a unique program; Bruce holds sit-down, open-ended interviews with over 120 IT executives and CEOs from Fortune 500 companies each year. His objective is to listen and learn how those senior executives are thinking, and what they are doing to get the maximum benefits from their IT investments.

Jim recently had an opportunity to talk with Bruce as he attempted to make sense out of what he's been hearing recently from his Odyssey visitees. This note is a summary of part of that conversation.

JPW: Bruce, what are the big "aha's" you've experienced recently during your Odyssey interviews?

BJR: Well, I've been following the ideas that you and Charlie write about for years. I often ask executives how they're thinking about distributed work and employee mobility. To tell the truth, for most of them it's always been a side-show. I mean, they've had people working in different locations for years, so for them supporting distributed work has just been an inconvenient necessity. It certainly wasn't central to their strategies and it just didn't seem to matter much. But in the last six months that's changed dramatically.

JPW: Because of the recession and the focus on cost-cutting?

BJR: Partially as a forcing function, but I'm convinced it's also something else. I've been surprised to hear people getting very interested in what you guys call corporate agility. It was always a nice thing to think about, but now they're taking it very seriously. As one exec said, "We've been dabbling at it, but now we need to get very good at it."

I see an intensive focus on making both agility and collaboration work. Those ideas and their cultural manifestations are not only becoming mainstream, they're actually driving the development of what the techies call Enterprise 2.0.

I actually see five forces converging to drive really dramatic change in the way organizations are being managed today:

1. **A culture of change.** If the current economic crisis has done anything it's forced business executives to accept the need for change in really basic business

practices. There's much more openness to doing things differently than I've ever seen. I mean, when General Motors goes belly up, who's next? People are more than a little scared; they realize they can't just keep on doing what they've been doing and hope to survive.

2. **The central role of collaboration in the new business models.** One thing most CEOs do pretty well is reach out beyond their own organizational boundaries to partner with customers, suppliers, and even government agencies. They know collaboration is the key to achieving agility, because they can't afford to do it all themselves anymore.

But they're also a whole lot more open now to collaborative processes *inside* their companies and with third parties who are part of their ecosystem. And that's partly because all they hear about these days is collaborative technologies like Facebook, Twitter, YouTube, instant messaging, wikis, and blogs. The smart ones are starting to explore actively how the kinds of collaborative practices those technologies make possible might actually change their competitive positioning. If they can get a better product or service into the marketplace faster and cheaper than a competitor, that means something.

3. **The “consumerization” of information technology.** Today many employees can get better technology at home than they can in the office. Naturally they want to know why they can't get such user-friendly tools at work. Of course, for years, most CIOs stood there waving their arms and screaming about data and network security. Too many IT folks were in the “The answer is ‘No,’ now what was the question?” mode.

But today more and more companies have moved their core enterprise platforms to a web-based model, and it's becoming a whole lot easier to incorporate lots of different collaborative tools into their IT portfolios. And CIOs are human too; they've seen firsthand how powerful—and even useful—these new tools are.

4. **Global sourcing.** The economy truly has become global, and that mindset is now being applied not just to outsourcing and offshoring of manufacturing. It's also affecting the workplace and the workforce. Companies are going after the best talent they can find, no matter where it is.

There's a bit of a self-reinforcing cycle going on here: technology is enabling globally distributed work teams, and once we discover it can work, we start doing more and more global recruiting, building virtual teams into the basic organizational structure. And that's true even if all those globally scattered employees are all coming into corporate facilities every day. Then, once companies discover that distributed work is not only possible but effective, they become more open to supporting local mobility too.

5. **The influence of the “nGen's.** I'm basically talking about the 20- and 30-somethings. They're what I like to call “digital natives” who grew up with Web 2.0 tools, and their comfort with “work anywhere” models is embarrassing digital

immigrants like you and me into buying into the new approaches even if we're uneasy about them.

JPW: That's a pretty powerful set of factors. Given all that, why is organizational change so difficult?

BJR: Simple answer: people and thousands of years of behavior are involved. I think part of what's going on is that too many organizations get the cart before the horse. They get all enamored of the technology or the promise of distributed work or collaboration. Who can argue against collaboration? High on the buzz words, they start acquiring collaborative tools without having a clue what it will do for the business. They usually try first to use the new tools to do same old things the same old way. Then, finally, they begin to learn how to use the new tools to do *different* things—designing faster, cheaper processes and products, or including different people in their product development efforts, for example.

Those early successes lead to explosive growth in the new technologies, and often the pace of change across the enterprise varies greatly, lessons learned are forgotten, and things get completely out of control. Finally, management has to step in and force attention to things like demanding business purpose and cost-benefit analysis.

Once things stabilize, companies eventually figure out how to get meaningful *strategic* transformation as they learn how to measure the benefits of those technology investments and to undertake fundamental, far-reaching (and often gut-wrenching) redesign of everything they do.

It's a very long learning process that in my experience can take 12-15 years to play out in any particular industry. You can't just promote transformation, or even corporate agility, when you don't yet have the tools, culture, incentives, leadership, and behaviors that will make it happen.

It's my distinct sense that we're finally at a serious tipping point in the way companies operate, compete, and generate value. We've learned what these new collaborative tools are capable of, and what they're not. We've tried them out, and we've discovered or invented new ways of working. We're now seeing the emergence of genuinely different kinds of business models that are built around collaborative processes from the bottom up.

JPW: Bruce, thank you for sharing these perspectives with us. We'd like to continue the conversation in the near future, so we can explore in more detail what these new processes mean for leadership, innovation, and basic organizational strategies.

BJR: My pleasure. I look forward to doing it again.

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