



Rascals in Paradise: Why Teamnets Fail

Known as the “Island of the Holy Spirit” to the Spaniards who landed here in the 16th century, Andros is the largest of the islands in the Bahamas, and a happy destination as we approach it by sailboat in March 1974. We have been sailing for a week now aboard *Atria*, a tiny “31-and-a-half-foot” *Golden Hind* sloop, as its captain, Jim Stamps (father and father-in-law), always describes it. Jim has been aboard for three years, in pursuit of what he calls “the world’s *longest* circumnavigation,” a record that he well may hold when he eventually moves ashore again after 12 years. *Atria* is the lowest star in the Southern Hemisphere sky and Jim has gone in search of it.

We are eager to reach Andros, where we will go ashore for a meal, and meet up with friends to dive on Andros’s legendary Barrier Reef, the third largest in the world. A group of Seminole Indians, runaway slaves from the Florida Everglades, settled Andros in the mid-19th century and until recently it has remained something of a secret. Far enough from Nassau, with little on it for tourists, it is an island paradise, according to the guidebooks.

The Andros Town Hotel, “luxurious gleaming white,” the guidebook says, has water and fuel, the only place they are available on the island. So we head for the hotel with near-empty tanks and the vision of tropical luxury in our minds. In passing, we note the warnings of a rare mosquito present only on Andros, and the presence of chickcharnies, the Bahamian version of leprechauns, who can also be mean-spirited to visitors.

In the distance, the hotel appears, a brilliant stark white loveliness against the blue-green sea, not just a single building but a cluster of small, interconnected stucco structures. However, as we approach the dock, all is not as it first appears. There are no boats at the dock, which is falling apart, and no people to be seen. With its broken windows and its front door hanging by a hinge, the hotel is a sorry sight. An abandoned rusted-out Cadillac sits on its rims in the driveway.

Then, out of nowhere, the insects attack. A huge swarm of invisible, vicious bugs assaults us. A more evolutionarily sophisticated version of New England’s spring blackflies, each unexpected bite packs the wallop of a small electrical shock. Within a few seconds, we are human feeding grounds for some of the most savage insects imaginable. Neither swatting, cursing, nor insect repellent drives them away.

“Rascals in paradise,” Jim says, by way of explaining the sudden onslaught of these evil little creatures. “Just when you think things are perfect, there’s always some little horrible thing to mess it up.” Not the world’s most loquacious man, Jim finds the precise phrase for this horrendous experience.

Rascals in paradise. Ever since our Andros odyssey, we’ve found Jim’s principle at work in many domains, especially teamnets. Far from idyllic organizational utopias, where things always go right, people enthusiastically concur forever, and resources are never constrained, teamnets play host to many rascals in paradise. It is in the nature of life. While we could not escape the “chickcharnies” of Andros, we can warn you about some of the rascals of teamnets.

Public Triumph, Personal Failure

Failure is easier to write about than to live through. Eighteen years later, we are sitting in the Gum Thee Tea Garden at The Rocks, Sydney's tasteful harbor renewal project, drinking cappuccino, more popular than coffee Down Under, talking about things not going right.

It's a fitting spot to think about failure along with its opposite, success. The Tea Garden is just across Circular Quay—the main hub of the city's extensive ferry transportation network—from Australia's astonishing contribution to late-20th-century architecture, the Sydney Opera House.

For two decades, mystery has surrounded this spectacular building, ever since its architect, Jørn Utzon, a Dane, abruptly left the project before finishing it. Incredibly, although millions of people from all over the world have visited the Opera House, Utzon himself has never seen it completed in person. Until now, he has remained silent since his hasty departure.

In October 1992, as the Opera House's 20th-year celebration begins, the architect breaks his silence. In his interview with the *Sydney Morning Herald*, he explains what inspired his unusual design *and* why he left the project. For years, people have believed that Utzon's inspiration for the building's design was the ubiquitous billowing sails in Sydney Harbor. They are wrong, he says. An orange, peeled into sections, was the wellspring of his innovative architecture. From orange peels (which embody enclosure), the sails evolved.

The reason he left the project suddenly, he remembers, was bureaucratic hassles. A publicly funded effort, the Opera House was significantly over budget and behind schedule when a new bureaucrat took charge just as the exterior was being completed. He withheld payment to Utzon, and soon the "Great Dane," as he was known in Sydney society, was unable to pay his employees. With no resolution in sight, Utzon finally packed up his family and returned to Denmark.

Although he went on to many more years as a successful architect in traditional terms, Utzon says no project in his career has rivaled the Sydney Opera House. The Opera House put Sydney—and even the all too unknown continent-country of Australia—on the global map. An extraordinary triumph for the world, in many ways it was a terrible personal defeat for its designer. The bureaucrat and other critics were Utzon's rascals in paradise at his moment of greatest success.

Failures of Process

Is failure the opposite of success? Are outcomes *either* successes *or* failures? Rarely. Have you ever worked on a project that was an unqualified success? Frankly, we have not. Although we can hardly claim title to anything as prominent as Utzon's transformation of Sydney's waterscape, we have worked on projects with considerable reach. In one way or another, most have failed in some respect. From a distance, others would describe few as such, but when *we* scrutinize them closely, we see the failure parts more easily than the success parts. Such is the price for learning on the job.

Since most projects and most teamnet efforts—including the most successful ones—fail in one way or another, we devote the following pages to failure. Teamnets often fail for clear reasons that are preventable. Use failure detection in your own personal experience as a powerful analytic tool. Of course, with every improvement, you will see how you can do better.

Perhaps the most predictable failures occur at the natural stress points in the process of teamnet development, transition phases we call "Launch" and "Test" in earlier chapters. While most change artists know about and anticipate the chaotic, sometimes angry launch period before takeoff, Utzon fell victim to the less wellknown stress point in the second transition between the hardest work period and the end point of completion and stability.

While we can give guidebook indications of some of the known rascals in teamnet paradise, they are just words on the page until you live them. What follows is a blow-by-blow description of the ups and downs experienced by one teamnet going through its launch transition.

Living the Zigzags

The transportation industry is in rough shape, a harsh reality that passengers and dispatchers live with daily. Moving people and goods depends on being able to offer sensible times at the right locations with good connections. The basic product of a shipper, railroad, bus company, or airline, then, is its schedule.

After years of preparing its schedule in the same way—as a function of the marketing group at headquarters, a \$6 billion international transportation company, Trans Oceania,¹ decides to take a new approach. The second oldest transportation company in the world, TransOceania, based in Hong Kong, has 14,000 employees in 65 countries. It hires Pointer Associates, one of the premier international “business process redesign” consulting firms, to “reengineer” how it does its schedules. Business process redesign is more than the buzzwords its title suggests: it is the path by which a company looks at how it performs its core processes, then redesigns them so that they work better—much better.

We are unfamiliar with TransOceania’s schedule problem until the telephone rings one day. Henrik, a senior officer at Pointer Associates, is calling to ask about our availability for a project. Pointer has been working with TransOceania for the past several months on a schedule project, he explains. Jointly, the TransOceania team and the Pointer consultants have come to this conclusion: to plan their schedules more efficiently, they will need to develop a crossfunctional network.

The proposed network will use its companywide expertise to evaluate schedule suggestions from the field. The regional offices,

situated on every continent and in several dozen countries, are both close to the customer and to the operations people—those who must work with ports, unions, governments, and the myriad suppliers involved in every departure and arrival. He calls the project TSP— Transportation Schedule Project.

Henrik tells us that the new process will reduce duplication of effort, increase asset utilization, shorten schedule preparation cycle time, and enhance revenue potential. Not only that, both TransOceania's chairman and the CEO support the program, along with its four senior vice president sponsors. Even so, there are significant barriers to success: TransOceania, like all its competitors, is downsizing. Caskers and Longquist, one of the leading head-cutting firms, is working at TransOceania at the same time, reducing head count by the standard 20 percent.

BEWARE THE CHICKCHARNIES

The Transportation Schedule Project team is in the process of wrapping up the first stage of the project when we get involved. They will present their findings and recommendations to the sponsors in a few weeks to seek approval for the project's next stage. Our role at the end of Phase 1 is to educate TransOceania's executives and the TSP team about networked organizations. Then, in Phase 2, we will help the group design and launch its teamnet.

Anthony, the on-the-ground manager from Pointer, and his consulting colleagues have done an excellent job of helping TransOceania develop its own solution to its problem. The TSP team is enthusiastic; the sponsors are receptive; and the project is rolling along.

They complete Phase 1 without a hitch. Except for the general pall surrounding all companies under downsizing, it appears to be a relatively problem-free assignment. A few weeks later, we receive word that the project has its go-ahead from TransOceania's Board of Directors to move from concept phase into launch.

Then, without warning, TSP'S rascals in paradise start biting. Within less than a month's time, TSP zigzags through a series of barriers and crises that can befall any new teamnet effort.

Things begin to go awry when, after four continuous months of work, team members take a week's vacation. Cameron, on temporary assignment as TSP'S project manager, returns to discover that his boss has given Cameron's full-time job to someone else. Without notice, he's lost his title, his office, and his secretary. Cameron is so depressed that sometimes it's even hard to hear what he's saying.

A few days later, Robert, the vice president who will have the budget for the project's next phase, calls Cameron, Anthony, the consultant from Pointer, and Stephanie, the team's strategic planner, to a meeting. "I'm uncomfortable with 95 percent of the plan," he tells them. Robert particularly objects to the information technology investment, key to reducing the project's cycle time, and asks the team to present an entirely new plan within a week. In the same meeting, he volunteers that he has no budget for the project, the same ambitious plan that the Board of Directors approved a month earlier. Now Cameron, Anthony, and Stephanie all are concerned.

It is these three dejected people who meet us for dinner when we arrive for the second time, expecting to begin work on Phase 2 of TSP. Instead of beginning the next morning to help them design their teamnet, we find ourselves in the midst of a battle for the project's survival.

Day 1—Monday: Down

Unlike our previous visit when the team arrives early for our session, eager to begin, today people straggle in. They are angry that the sponsor is changing the rules and discouraged. Stephanie, in particular, is furious. "We've got to fight this. If we're going under, I want to go down with guns blazing," she says, expressing her determination to fight.

Everyone on the team knows the project is vital to the company,

but people are unclear how to proceed. After lengthy discussion, David, a marketing expert who has just joined the team, suggests that they make lists representing the costs and benefits of the project as they appear to each sponsor: What does Robert want from the project? How do he and each of the other three sponsors stand to benefit? What does each fear? Within a short time, they cover the walls with big white sheets of paper—and a rather astute analysis of the power politics at the top of TransOceania.

Then Cameron goes on the offensive. “Don’t we have some questions for the sponsors?” he asks. The team decides to ask for clarification of several issues. They brainstorm a list of very specific questions and fax it to the sponsors, requesting a response the following day.

Day 2—Tuesday: Down, Then Up

Unfortunately, the day begins with no response from the sponsors. Richard, the team’s information technology expert, suggests that they turn their attention to developing an alternative plan that will please Robert, the budget-holding VP. The team’s members have 24 hours to work through the alternatives, before their next sponsors’ meeting scheduled for the following day.

The team breaks out into subgroups. Cameron leads consideration of the alternative Robert requested: Option 1 includes no information technology investment. Meanwhile, the other subgroups work through other options, with Richard and Stephanie leading the other two groups. When the whole team reconvenes at the end of the day, they settle on one option as their recommendation, one that will deliver benefits sooner and be less expensive in the long run. It is an alternative to the plan they proposed a month earlier. The team decides to brief each of the sponsoring VPs on its progress before the meeting. Cameron will see Robert, Richard will see Johann, the most sympathetic of the sponsors, Stephanie will see Ned, the newest of the sponsors, and David will brief Neville, the sponsor whose organization will experience the most impact from a change in schedule planning.

Day 3—Wednesday: Some Up, Mostly Down

It is the day of the sponsors' meeting. Set to be an hour long, it goes on for more than three. When it is over, the team invites us to their debriefing in the company's Situation Room. This is the place the executives go in case of an emergency—each seat has a telephone in front of it. The debriefing is not an uplifting experience. Now everyone on the team is very depressed. Yet another sponsor, this time Neville, has expressed reluctance about the project. Although the sponsors agree that two of the options are not viable, they are only lukewarm about the third. Instead of commending the team for all their hard work, they ask them to do more: flesh out their recommended strategy before meeting with them again the following Monday.

Later that evening, the Pointer consultants meet with Johann. He lets them know that the project is in peril of being canceled the following week. The company just has “too much on its plate” at the moment, what with downsizing, the unexpected departure of some senior officers, and falling revenues.

Day 4—Thursday: Up

Even though everyone is down, the day begins with a brilliant idea! For years, TransOceania has been trying to “fix Africa,” perceived as a boom market for the only transportation company that serves it directly from Asia. To date, no one has been able to figure out how to develop a robust schedule for the continent. James, the team's member from the sales group, suggests that TSP use Africa as its pilot. If TSP can “fix Africa” with its new schedule planning process, it will instantly demonstrate its value to the company in very palpable terms. Thus, “Project Africa” is born.

Finally, we can get to work in earnest. We lead the team through the process of laying out its basic tasks, estimating how long each will take, and deciding who needs to participate. The team agrees to test-market Project Africa with each of the VP sponsors overnight.

Day 5—Friday: Very Up

Today is the day to determine whether Project Africa is feasible. The first iteration indicates the magnitude of the effort. Looking at the project plan generated the day before, Stephanie says, “Instead of being a smaller project, Project Africa in fact raises the stakes. Even though it will take somewhat longer to ‘fix Africa’ and cost more at the beginning, it will also deliver benefits sooner and cost less overall than the original plan.” Everyone agrees with her that the pilot itself offers a high payback for the company.

By the end of the day, the team has all the documentation it needs to back up its case: a complete Project Africa plan, including a critical path diagram of tasks, a sequenced list of deliverables, a cross-functional team chart, names of representatives from each of the organizations involved, and a schedule. It is Anthony’s birthday and the team takes time to celebrate. By the end of the day, reports come back from testing the Project Africa idea with the sponsors: all appear supportive.

Day 6—Monday: Very Down

The day begins with a one-hour meeting with two of the sponsors—Johann, who is generally supportive, and Robert, who still is not. Cameron, still smarting from having lost his job while on vacation, leads the meeting but fails to communicate the new plan effectively. All the sponsors can see is that this is a bigger project. Why does Project Africa take so long and involve so many people? They want more details by Wednesday, before a “final” meeting with all the sponsors on Thursday.

The team is more depressed than ever, but this time they refuse to talk about it directly. They break into subgroups, each going its separate ways to address the sponsors’ concerns. Even the consultants meet separately. Together, we run through a set of critical success factors required for big changes in organizations. Our reluctant conclusion is that not enough are in place for TSP to be successful at this time.

Day 7—Tuesday: Down, but Getting Up

To be ready for the next sponsors' meeting, the team needs to fill out the project plan. However, only a few people are on time for the meeting. Before getting down to work, they talk honestly about what they couldn't address the day before. Stephanie opens the discussion with a brutally honest assessment of the team's problems and prospects. It's a very tough conversation, but everyone agrees with her that this is the decisive moment. If they are to succeed, they will have to reshape their strategy relative to the sponsors. Collectively, they decide that the sponsors' meeting the next day is an artificial deadline that will impede the work required for the final meeting. So they do something they've never done before. They cancel the sponsors' meeting; instead, the team invites the sponsors to come help finish their plan for the Thursday meeting. That afternoon, the team works out the next level of detail on Project Africa. By the end of the day, everyone is reenergized and engaged.

Day 8—Wednesday: Up, Way Down, Up Again

Today, planning goes on at a breathtaking pace. The group fills out Project Africa on a week-by-week basis over the next three months. Then, Anthony suggests that they develop a list of minimal criteria required to go forward with the project. Everyone thinks this is a great idea. Just as the sponsors set conditions, so now does the team.

No sooner have they set the criteria than Neville, one of the sponsors, shows up unexpectedly. "I've had a chance to think about Project Africa. I am completely against it and won't allow any of my regional people to participate," he tells a shocked team, then leaves. At the same time, Johann and Robert walk through the door. No one knows quite how to proceed. Cameron decides to press on and attempts to present the team's conditions for going forward, but falters. The team is infuriated. Anthony suggests a break to cool off. After much hallway discussion in twos and threes, the team reconvenes with Johann and Robert. Johann gives a short speech commending the team for its exceptional work. And then a miracle happens! Robert, who has been nothing but a roadblock for the past two weeks, suddenly becomes a believer. He agrees to present the team's criteria for going ahead at the sponsors' meeting the next day. With Johann and the team, he stays to finish the slides for the presentation.

Day 9—Thursday: Up Presentation, Down Decision

It's the day of the senior executive sponsors' meeting. The team performs magnificently. They present their case for the network and its pilot, Project Africa. Everyone agrees that the plan is good. Now, the issue becomes a strategic one: Is this the right time for the project to go forward? The four sponsors disagree among themselves and decide that they have to take the matter to the CEO. They finally meet with him late in the day and he makes his decision: right project, wrong time—he officially defers the TSP project for six months. The team, assembled awaiting the outcome, disbands within moments of hearing the news.

Day 10—Friday: Strangely Up, but Facing a Big Down

Uncharacteristically, the team gathers promptly in the morning. Amidst much debriefing, they decide to package their learning into what they call their “time capsule.” In it, TSP members place their detailed project plan, the notebook compilations of their six months' worth of work, and their final presentation. Then they decide to honor Johann, the vice president who most consistently stood behind them. Within a few hours, they organize a party and buy a pen for him, engraved with the words, “Sponsor of the Year.” At the party, he voices his “total commitment” to the project, congratulates the team on its excellent work, and acknowledges that the company has made its decision for the right reasons—strategic ones—rather than the wrong—political—ones.

For the team, corporate strategy and external factors over which they have no control are the rascals in paradise. While the content of

the project is superior, its timing is premature. By most of its measures, TSP is a success. To the members of the team, however, the overwhelming feeling is one of failure. But not for long. A month later, we receive a long letter from Stephanie, detailing the team's progress during the official period of deferment. In spite of the obstacles, the team remains determined to bring a new transportation schedule planning process to their company.

Five Good Ways to Fail

TransOceania's Transportation Schedule Project is not alone. Most teamnets fail to get off the ground, as most new businesses fail—and for many of the same reasons, including lack of resources, commitments, and luck.

The essence of networking is to keep a dynamic balance between complementary and opposing tendencies. Thus, we can trace many failures to a significant lack or excess regarding one or another of the Five Teamnet Principles.

1. PURPOSE: FROM NO GLUE TO GROUPTHINK

While the TSP team is able to maintain a clear view of its purpose (“to increase profits by redesigning the way the company plans its schedules”), TransOceania the company loses sight of it because the context changes. In just the few months since the beginning of the project, the company becomes involved in a merger and a major downsizing. Perceived short-term needs push long-term benefits aside.

? Without a constantly revisited clear purpose, teamnets collapse. Most teams don't spend nearly enough time talking about it. “I don't have time for that touchy-feely stuff. We have too much work to do,” one marketing manager says to us, refusing

to participate in the purpose-setting sessions of a new project. So he leaves, convinced that he is doing “real work” while the team is not. Within a few weeks, he is so out of touch with the group that the project manager replaces him.

? On the other hand, too much uncritical agreement and obsession with purpose leads to *groupthink*. This phenomenon, first chronicled with regard to John E Kennedy’s mishandling of the Cuban Bay of Pigs crisis,² occurs when people’s desire to agree with the group is so great that they do not question truly inappropriate decisions. If everyone must agree on everything to work together, beware—this is a clear sign of purpose gone amok.

2. MEMBERS: FROM NO INDEPENDENCE TO STUBBORNNESS

In many internal teams like TransOceania’s in which people come from different parts of the same company, members don’t have the autonomy that they need to survive independently. Lacking sufficient autonomy, the team itself never acquires an independent status. External alliances sometimes diminish the independence of the members, perhaps unintentionally through favored relationships that distort market realities.

The most difficult thing for many people is to give up control in favor of influence. The higher you go in the organization, the more difficult this struggle becomes. Executive teams can have the most trouble relinquishing direct control.

? A teamnet cannot function without substantial autonomy. Both the teamnet and its members must be able to stand on their own. If it is just another group that fits neatly into the hierarchy, the teamnet cannot take advantage of the power of voluntary commitments and market mechanisms.

? Alternatively, if the virtues of independence and go-it-alone bravado so consume teamnet members that they overwhelm

opportunities for mutual benefit, teamnets fail. Either they never form or they stagnate in a perpetual state of disintegration, functioning poorly. The dependence-independence-interdependence balance is very tricky.

3. LINKS: FROM NO CONNECTIONS TO OVERLOAD

When the hierarchy appoints all members of the team, relationships tend not to be voluntary. Without open access to information, trust is difficult to establish and maintain.

? Communication is key to teamnet success, and information access is critical to meaningful communication. Voluntary relationships cannot form if members don't have enough information. Nor will the group jell if the information they have is not reliable. Likewise, if they have no easy way to reach one another—meetings are too sparse or communication systems are inadequate—the teamnet will not crystallize.

? The reverse situation also causes teamnets to fail: too much communication, too much information, too much interaction— overload. If all the teamnet does is talk to itself, it will implode from self-induced stress. In the past decade, numerous software companies have introduced products that supposedly “enhance” group communication. Many fail because the overhead of keeping up with the torrent of information swamps the participants.

4. LEADERS: FROM NO LEADERS TO NO FOLLOWERS

Hierarchies and bureaucracies are crumbling because one person can no longer handle it all. Teamnets succeed when they elevate more than one leader. In our experience, many teamnets fail in this transition from the initial spark plug to broader leadership. Some corporate cultures facilitate leadership development while others discourage it. In a culture of high control, middle management does

not step forward for fear of making mistakes. The earlier multiple leaders assume position, the more successful the teamnet.

Leadership can expand everywhere, even in the most visible hierarchies in business and government. In a departure from traditional U.S. chief executive style, Bill Clinton and Al Gore positioned themselves in the 1992 campaign as teammates. Here, they take a page from modern business practice, where three times the number of executives share top corporate positions as they did 30 years ago.

? Groups are often short on leaders through no fault of their own. Appointed leaders tend to crowd out and discourage emergence of natural leaders. If you subdivide the work so that only one person rather than a subgroup can do it, then there are fewer opportunities for leadership.

? Is there such a thing as too much leadership? Indeed, old canards like “Too many cooks spoil the broth” point to the obvious problem of everybody’s getting an oar in and rowing in different directions. Teamnet leadership also includes followership; good leaders know when to step down or aside as well as up.

5. LEVELS: FROM NO UPLINKS TO NO DOWNLINKS

Many internal teams fail to manage up. At TransOceania, the whole team goes down a notch in status when the hierarchy takes away the project leader’s official job. Direct participation by the formal hierarchy in change projects all too often erodes as executives receive more urgent assignments. The entire teamnet needs to manage up across the entire organization. One easy way to ensure that this happens is to use the buddy system—pair up each person on the team with a senior executive.

? When a teamnet neglects to manage up, it fails, an all too prevalent problem. The group gets so caught up in what it is doing that it ignores keeping its superiors closely informed. Or it fears it. “We can’t send that to the Board of Directors,” a

project manager says in horror to us one day. He is referring to the plan for the very large project we are working on together. At every point that he can supply information, he chooses not to keep the Board in the loop. When he finally goes to the Board for after-the-fact approval, they turn him down, saying they don't know enough to commit the company to the project.

? It's as important to stay in touch with the "lower-archy" as it is the hierarchy. When a teamnet fails to manage down, it runs the risk of losing touch with the organization as a whole. External teams often find it difficult to manage the expectations and commitments of their respective internal groups or constituencies.

Avoid failure by keeping the Five Teamnet Principles in plain view at all times. Constantly revisit purpose; use it as a conversation starter to test its currency. Maintain the independence of the members; it is what makes them viable. Invest in communications, both in terms of personal relationships and physical communication systems. Reward multiple leadership; it enables the teamnet to accomplish more work more quickly. Finally, keep the teamnet plugged in at all levels of the hierarchy.

Once these principles become ingrained in your mind, you need to make them part of your daily business practice. It's critical that everyone:

Walk the teamnet talk.

"Transforming Bureaucracies and Systems," the Reference Section, contains more detail on how particular types of teamnets fail. In "Fighting Fire with Organization," the next chapter, we provide clues on how to overcome the obstacles that organizational boundaries present.