S5E17 Rod Collins

Peter Margaritis
Welcome back, everybody. My guest is Mr. Rod Collins. And if you remember in a previous episode, he was talking about self-managed corporate structures, otherwise known as flat organizations. And when we finished, I asked him if he would come back and talk about his actual experiences in these types of organizations. So, he's back and Rod, thank you very much for coming back to the podcast and sharing your knowledge because this has been a fascinating topic for my audience.

Rod Collins
Thank you, Peter. It's great to be with you again. Delighted to be here.

Peter Margaritis
So, one thing I kept hearing from my audience was, how do you do this? How do you have this team, this group, this collaboration, and a, you know, one that I want to input, I want to plant some of that into my organization, except we're in a highly regulated industry. I have a CEO, he or she makes decisions, sets visions, so on and so forth. So, how do you blend the two?

Rod Collins
Alright. So, let me, in our last discussion, we focused mainly on customer, I'm sorry, companies that are fully self-managed, but I have some experience in this but in the context of a traditional organization. In a past life, I was the Chief Executive of the Blue Cross Blue Shield federal employee program, which is a business alliance of the then 39 Blue Cross Blue Shield plan. So, they were distributed across the country to deliver a seamless product, which is health insurance to federal employees. This is a significant business. When I left it, it was a $19 billion enterprise. Somewhere in the mid 90s after serving as the program's general auditor for probably about 15 years, I was moved over the operations and asked to help us to improve our enrollment and to improve our performance. And the first insight that I had in tackling this was, you know, we're not a hierarchy. We're a network. These are 39 separate companies and distributed all over the country, and maybe the obstacles to our performance is the fact we're leading the network. So, we recognize that there isn't any literature out there about how to lead a network. And so, we had to do some pathfinding on our own. And so, what I think might be helpful for the audience is to describe some of the things we did on a day to day basis that brought the concepts of a network into a traditional organization in a way that met one regulatory compliance and two, gave comfort to the decision makers at the top of the organization.

Peter Margaritis
Okay.

Rod Collins
And so, the big protocol, if you will, that we discovered is we came up with a meeting format, which was called the collective intelligence workshop. And I, let's spend some time on that, because I think this describes what the mechanics look like if you want to bring network architecture into a traditional organization in a way that works. And that was the challenge that we had. And so, a collective intelligence workshop gets a microcosm of the business in the room. And so, and it usually takes about 40 to 50 people to do that. And what you want to do is you want everybody who would touch your project, your process, your initiative, in that room, and most organizations don't meet in this type of way. And so, in the same meeting, you're going to have top executives, and you might have the person you hired at a college two weeks ago. You're going to have all departments represented. You're going to have staff functions there. You mentioned regulatory, how do you assure regulatory compliance? You want to make sure the lawyers are in the room, okay, who have responsibility for that, and then the other compliance function, be if auditing or perhaps finance and accounting. They're in the room. And you want all the people who are going to have to deliver. Those people who are going to, you know, do want marketing in the room if you're working on a product? So, you want to look across the room and have the whole system in the room. And what we would do in these meetings, is we would open it up with some form of a presentation either by an expert or a person responsible for a particular strategic project. And they would give a 20 minute presentation. And then there would be 10 minutes for clarifying questions only. And here's where the meeting gets very different. In most meetings and organizations were debating. We're arguing ideas and the theory is whichever idea survives the argument must be the best idea. When we put that aside and said, No, we think there's a better way to get to better ideas. And what we have to do is start with listening to understand. And so, when you ask clarifying questions that people were restricted from agreeing or disagreeing, presenting another idea, all they could do is ask questions to understand the presenter. Then we would put people into small group exercises, and we would ask them, What are the three to five most important observations, opinions or concerns that you have around our topic today? The focus of the workshop. And usually there'd be about maybe five, six tables in the room, and you give them maybe 30-45 minutes to discuss this. And then at the end of the session, each table reports out, and you are enriching your ideas, because when the tables report out, you don't know who would the individual personalities behind the ideas. You just know it's an idea from table one, table two, table three. You don't know if it's the VP's idea or that person you hired who came out of college two weeks ago, all right. And you want to deep politicize ideas because as a decision maker in a rapidly changing world, you don't care whose idea it was. You want the best idea. And so, this helps to move this along. As each of the tables present out, you have another period of clarifying questions only. Again, no agreements, no disagreements. No, I have a better idea. And so, the initial... the first morning, have these workshops is really just focused around understanding get a comprehensive understanding. Then what we would do from there is each of the groups as prepared a flip chart. It's three to five ideas, and we would be very clear no more than five because it's important to drive focus, which is also very important to decision makers. So, we put these flip charts, if we had six tables, we've got 30 ideas on the wall. And then what we would do is ask them to gather around that wall, and ask them to point out two items that look the same. We talk about them. If they are the same, we keep one discard the other. If they're different, we would refine the language so that we could clearly see these were two different ideas and we put a big box around them. Now, this is a very important dynamic because most organizations process human information

very, very poorly. When you're in a debate mode, and you're in conversation, your stance is how is my idea better than yours?

Peter Margaritis
Yeah.

Rod Collins
And when I'm convinced my idea is better than yours, I don't listen to your idea. Okay, I listened to respond. I'm too invested in my idea. When you change the conversation to how to our two ideas differ from each other, everybody has to visit the idea to understand the differences. So, over the course it sometimes takes 90 minutes, sometimes two hours to do this part of the exercise. What has happened is everybody has visited with every idea on the flip chart. Again, you're driving understanding. Now that you've done that, we're ready to begin to move to the next phase of the workshop, which is to process the important work. So, we've drawn these boxes around all the ideas we've kept. I give people four dots. I say vote them any way that you want. They can put four dots on an item if they really have a lot of passion, or they can spread them around. And I do that because if there are a couple of people who are passionate about an idea they can put their four dots there, and it allows minority opinions to come forward. After this, we'll take a break. I'll count up the items and it's invariable. There's always the top four. And what I mean is the votes might be something like 29, 28, 26, 25, 13. So, it is this break point between 25 and 13 votes, and you look and say it's four items. When the group comes back, I'll look at them and say if we focus on these four items, are these the right places for us to do our work? And invariably, they will say yes, and invariably you'll look across that list and you'll realize one item was important to one political faction. Another apparently opposite item was important to another faction, and items three and four of the glue that makes the whole set work together when all four are handled as one. This is important because, and this was surprising to us, when we first did this, because we never expected unanimous consensus among 50 people.

Peter Margaritis
Right.

Rod Collins
And in all the years I've done this, and I've done this now for over 20 years, I have yet to have a group that hasn't received, reached unanimous consensus on the work that they did. So, when this happened, and where we go from here is, and then I'm going to reflect on what's the dynamics behind this, and what's the important for managers. Now there's you've got those four items. Now, this is where the group begins to do its work. Now, we're going to open it up to agreements and disagreements. All right, because we've identified the right things. And when you want that creative energy, and what here's what we do, let's say we had these four items. I'll have people self-select which ones they want to discuss. We can do work on the four items concurrently, as they report out. The whole group can check in on what they've heard from the table, and you get the whole room responding. Now, the power of this comes in, as a group is suggesting, what are the...what's the key work we need to do to move one of these four items forward? Many times as it's being presented, you'll have somebody among those 50 people jump up and go, Wait a minute, you can't do what you're thinking, and people will go why? Because it affects me. And people will go, Really? We didn't know that. And then they'll explain, you

know, the person jumping up and explain what's important to them. And we realized, Oh, if we're going to solve this, we need to factor this element in as well. And so, what you're doing is you are uncovering unknown unknowns that always mess up projects, when you work in a pure functional structure by having the whole system in the room and you can solve it rapidly. And as the discussion goes on, somebody else may jump up and says wait a minute, you have to take this into account. By having a whole system in the room. You get these things handled in real time. Very rapidly, very quickly. That was I think that was a factor that helped to drive unanimous consensus, because if anybody had a point of view that needed to be representative solution, it was correctly presented, quickly handled, all voices for honored. And the rest of the workshop will be further refinements around the specifics that need to be done. Now, what I found when I use this in Blue Cross Blue Shield, and again every time I opened up one of these sessions, I clearly said we're processing ideas. We're not making decisions. The decisions belong with senior leadership or with the board. But my experience in the 10 years I use this when I was with Blue Cross Blue Shield, every time I brought the results from one of these workshops to our board to get their permission for resources or to get their permission to move perhaps in that particular product direction or to improve a particular process. Initially, I was a little bit nervous because these sessions were very creative and some of the ideas were really out of the box. And I was wondering how that would translate to, you know, to board members or to leaders who were in the room. And so, we would do a lot of preparation in advance of presenting these ideas forward. But I came to realize over time, I really didn't need to do that. Because by having the whole system in the room, by having the opportunity for different perspectives to recognize quickly, you need to take this into account when we presented their final work to the board for decision making. I would hear this a lot. Wow. This is really a radically different approach, and it's really well thought out and they would go along with it. But I, you know, we would hear both. Oh, this is very different than we expected, but it's really well thought out. And what these sessions did, and I think this is the value of a network and the importance of getting a whole system in the room and adopting this type of a discipline is you'll wind up getting the best possible solution you could come up with. One of the problems with debates is they tend to produce compromises, which are least common denominator solutions. They're not the best we can do, but there'll be good enough. Well, I think in each fast changing times good enough, isn't always good enough. You really need to have a process for optimal solutions. Now, some of the network dynamics here what these collective intelligence workshops were, is we gathered the network in the room that would be affected by this. So, let's say for example, they're working on an item that has regulatory impact, all right. Well, you know, the lawyers in the room, they're going to bring up their concerns, but we didn't immediately do what the lawyer wanted because lawyers are very risk adverse, okay. And managers have to have a little bit more risk tolerance. But if a lawyer brought up a particular item, and it's like, wow, this could be an obstacle to what we could do. I could turn to the group say stay at your tables. You've heard the lawyers concern. You know what the business people want to do. Your next exercise at your table is come up with a solution that will meet both sets of needs. And more often than not, we would come up with it. And at the end of it, I could turn to the business people and say, Is this going to work for you? And they'd say, Yes. And I turn to the lawyer and say, Is this going to work? For you? He would say yes. So, what it does is now you've turned legal in this, I'll use him as an example that could be ordering. It could be, you know, finance or accounting. But what we're doing is we're taking that dynamic of what can't be done and transforming it into what can be done. All right. And that's what business people want to do. You always want to remain legal. You have to comply with

regulations. But doing that doesn't mean that you can't stretch your creativity and still be in compliance with regulations. This is the power of a network.

Peter Margaritis
As we're beginning to wrap up, the one big question I love by the way, I'm a student. I mean, I'm just over soaking all this stuff in. This is good stuff. But the one question that pops in my mind is the first time you try to do this. This type of collective gathering of ideas. I have to believe there's got to be some pre-work or something that will say the these are the rules. We're not here to, you know, poopoo ideas. We're here to come up with ideas. Devil's advocate, stay away. And how do you get everybody on that same, especially in that first meeting, to get everybody to play well in the sandbox.

Rod Collins
It's about a 15-minute orientation at the beginning of the session, because for most they've never been in a session like this. Companies typically don't get the whole system in the room.

Peter Margaritis
Right

Rod Collins
And in rapidly changing times, that's your key to speed or to adaptability. And so, I go through a thorough orientation. I will tell you, for example, I will explain to them the clarifying question discipline. And I will, I'll give them a warning. I'll say if you don't ask a clarifying question. I will interrupt. And I will not let you ask your question. And I don't want you to be surprised when I do that.

Peter Margaritis
Okay.

Rod Collins
And you know, and if somebody tries, I do interrupt them. Now, from I know, there are a lot of leaders who are listening to this. I was the Chief Executive at this program, and I wish the one person who never expressed their point of view in the sessions, because I knew if I did, people would say, oh, that's what we're going to do. Let's just get on board. My role was to call out their collective intelligence, and my experience was, their collective intelligence was always better than what I would come up with, quite frankly, what any one person would come up with. And oftentimes, and this is the power of a network. The most common observation we heard on the evaluations was no one of us could ever come up with what we've come up with here as a group. That's the power of a network parallel system. The second most common comment was, I cannot believe how much work we did in so short a period of time. When you uncover the unknown unknowns, which was what this does at the beginning of a project, you increase the likelihood it will come in on time and on budget, because you are eliminating the rework that happens when people are unaware of how something they worked on affects another area. So, this is one example of how a company can use network thinking within their organization. And then when people see this, they can begin to apply this in their in their team behavior. I knew we were changing the culture when I would just sit in on regular meetings and somebody would say, I want to ask a clarifying question. And I knew we had changed the debating discipline, because over time

people experience I feel better on as clarifying questions. People really don't like to fight. They'd rather build.

Peter Margaritis
Ron, this has been a fascinating discussion. And I guess my quote that I used in the last episode, the collective knowledge outside the office far exceeds the collective knowledge inside your office is demonstrated through this type of network. So, how can I mean, I hope people listen to this episode, and I hope they contact you. How can they find you so you can come in and help them see the light?

Rod Collins
Well, since the last time we talked, I've set up a website. It's RodCollins.net. And it has links to all my content and people can reach me at Rodcollins.cls@outlook.com.

Peter Margaritis
Rod, this has been an absolute pleasure. Someday, hopefully soon we'll be in the same room together without a screen. You and I can go sit in the corner. Pour, I'll pour a coffee you can have some water. This man has never had coffee, had one sip in his life. I can't believe it. That's, that's another story, and just talk about the stuff because this is improv leadership. This is stuff that it's just worded in such a different way. But this is what helps organizations solve problems quicker than ever before. And I can't thank you enough for sharing your knowledge. And I look forward to the day that we get to sip some coffee. I get coffee, you get water.

Rod Collins
I look forward to that. Peter, good to be with you again.

Peter Margaritis
I want to thank Rod for sharing his experiences and walking us through a collective intelligence workshop. I absolutely love this concept and can't wait to facilitate a similar type of workshop for one of my clients. Remember, there are people who prefer to say yes, and there are people who prefer to say no. Those who say yes are rewarded by the adventures they have. And those who say no are rewarded by the safety they obtain. Be a yes person. Thank you and be safe.