
Chapter 4

Corporate Intelligence

Definition:

Corporate Intelligence is about being able to deeply connect people with a common future so that the people of the organization are able to align and collectively pour their energy into achieving this future.

Smart workers wanting to do good

Organizations are filled with well educated, hard-working individuals who are motivated to “do good”. Today’s organizations are blessed with a highly educated workforce. People are working longer and harder than ever. So much so that a whole industry has built up around helping people manage the stress of their job. It is part of the human condition to want to make a difference. Most people want to be able to look back over their lives and be able to say, “the world is at least a little better for my existence”. For many, if not most, working with others in an organization is the vehicle through which they make their contribution.

So, the obvious questions that a leader should be asking are, “If my organization is filled with these insightful, well educated, hard-working, motivated individuals why isn’t my organization ***leaping tall buildings in a single bound?***”

Why is it so hard to move my organization forward? Why does this year feel so much like last year and the year before that... ”

And the answer is - lack of common cause. In the absence of ‘common cause’ you get your people coming to work just to earn the money, or creating their own cause and going off in their own direction.

As Charles Handy so succinctly put it *“if you want to retain talent, you’ve got to create cause. Otherwise, you get a relationship in which I am working for you purely because I’m earning money. Then you get very short-term thinking, very selfish thinking.”*

Common cause – predictor of performance and success

In all the organizations that we have worked with, from small to large, public to private, we have found that the degree to which “Common Cause” exists, to be one of the most insightful predictors of performance and success. Without Common Cause, there is no common understanding of the organization’s

desired future and its business goals.

Without Common Cause, we are like the blind. We imagine that the part of the elephant that we are touching defines the beast. Without Common Cause, individuals rely on implicit assumptions and beliefs to shape decisions about business needs and priorities. Yes, people are educated. Yes, they are working hard. And yes, they are motivated to “do good”. But here is the rub. With out Common Cause an organization’s people all have their personal definition of what doing good means.

The leaders’ job – building Common Cause

It is the leader’s job to build a clear and common picture, across the organization, of the targeted future. Failure to do so creates a vacuum. But this vacuum does not stay empty very long. People fill it with their own definition of success. This leads people to focus on their own success or at best the success of their particular piece of the business rather than the success of the business as a whole. The

result is an organization in which people are going down competing paths with all the inconsistent and counter-productive decisions that go along with this.

Corporate Planning becomes a process of competing agendas. Managers operate autonomously and not as a team. Because they do not share a common destination, people are not able to build on each other’s success.

The Incandescent Organization



Organizations without Common Cause are like the incandescent light bulb. Lots of energy being expended, but it’s all going in different directions. The result - tracking the organization’s progress is a lot like watching molasses flow. In organizations with low **CI**, individual efforts are not aligned; everyone is going off in different directions trying to make the organization successful. A great deal of energy is expended but little gets accomplished. This year ends up looking a whole lot like last year.

The power source for organizational performance

Cause gives people courage. Cause gives people the reason to endure the pain of change. Common cause creates a company whose people are striding arm-in-arm towards the company’s desired future. In essence, deeply held common cause leads to a company of zealots with the courage and energy needed to tackle the barriers and hurdles that block the pathway to the organization’s desired future.

When an organization’s people are deeply connected to a common cause they genuinely care about the success of the whole. This caring is the power source for organizational performance.

Working for the good of the whole

We have observed that one of the characteristics of a high-performance organization is that the people within it are willing to sub-optimize their piece of the business for the good of the whole. Now this statement sounds contradictory.

How can deliberate sub-optimization of a piece of the business improve the performance of the whole?

To understand the connection between sub-optimization and increasing performance, consider the following case study. A company had undertaken a major rewrite of one of its legacy information technology systems. This rewrite was absolutely critical to the organization’s ability to compete in its market space. The project involved close to a hundred people. It was expected that the project would take about three years to complete. Successful delivery of such a project is non-trivial to say the least. The global failure rate for large IT projects such as this is close to 70%. The systems integrator that was contracted to do the job was very experienced in this type of large IT systems delivery. They selected one of their most experienced managers to lead the project. He in turn assembled a team of seasoned professionals, many of whom he had successfully worked with in the past. Of particular relevance to this case study is the Systems Integrator’s Test

Team. The Test Team was well staffed. They had a well-defined and proven methodology for testing systems. They rigorously tested the programs that came out of the development team. They did an excellent job of identifying problems and promptly alerting the development team as to the required rework. This Test Team did everything that a test team was supposed to do and they did it well. However, the Client became increasingly alarmed about the Systems Integrators’ ability to deliver what was needed in the agreed upon timeframe. So alarmed in fact, that after eighteen months the Client decided to cut their losses and removed the Systems Integrator from the project. The Client did an assessment of what had been delivered and came to the conclusion that very little was salvageable. In essence, the Client came to the conclusion that the project would have to be restarted essentially from the beginning. The Client was left with no alternative than to bring in a new systems integration firm and re-launch the project. The new firm had less rigorous practices and methodologies than the

original contractor. Their test team was much smaller and less experienced than the previous one. The new Test Team did not arrive with a formal tried and true methodology. They had to develop one before they could start their work. The new Test Team in comparison to the previous test team was “green” to say the least. But this smaller “green” Test Team had one **major advantage**. They were part of a larger team that had common cause.

To assist with the project’s re-launch a “Project Coach” was brought on to assist the project’s management team in the building of EI, RI and CI. As a result the project’s management team worked relentlessly at connecting their people to cause. They helped their people understand why the project was worthy of their time. They helped their people understand the contribution that their work would be making to the client’s well being (i.e. the ability of the client to compete in their selected market space).

What was interesting about the first test team is that when their project failed, the members of the Test Team were proud of their work and the work of their team. They did not feel that they wore any responsibility for the failure of the project. Clearly the first Test Team defined success not by the “success of the whole”, but rather by the success of their piece of the whole.

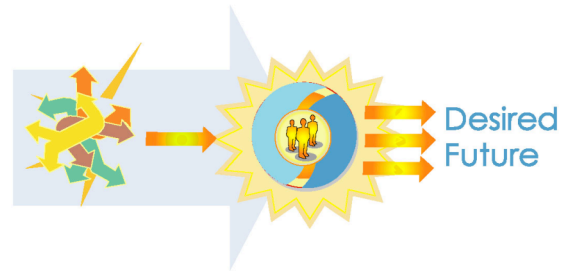
The actions of the second Test Team showed that they had quite a different definition of success. When the second Test Team started their testing on the first release of programs, they noticed right away that the programs had an unusually high number of errors. This they interpreted as poor quality control on the part of the programmers. The programmers were supposed to be unit testing their programs before handing them over to the Test Team. This would allow the Test Team to focus more on systems testing, i.e. how a group of programs work together. The Test Team, by identifying the problem and returning the problem programs to the

programmers, had done their job and done it well. The second Test Team could have stopped here and taken pride in their performance. Certainly, this is what the first Test Team did. However, the second Test Team further surmised, quite correctly, that unless the programmers improved the quality of their programming, the amount of retesting required would adversely impact the project schedule. So without asking permission, and remembering that the second Test Team was thinly staffed in comparison to the first Test Team, two members of the Test Team relocated their desks to the programmers’ section. The two test team members then worked directly with the programmers helping them develop a quality control process for their programs. The outcome was that the quality of the programs rose sharply. Clearly, the second Test Team, the “green team”, as a result of the cultural work done by their managers, came to see success of the Test Team as secondary to the success of the project as a whole. Thus, the “green team” was willing to sub-optimize their piece of the project, giving

up two resources when they could ill afford to do so, because this was what was needed for “project” success.

In the end, the project was a phenomenal success, finishing ahead of schedule and beating the industry average for quality (as measured by the number of errors found in the first three months of production) by a factor of ten and coming in at one-third of the industry average cost for a system of its size.

The Laser Organization



Low CI organizations, i.e. organizations without common cause, are incandescent in that individual efforts are not aligned; everyone is going off in different directions. High CI organizations are laser-like because they consist of people who are traveling in the same direction. These are people who share a common understanding of their organization’s

desired future and believe that the achievement of this future is worthy of their time.

Lasers are all about the alignment (i.e. phase synchronization) of light. A High CI organization synchronizes the organization’s energy around common goals. At the highest level, a laser organization is self-sustaining because its members are constantly reconnecting each other with the organization’s goals and as a result constantly re-energizing each other towards the attainment of these goals. The result is an organization that is able to do more and go further while providing its people with a rich work experience.

The five levels of corporate intelligence

The figure below shows the five levels of Corporate Intelligence with a level one organization having the least and a level five having the most Corporate Intelligence.



Level One - In our experience, 80% of the organizations are level 1. These organizations are highly incandescent. Ask any ten members in a level 1 organization what their Company’s goals are and you most likely will get ten different answers, if you get an answer at all.

Level Two - If an organization has been able to build Common Understanding, across the majority of its people, of its desired future and the goals that have been set to get it there, then this organization will have achieved a level 2 CI status. This means that by simply building common understanding within its people of the desired future, an

organization will be in the top 20% of organizations in terms of CI development. Level 2 organizations get everyone onto the same page. Everyone has the same understanding of where the organization is heading. Of the 20% of the organizations that achieve a level 2 status, only 5% of these go on to achieve a level 3.

Level Three - To achieve a level 3 CI status, an organization must not only build understanding of the desired future but also belief, amongst its people, that putting energy into the attainment of this future is worthy of one’s time.

A level 3 organization not only gets its people aligned around its goals but it gets them wanting to achieve them. An organization that has achieved a level 3 status has connected its people to the desired future.

Now, here is the paradox. An organization can achieve a level 3 CI status and still not have its people energetically working towards the achievement of the desired future. How

can this be? You have people who both understand and believe in their organization’s desired future and yet they are not putting body and soul into its realization. The answer to this paradox is that while the people believe in the organization’s desired future, they do not have faith in the courage of their managers to maintain the course when the going gets tough. Organizations get stuck at a level 3 because their people have experienced being energized, taking personal initiatives to pursue the organization’s goals and then being abandoned by their managers when things have not worked out as planned.

Level Four - To achieve a level 4 status, managers need to find ways to demonstrate to their people that they are serious about achieving their organization’s desired future. People need to:

- ⊖ believe that their managers have the courage to do what it takes to make the organization successful,
- ⊖ see their managers taking real risk, albeit intelligent, in the achievement of the organization’s desired future, and

- ⊞ see their managers standing behind them when they take reasonable risk and things do not go as planned.

There are no shortcuts to achieving a level 4 status. It takes time. Achieving a level 4 status is all about managers building their personal credibility with their people. The moment that this credibility is compromised, the organization’s cultural intelligence will be eroded.

Organizations that have reached a level 4 CI status are made up of people who:

- ⊞ understand the organization’s desired future,
- ⊞ believe that the achievement of it is worthy of their time, and
- ⊞ are committed to making it happen.

Level 4 organizations have not only engaged their peoples’ heads and hearts, they have also been successful in getting their peoples’ feet in motion.

Staying at level 4 – an every day effort

In our experience, only one in a thousand organizations makes it to level 4.

Although getting to a level 4 is not complicated, it’s not easy. Getting to a level 4 requires every manager at every level in the organization to be talking, on

a daily basis, about the organization’s future, its goals and its objectives.

Managers have to be constantly painting a picture of where the organization is going.

We have found that the half- life of a vision is six weeks. Every six weeks people forget half of what their managers have told them about their organization’s future and the strategies and plans for getting there. People very rapidly fill the void created by this forgetfulness with their own interpretation of where the organization needs to go. The pull back to incandescence can be overwhelming. You can think of CI as a balloon with a hole in it. Managers need to be constantly blowing into it, if the CI balloon is to remain inflated. Given the half-life of a vision, those managers who annually come out of their corner offices to deliver the “Sermon on the Mount” may as well stay in their offices for all the good they are doing.

Level Five

Maintaining a level 4 status requires an ongoing and significant expenditure of management’s energy. In other words, a

level 4 status is not self-sustainable. So what would make a level 4 self-sustainable? The answer is building a critical mass of people who deeply believe in the organization’s desired future. Just like a nuclear chain reaction you want to reach a point where members of the organization, not just management, are talking about the vision and building understanding and excitement for it amongst their colleagues. When this happens, staff are constantly re-energizing /igniting each other around a common future, i.e. . When this happens, new staff are rapidly enrolled into common cause by their fellow workers. Common Cause has become part of the fabric of the organization. This defines a level 5 CI organization.

What a level 5 organization looks like

If you were a fly on the wall in the offices of a level 5 CI organization, what would you see? Well, you would see people everywhere talking about the difference their organization is going to make in the world. You would see people sharing and

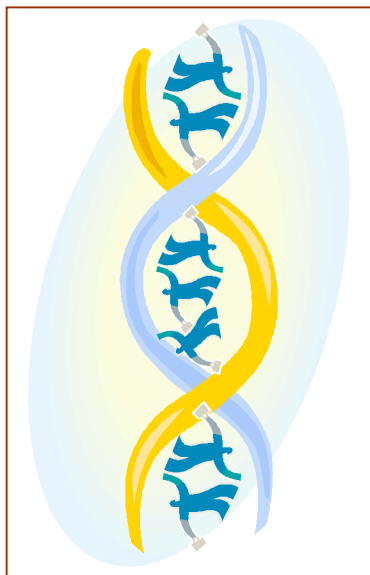
building upon each other’s ideas. You would see people pushing each other towards best. You would see people with courage who are taking themselves and their piece of the organization to new places. You would see boundless energy for change and moving the organization forward. You would see people so deeply involved and committed to what they are doing that no one has an up-to-date resume. People in a level 5 organization are not even aware of what job opportunities are available with other companies. You would see people caring about the success of the whole as much or more as they care about their own individual success. You would see an organization that is at least three times more productive than their industry norm.

Conditions for leading – intertwining life and work missions

Building a high CI laser organization starts with senior management. You can’t build cause in others unless you first have it in yourself. You can’t touch someone

else’s heart unless your heart has first been touched. Building cause in yourself starts with first understanding your life’s mission – “why were you put on this planet?”, “what brings you joy?” – the answers to these questions, point to your life’s mission.

It is the intertwining of one’s life’s mission with the organization’s desired future, which creates cause and energizes one towards great accomplishments. The intertwining of work and life missions is akin to the double helix of life (i.e. DNA) – this intertwining gives the organization its life force. It is what gives leaders the ability to enroll others in the achievement of their organization’s desired future.



Your life’s mission is your calling. It is the connection between what brings you joy and the contribution you want to make to society. Aligning one’s work with one’s life mission is what creates cause. Cause, simply put, is getting excited, being joyful about the positive contribution your work is going to make to the lives of others. For your life’s mission to be an energy source you must make it explicit.

You start to understand your life’s mission by

- ⊞ thinking about it,
- ⊞ talking about it, and by
- ⊞ writing it down.

Finding and understanding your life’s mission is very much like walking in a fog. You start off in the fog but with each step forward, the fog parts a little and the path becomes a bit clearer. Understanding your life’s mission is an ongoing never ending activity. Each time you think about your life’s mission, it becomes a little clearer to you. The deeper understanding you have of your life’s mission (your calling), the easier it is for you to align your work life with it. Once

you have achieved this alignment, the people around you will feel the passion you have for your work. As a leader, it is only when you have aligned your life’s mission with your work that you will be able to lead and build cause in others.

The bottom line

Cultural Intelligence is all about building a laser organization and that means getting the organization’s energy aligned around common goals. What drives this alignment is non-stop talk about the organization’s desired future, the strategies and plans for getting there and why this is worthy of peoples’ time and energy.

Michael Michalko in Thinkertoys, his book on creative thinking, captured the power of Corporate Intelligence when he said:

“Imagine your business as a gigantic boat powered by a group of people with their own outboard motors. Without direction, agreement, collaboration, and communication, each person will likely be pointing his or her motor in a different direction, and the boat will founder or turn in circles. On the other hand, if the group comes to a common understanding and agreement about their destination and direction, the members can align their individual motors toward a common goal.”
