Seminar on Best (or more plausibly, widely used) Practices

Individuals, organizations and societies advance both through the creation of new knowledge ("invention" or "development") as well the effective use of existing knowledge ("diffusion"); if we couldn't acquire and apply the knowledge that our predecessors and fellows created -- if we lived in a state of epistemological autarky and were constantly reinventing the wheel -- little progress would be possible.[1]

We provide and receive little formal instruction in how to acquire and apply existing knowledge however especially in comparison to the effort that is now being devoted to the creation of new knowledge. In the latter sphere, professional schools and even undergraduate colleges offer courses in creativity, innovation, and design thinking for instance. For existing knowledge, there is of course a vast amount of specific "how to" material available inside and outside educational institutions. Starting with elementary school we are constantly taught about one or the other technique, from calculating the area of a triangle to pricing a complex derivative, and both the serious and popular media are full of 'how to' advice based, at least in principle, on someone else's experience or research. Material on the general issue of using and acquiring existing knowledge is relatively sparse and does not seem to have been synthesized into courses offered at graduate school as has been done with courses in creativity, innovation and design thinking.

The "best practices" seminar addresses this gap.

A Multi-Faceted Challenge

Applying lessons learned from similar prior experiences when we are faced with tasks that are new to us poses several problems:

1. Good practice may have been incorporated into habits and routines but may not have been explicitly codified. What works and doesn't may have to be teased out through observation and inquiry.

2. Even if practice has been codified, the codification may be incomplete. In fact most codified knowledge inevitably requires tacit knowledge that skilled practitioners may not realize they are using.

3. Widely used and seemingly effective practices may have counterproductive elements. In some cases the treatment as a whole may be worse than the disease. But sparse or ambiguous data may make it difficult to reject defective elements or entire practices.

4. Different practices are often used for similar tasks, especially if the tasks are complex – there are many ways to make an omelet even if there is only one way to boil an egg. Here too sparse or ambiguous data make it difficult to determine which way is superior or whether a synthesis of the different approaches would be best.

5. Applying previous practice to the task at hand may not produce the same results because of differences in circumstances. In some such cases, it may be best for us to start afresh and totally reject prior practice; or, we may try to modify or adapt the practice; or, we may try to create a shielded environment (where as with physical artifacts) within which prior conditions may be replicated.

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[1] As the classic Nelson and Phelps (1966) paper argues, the difference between the best practice and the average practice plays an important determinant of the overall level of prosperity of a country and the rate of the narrowing of the gap narrows has a profound impact on the growth of economic aggregates.

6. Tasks performed by teams and organizations pose further problems. For instance, practices generally need to be more tightly specified and embedded in organizational procedures and routines. An individual can simply observe and copy what a master practitioner does without reducing much to writing.

7. Organizations also have greater difficulty in learning new tricks (even if they are someone else's old tricks) than do individuals, so efforts to adopt practices that involve radical changes can be counterproductive. And, because organizations comprise individuals and sub-units whose interests can conflict, these conflicts need to be taken into account in choosing between alternative practices.

<u>Seminar Segments</u>

Overcoming the multifaceted problems requires (as with de novo creation) imagination, case-by-case judgment and trial-and-error. It is hard to conceive of a deductive process, although rules of thumb and knowledge of common tradeoffs and pitfalls can help. Accordingly the seminar will rely on an inductive, quasi-experiential process to help participants develop the habits and heuristics they can use to of select from, adapt or formalize existing practices.

Sessions in the first two segments of the seminar will cover specific tasks that people and organizations frequently encounter, with the first set of sessions devoted to tasks that individuals undertake more or less on their own such as making presentations, interviewing candidates and the second set to organizational tasks such as off-shoring and downsizing.

Two or more readings from well-regarded publications such as the Harvard Business Review, the Sloan Management Review and the California Management review offering concrete advice on how best to perform these tasks will be assigned for each session. (Exhibit 1) These readings provide the "case material" for discussions in the session about the comparative strengths and weaknesses of the items including their clarity, coherence (the congruence of the individual elements of advice), completeness (or over-specification), evidence of efficacy, "sweet spots" (conditions in which the advice will likely work best and for whom) and "boundary conditions" outside which the advice will be ineffective or require very considerable modification. In some sessions we will also discuss more traditional cases. The case discussions will provide a concrete opportunity to assess the utility of the "how to" readings.

The third segment of the course will discuss more general readings – the "how tos" of developing and using "how tos." Some articles (also listed in Exhibit 1) for instance cover how organizations can effectively develop or surface good practices (through techniques such as six sigma) and others the limitations and pitfalls of common best practice approaches. This third segment will also include consideration of the process by which best practices are selected through specific examples. For this we will have "live cases" of individuals who were assigned tasks (e.g. "open a charter school") which caused them to investigate good models.

The final segment of the seminar will comprise discussion of papers written by participants. At the start of the term, participants (working by themselves or with one other person) will pick an activity or task that they wish to study in depth. During the term they will research the state of the art in that activity, evaluate the strengths and weaknesses of the existing approaches and suggest a synthesis (the best of the

best) that includes a discussion of where and how the synthesis can be applied, and why it is appropriate for the context in which the participants would wish to apply it. The nearly final version of such papers will be presented in the concluding sessions of the seminar and authors will incorporate the feedback they receive in their final version of their papers.

<u>Benefits, Responsibilities and Grading</u>

An emphasis on specific tasks and techniques will help participants to develop their own general approach to best practices that best fits their world view, temperaments and career plans. As an important additional benefit they will learn about well regarded approaches to tasks they will inevitably encounter (e.g. making presentations, running a meeting) as well as techniques they may have heard of (such as six-sigma) but have limited knowledge of what the techniques entail .

To realize these benefits, participants have to carefully read the articles assigned for each session and participate actively in discussing them. One or more students will be asked to prepare one page summaries of the readings and the questions they raise. These questions will provide a starting point for the discussions. And, as previously described, participants will do independent research on a topic of their choice, present their findings in the final segment of the seminar and incorporate the feedback they receive in the papers they finally submit.

Grading will be based on my assessment of their papers and in-term contributions in the following manner:

I will divide the papers into two roughly equal buckets -a top half and a lower half. I will also identify papers that I regard as truly exceptional and those that fall well below the standard expected in a top-quality professional school. (I expect the truly exceptional papers will comprise less than half of all papers and hope there will be no papers of unacceptable quality.)

Participants who write a "top half" paper and have been regular and diligent contributors during the term will get an A. Those who write a truly exceptional paper but may not have been regular contributors can also get an A, unless their in-term contributions have been seriously deficient.

Those whose in-term contribution have been seriously deficient (or whose papers are of unacceptable quality) will get a B or possibly a failing grade depending on the extent of their shortfall.

Everyone else will get an A-

Exhibit 1: Sessions[1] and Readings[2]

Segment 1: Individual Tasks

Session 1. Presentations and Written Communication

Guide to Persuasive Presentations (12795-PDF-ENG)

This collection includes: "The Basic Presentation Checklist;" "How to Make Your Case in 30 Seconds or Less," by Nick Wreden; "Coping with Stagefright," by John Daly and Isa Engleberg; "Presentations 101," by John Clayton; "Easy on the Eyes," by Kirsten D. Sandberg; "Plan for Visuals," by Harvard Business School Press; "Why the Best Presentations Are Good Conversations," by Roly Grimshaw; "Connect with Your Audience," by Nick Morgan; "Presence: How to Get It, How to Use It;" "Are Your Presentations Inspiring?;" and "The Twentieth Century's Greatest Speech--What Made It So Powerful?"

Description: Are you preparing an important presentation? Does public speaking make your face flush and your heart race? Are you struggling to create a concise, powerful argument? Packed with practical advice on everything from structuring content to overcoming stage fright, this guide will give you the tools and confidence you need to master public speaking. Whether your audience is a small group of well-known colleagues or a larger gathering of prospective clients or board executives, learn how to: shape your information to specifically address your audience's needs; prepare visual aids that develop, not distract from, your points; and grab your listeners' attention and hold it.

Nine-Step Guide to Fast, Effective Business Writing By Hal Plotkin (C9909B-PDF-ENG)

Description. This article offers a nine-step plan that can be applied to nearly every form of business writing to ensure clear and precise communication. Includes a checklist that can be used for your own writing.

What Do You Mean I Can't Write? By John S. Fielden (64305-PDF-ENG)

Description: A checklist of the elements of good writing is a means for individuals and groups to improve their writing skills. The four basic criteria of the written performance inventory are readability, correctness, appropriateness, and thought. Tact, supporting detail, opinion, and

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[1] Three or four of these sessions are likely to be replaced with "live" cases and presentations of projects by the students.

[2] Unless otherwise specified, all readings are posted on Harvard Business School Publishing's web-site, including those published by MIT's Sloan Management Review. All descriptions are also taken from posts on this website.

attitude are critical to determine the appropriateness of upward communications. In downward communications, diplomacy, and motivational aspects are more significant.

Session 2. Recruiting: Getting a Job

Guide to Getting a Job (12917-PDF-ENG)

This collection includes: "Need to Find a Job? Stop Looking So Hard," "How to Make Your Network Work for You," "6 Networking Mistakes and How to Avoid Them," "The Best Cover Letter I Ever Received," "How to Write a Resume That Doesn't Annoy People," "How to Perfect an Elevator Pitch About Yourself," "7 Ways to Shine in an Interview," "How to Ace an Interview," "Five Questions About Interviewing Your Prospective Supervisor: With Rich Wellins," "How to Ask for a Reference Letter," and "Five Ways to Bungle a Job Change."

Description: Need a new job? Whether you've been laid off or are considering a job change on your own, you need to search efficiently and effectively. Don't lurch from one job to the next. Use this guide to ensure that your next move is a carefully considered one. The old advice of devoting 8 hours a day to sending out resumes and responding to job postings doesn't work. Instead, learn how to: build a network to expand your contacts and identify career opportunities; prepare cover letters and resumes that will attract hiring managers' attention; develop your personal pitch--one compelling sentence about who you are and what you can do; and shine in an interview.

Session 3. Recruiting: Interviewing Candidates

ABCs of Job Interviewing by James M. Jenks, Brian L.P. Zevnik (89408-PDF-ENG)

Description: Executives who don't usually interview candidates for management positions can benefit from first writing a job description specific enough to cover the position's details but general enough to cover its managerial aspects. This exercise forms the basis of a written interview guide which helps the interviewer elicit the most pertinent and useful information in each interview. Focusing on applicants' past performance and framing questions in a way that calls for revealing answers is the best approach. Revelations about past behavior are in any case the best indicator of future performance.

Strategies of Effective Interviewing by Samuel G. Trull

Description: Effective interviews optimize communication with a time constraint. Methods for planning and preparation, building a rapport, developing information, and following up are important constructions. The most important issue is realizing how one's biases and attitudes affect the collected information. Preparation should reinforce the purpose of the interview and should include a time limit and outline. The best tone is one of friendliness. The interviewer should guide information to the most productive channels. Questions should be free of sarcasm or obscure humor and should be able to fit a pattern that sharpens the focus of the interview.

How to avoid or deal with silences, listen well, analyze data, and conclude the meeting are important skills.

Session 4. Running a Meeting

How to Run a Meeting by James P. Ware

Description: Describes a number of simple techniques for planning and conducting management meetings

How to Run a Meeting by Antony Jay (76204-PDF-ENG)

Description: Successful meetings begin by identifying their objectives as information-digestive, constructive-originative, or legislative. A chairperson should draw up agenda items in advance. The purpose and definition of the items should be clear, and placed in order of urgency or in suitable association with other items. The greatest single barrier to successful meetings is the chairperson's self-indulgence. A chairperson is most effective when committed only to the goals of the group, and acting as a servant rather than master of the group. The best meetings are those that have two leaders, one a social leader, the other a project or task leader.

Segment 2: Organizational Practices

Session 5. Offsites and Meetings[1]

Off-Sites that Work by Bob Frisch, Logan Chandler, Ruth L. Malloy (4494-PDF-ENG)

Description: Of all the meetings top executives attend in a year, none is more important than the strategy off-site, where the most essential conversations for the future of the business occur. Yet, it is the rare management team that can say its strategy off-site truly changed the way the business is run. At best, participants do some vague direction setting and work on team-building skills; at worst, they write off the retreat as a waste of time and resources. It needn't be like that. From their two decades of experience designing and facilitating strategy off-sites in companies large and small around the world, the authors have distilled a set of best practices that businesses can use to make the most of this annual opportunity. Essentially, the problem with most strategy off-sites is that they're insufficiently structured. People think that if you schedule a meeting, invite top leaders (and, perhaps, an outside expert), and block off units of time to discuss big subjects, the rest will take care of itself. In reality, formlessness leads to aimlessness. Oddly enough, only rigorously designed meetings give rise to truly candid strategy discussions. That rigor starts before the meeting, when the scope of the matters discussed must be limited, the participant list drawn up accordingly, the relevant materials (and only those) sent out and absorbed, and a detailed agenda established. During the meeting, the pace and quality of the conversation can be managed through attention to politics and by using carefully tailored frameworks, decision points, and group exercises. After the meeting, an action plan ensures clear accountability and follow-through. If you and your

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[1] The Best Practices about meetings here (as opposed to in the prior segment) are aimed at organizations rather than individuals

executive team spend four days a year rafting down rivers together, you'll eventually get good at rafting down rivers. Spend four days a year having well-designed strategy conversations together, and you will transform your annual off-site from a meaningless junket into a genuine turning point for your business.

Morning Meeting: Best-Practice Communication for Executive Teams by Marty Linsky *(U0711D-PDF-ENG)*

Description: Too many executive teams are less than the sum of their parts because of flawed communication and a lack of shared accountability. Not knowing the full extent of one another's issues, team members don't share expertise. With no accountability for problems that arise off their turf, senior managers on dysfunctional teams can lose sight of what's in the best interest of the company as a whole. In this article, leadership expert Marty Linsky proposes a solution: The Morning Meeting, a highly formalized and defined practice that promotes communication and shared accountability in management teams.

Stop Wasting Valuable Time by Michael C. Mankins *(R0409C-PDF-ENG)*

Description: This article includes a one-page preview that quickly summarizes the key ideas and provides an overview of how the concepts work in practice along with suggestions for further reading.

Companies routinely squander their most precious resource--the time of their top executives. In the typical company, senior executives meet to discuss strategy for only three hours a month. And that time is poorly spent in diffuse discussions never even meant to result in any decision. The price of misused executive time is high. Delayed strategic decisions lead to overlooked waste and high costs, harmful cost reductions, missed new product and business development opportunities, and poor long-term investments. But a few deceptively simple changes in the way top management teams set agendas and structure team meetings can make an enormous difference in their effectiveness. Efficient companies use seven techniques to make the most of the time their top executives spend together. They keep strategy meetings separate from meetings focused on operations. They explore issues through written communications before they meet, so that meeting time is used solely for reaching decisions. In setting agendas, they rank the importance of each item according to its potential to create value for the company. They seek to get issues not only on, but also off, the agenda quickly, keeping to a clear implementation timetable. They make sure they have considered all viable alternatives before deciding a course of action. They use a common language and methodology for reaching decisions. And they insist that once a decision is made, they stick to it.

Session 6. Market Segmentation, Research and Forecasting

Rediscovering Market Segmentation by Daniel Yankelovich and David Meer

Description. In 1964, Daniel Yankelovich introduced in the pages of Harvard Business Review the concept of nondemographic segmentation, by which he meant the classification of consumers according to criteria other than age, residence, income, and such. The predictive power of marketing studies based on demographics was no longer strong enough to serve as a basis for marketing strategy, he argued.

Buying patterns had become far better guides to consumers' future purchases. In addition, properly constructed nondemographic segmentations could help companies determine which products to develop, which distribution channels to sell them in, how much to charge for them, and how to advertise them. But more than 40 years later, nondemographic segmentation has become just as unenlightening as demographic segmentation had been. Today, the technique is used almost exclusively to fulfill the needs of advertising, which it serves mainly by populating commercials with characters with whom viewers can identify. It is true that psychographic types like High-Tech Harry and Joe Six-Pack may capture some truth about real people's lifestyles, attitudes, self-image, and aspirations. But they are no better than demographics at predicting purchase behavior. Thus, they give corporate decision makers very little idea of how to keep customers or capture new ones. Now, Yankelovich returns to these pages, with consultant David Meer, to argue the case for a broad view of nondemographic segmentation. They describe the elements of a smart segmentation strategy, explaining how segmentations meant to strengthen brand identity differ from those capable of telling a company which markets it should enter and what goods to make. And they introduce their "gravity of decision spectrum," a tool that focuses on the form of consumer behavior that should be of the greatest interest to marketers--the importance that consumers place on a product or product category.

Market Research Encyclopedia By Vincent P. Barabba *(90103-PDF-ENG)*

Description: From the head of market research at GM comes a guide, in the form of a series of foldout tables, to help managers determine the dimensions of the task, resources needed, data required, and other key elements. The research effort comprises five major stages: assess the market information needs; measure the market place; store, retrieve, and display the data; describe and analyze market information; and evaluate the research and assess its usefulness. Augmenting the tables are a glossary of technical terms and a list of references.

Manager's Guide to Forecasting By David M. Georgoff, Robert G. Murdick (86104-PDF-ENG)

Description: In today's novel and rapidly changing business environment, managers constantly face new market realities and uncertainties. For more than a decade, forecasting techniques have theoretically helped them evaluate the varied factors they face. But much of the promise of these approaches has been unrealized. The forecaster's chart provides a method for evaluating techniques and for choosing a combination that yields the best results. The chart groups and profiles 20 common forecasting techniques and arrays them against 16 important evaluative dimensions.

Session 7. Acquisitions, Alliances and Divestitures

Rules to Acquire By by Bruce Nolop

Description: When Bruce Nolop was an investment banker, he saw only the glamorous side of acquisitions. Since becoming executive vice president and chief financial officer of Pitney Bowes, however, he's learned how hard it is to pull them off. In this article, he shares the lessons his organization has learned throughout its successful six-year acquisition campaign, which comprised more than 70 deals: Stick to adjacent spaces, take a portfolio approach, have a business sponsor, know how to judge an

acquisition, and don't shop when you're hungry. Pitney Bowes's management and board of directors now use these five basic rules to chart the company's growth course. For example, when evaluating a potential acquisition, Pitney Bowes distinguishes between "platform" and "bolt-on" acquisitions to set expectations and guide integration efforts; the company applies different criteria, depending on the type. According to Nolop, any company can improve its acquisition track record if it is able to learn from experience, and he suspects that Pitney Bowes's rules apply just as well to other organizations. Buying a company should be treated like any other business process, he maintains. It should be approached deliberately and reviewed and improved constantly. That means mapping a complex chain of actions; paying attention to what can go right or wrong at different stages; and using standard, constantly honed, approaches and tools.

How the Best Divest by Michael C. Mankins, David Harding, Rolf-Magnus Weddigen (R0810F-PDF-ENG)

Description: Most corporations are not as skilled at selling off assets as they are at buying them, often divesting at the wrong time or in the wrong way. Either is a very expensive mistake. A Bain & Company study has found that over the last 20 years, corporations that took a disciplined approach to divestiture created nearly twice as much value for shareholders as the average firm. In this article, Bain partners Mankins, Harding, and Weddigen set out the four straightforward rules those effective divestors follow. First: Just as they have acquisition teams, smart divestors have full-time divestiture groups, which continually screen their companies' portfolios for likely businesses to sell off and think through the timing and implementation steps needed to maximize value in each particular case. Second: They choose their divestiture candidates objectively. Too many firms rush to sell in economic downturns, when prices are low. Thoughtful divestors will sell only those businesses that do not fit with the corporation's core and are not worth more to themselves than they are to any other company. Third: Successful divestors consider how to structure a deal and to whom they will sell as carefully as they consider what units to sell and when. And they are as meticulous about planning the implementation of a deal as savvy acquirers are about postmerger integration. Fourth: They make a compelling case for how, and how quickly, the deal will benefit the buyer, and they make sure the selling unit's employees will be motivated to stay on and realize that value. Using these four rules, companies as diverse as Textron, Weyerhaeuser, Ford, Groupe Danone, and Roche have become "divestiture ready": consistently able to sell at the right time and in the right way to create the most value for their shareholders.

Session 8. Hiring

The Definitive Guide to Recruiting in Good Times and Bad by Claudio Fernandez-Ar oz, Boris Groysberg, Nitin Nohria (R0905F-PDF-ENG)

Description: Few companies are thinking about hiring right now, but that's a mistake. If history is any guide, staffing will become a front-burner issue once the economic upheaval eases. Even now, companies are running into staffing problems in emerging markets, and many will have to find talented replacements for baby-boom retirees. Will they be able to meet their needs? Not likely, say Fern ndez-Ar oz of Egon Zehnder and Harvard Business School professors Groysberg and Nohria. Their research, conducted with scores of CEOs, HR executives, and recruiters, found current hiring practices to be haphazard at best and

inept at worst. And no wonder. Ignorant of their staffing needs, most companies treat hiring top-level executives as an emergency. That leaves them little choice. One study found that nearly a quarter of the time, the executive selected was the only candidate considered. Far too few companies conduct reference checks; far too many rely on gut reactions when judging qualifications and cultural fit. Hardly anyone considers whether candidates will be good team players. And, shockingly, only half of the top managers recruited by the companies studied were interviewed by anyone in the C-suite. The result: About a third of promising new hires depart within three years of being recruited. As a remedy, the authors offer their best thinking about state-of-the-art hiring practices for the top levels of the organization. Their recommendations cover the entire hiring cycle in seven steps: anticipating the need for new hires, specifying the job, developing a pool of candidates, assessing the candidates, closing the deal, integrating the newcomer, and reviewing hire-process effectiveness. Whatever the future brings, firms that follow these practices successfully will have a distinct advantage over their shortsighted competitors.

Beyond the Hiring Basics: Details You Need to Know (7034BC-PDF-ENG)

Description: Using a conceptual framework of "embedded life interests," this chapter delves more deeply into how to recruit the most appropriate individual for a specific job. To that end, it also addresses online recruiting, the use of "head hunters" and search firms, and the pros and cons of psychological testing.

Hiring Successful Professionals: One Process - Multiple Goals by Heidi K. Gardner (411028-PDF-ENG)

Description. The best hiring practices help professional firms attract successful employees, equip newcomers with critical support networks, increase the firm's diversity and enhance its reputation. This Note delineates how leading firms manage these multiple objectives throughout the entire process of forecasting, sourcing and onboarding top talent. It also expands on potential misalignments that can arise and tradeoffs firms face in building and executing an integrated hiring strategy.

Hiring Professionals in China: A Practitioner's Guide by Heidi K. Gardner

Description: This note outlines how leading professional service firms operating in China revise their standard hiring practices to fit local challenges and customs. Based on interviews with professionals in a number of established accounting, strategy consulting, and executive search firms presently operating in China, it explores best practices they use to hire exceptional professionals who will succeed in building high quality client relationships, delivering appropriately innovative thinking, and helping their firms grow and improve performance - all within China's unique political and cultural context.

Session 9. Terminations and Downsizing

Note on Terminations by Jim Ellis, Bethany Coates

Description: Terminating employees is one of the most unpleasant, yet necessary, responsibilities managers have to carry out. The Wall Street Journal has reported that firing someone is one of three situations that make company presidents most uneasy. Due to a number of factors including anxiety, lack of preparation and ingrained social norms, terminations are often botched, putting companies at risk for

low employee morale, negative PR, and lawsuits, among other undesirable outcomes. The ideal course of action is to prevent a termination in the first place through a combination of effective hiring, communication, coaching and management. Yet, after all other reasonable options have been exhausted, retaining a "problem employee" may be the only action worse than firing him. Keeping such an individual on staff allows substandard results or harmful behavior to continue and simultaneously sends the message to the rest of the organization that the company tolerates under-performance. As a result, the best course of action in these situations is to carefully prepare for a termination and then conduct it swiftly and respectfully. After an employee has been fired, proactively informing those with a need to know and filling the vacant position as soon as possible minimizes disruption to the organization. When a termination is properly handled, companies often resume normal business operations with very little tumult.

This note focuses on performance-based terminations, as opposed to company-wide layoffs. Although no one looks forward to the task, managers cannot always avoid firing people for underperformance. Given the many types of risk incurred for mishandling a termination, it is best practice to stick to a consistent, transparent procedure that encompasses: Preventing the situation Preparing for the termination Implementing the termination Managing the post-separation phase effectively

Which Way Should You Downsize in a Crisis? By Christopher Zatzick, Mitchell Lee Marks, Roderick Iverson (SMR335-PDF-ENG)

Description: The recent economic downturn has left many organizations in a quandary. Just several years ago, the major issue was winning the so-called "war for talent": how to attract, motivate and retain the best and the brightest. But then the current recession turned that thinking upside down. Now, many organizations are scrambling to figure out how best to restructure and cut costs without jeopardizing the valuable human capital that they built during the prior period of growth. To help such companies, the authors have developed a framework that integrates the seemingly paradoxical practices of talent management and downsizing. The framework looks at two important dimensions. The first is the type of downsizing, either reactive or proactive. The second dimension of the framework is the approach to managing employees, either control-oriented or commitment-oriented. Those two dimensions --type of downsizing and approach to talent management --can be combined to form a two-by-two matrix consisting of four quadrants. Each quadrant represents a different strategy, with a distinct philosophy, focus and key HR and downsizing best practices. The authors contend that there is no "one size fits all" approach to downsizing and that managers need to devise the approach that makes the best sense for their particular company, depending on its position in the matrix's quadrants.

Session 10. Software Development and Outsourcing

Product-Development Practices That Work: How Internet Companies Build Software by Alan MacCormack

Description: Because software is an increasingly pervasive part of the New Economy, delegating decisions about its development to technical staff can be risky for executives. Today's general manager

needs to have a good grasp of the most effective methods for developing and deploying software products and services throughout the organization. Research conducted by the author and colleagues proves a growingly accepted theory about software development: The best process is an evolutionary one. Focusing on the area of Internet software development, the researchers uncovered four practices that lead to success: early release of the evolving product design to customers, daily incorporation of new software code and rapid feedback on design changes, a team with broad-based experience in shipping multiple projects, and major investments in the design of the product architecture. Among the development projects cited are Linux, the poster child of the open-source movement, and Internet Explorer 3.0. In environments with rapidly changing markets and technologies, the usefulness of the evolutionary model extends beyond developing software. By dividing tasks into microprojects, a company can tailor the model to reflect any context. In more mature environments, companies can specify more of the product design upfront, use longer microprojects, and develop greater functionality before feedback is needed. Flexibility is key.

Proven Practices for Effectively Offshoring IT Work by Joseph W. Rottman, Mary C. Lacity (SMR204-PDF-ENG)

Description: Global information technology networks can lower costs, increase quality, reduce response times, and disperse risks. But agile IT networks require an immense amount of hands-on management, and micromanagement can significantly increase transaction costs and erode any potential savings. Much of the micromanagement is a result of the learning curve and the labor-intensive nature of managing budding relationships with new partners. The authors use data derived from interviews with clients and suppliers to identify 15 emerging best practices in dealing with offshore suppliers of IT throughout each of the phases of development. In the early stages of developing an offshore IT network, the authors suggest that selecting the appropriate location for your offshore activities is critical and that it may be best to begin with several smaller pilot programs. As offshoring efforts become more mature, the authors recommend diversifying your supplier portfolio to spread risk and maximize competition. They also discuss how to structure contracts and break up projects in ways that provide incentives and protect intellectual property. The article describes several practices that allow for more value-added practices once a full and mature global network exists, including how to overlap networks to best facilitate supplier-to-supplier knowledge transfer.

Use Enterprise Architecture to Guide Outsourcing by Jeanne W. Ross, Peter Weill, David C. Robertson (8065BC-PDF-ENG)

Description: IT and IT-enabled business processes are candidates for outsourcing, which can be a valuable approach to helping mature an enterprise architecture. But a company can lose ground if outsourcing is inappropriately applied. This chapter discusses how enterprise architecture can be a guide to outsourcing decisions.

Segment 3: Meta practices – the How-To of How tos.

Session 11. Identifying and Sharing

Amar Bhidé: Seminar on Best Practices (December 1, 2010 Draft)

Best Practices for Best Practice Sharing by Patricia R. Bush (B0901C-PDF-ENG)

Description: If a little-known manager in one of your organization's units developed an ingenious method for resolving botched orders or for accelerating product development--a method that could cut cycle time or costs in half--would you want to wait two years to learn about it? Sadly, that's the average time it takes (last time anyone checked) for a best practice to wind its way through an organization. What obstacles does your organization face in sharing best practices? And how can you overcome them to establish a best practice sharing process in your organization?

Building a Best Practice Sharing Program That Works by Lauren Keller Johnson (B0905D-PDF-ENG)

Description: Best practices--those uncommonly efficient and effective ways of accomplishing particular tasks in an organization--aren't worth much unless they're shared and then replicated throughout the enterprise. During Marilyn Michaels' tenure at Ricoh Americas Corporation (a 2005 BSC Hall of Fame winner), the Strategy Management Office played a key role in developing and maintaining the processes needed to disseminate best practices in this large company and its parent.

Creative Benchmarking by Dawn Iacobucci, Christie Nordhielm (F00603-PDF-ENG)

Description: Many companies know they should benchmark their business practices against those of companies outside their own industry. But how to begin? Here's a practical guide.

Learning from Heterogeneous Experience: The Internationalization of Entrepreneurial Firms by Christopher Bingham and Kathleen Eisenhardt (not on HBSP site, posted on web)

Description: While much research suggests that organizational processes are learned from experience, surprisingly little is known about what is learned and the developmental sequence by which this learning takes place. Using an inductive research logic and in-depth nested case studies, I explore the content of learning an organizational process and how that content forms over time from heterogeneous experience. The focal process is internationalization, and the setting is six entrepreneurial firms with headquarters in three culturally distinct countries (i.e.,Finland, United States, Singapore). Results show that rather than emerge through pure experiential learning, processes begin as leaders seed experience with cognitive templates. These templates took the form of few heuristics for capturing and executing opportunities and proved valuable even though they were often flawed in fundamental ways. Organizational processes continued to develop in several ways. Leaders elaborated details of early heuristics as they gained more understanding about how to accomplish a task. But unexpectedly, leaders also added more sophisticated temporal heuristics like sequence, destination, and pacing as they uncovered insights about when and how often to accomplish it. Finally, organizational processes evolved by becoming less, not more routine with experience. Executives mindfully created levels of abstraction in relevant heuristics rather than mindlessly repeating the same ones. Further, they often kept rules purposefully simple rather than making them increasingly complex. Together, these findings suggest that learning a strategically significant organizational process is about developing expertise, not creating a routine.

Session12. Process Design

Amar Bhidé: Seminar on Best Practices (December 1, 2010 Draft)

Zero Defections: Quality Comes to Services by Frederick F. Reichheld, W. Earl Sasser Jr. (519X-PDF-ENG)

Description: Companies that aim for "zero defections" (keeping every customer they can profitably serve) can make profits rise. Defection rates are both a measure of service quality and a guide for achieving it. By listening to the reasons why customers defect, managers know exactly where the company is falling short and where to direct their resources.

Six Sigma: What It Is and How to Use It by Hal Plotkin (U9906C-PDF-ENG)

Description: Since Motorola introduced Six Sigma in the 1980s, dozens of leading companies have adopted its techniques. Six Sigma is a quality initiative which focuses on defects per million--at the Six Sigma level the expectation is a mere 3.4 defects per million. It goes well beyond earlier approaches to quality such as TQM and requires entirely new procedures. Six Sigma was initially designed to improve manufacturing processes, but these days the techniques are being applied to various business areas, including sales, human resources, and customer service. "Defect" is defined differently according to the process involved. This article explores the four-step process for achieving Six Sigma: Measure, Analyze, Improve, and Control

Process Management and the Future of Six Sigma by Michael Hammer (SMR073-PDF-ENG)

Description: The quality initiative Six Sigma is sweeping the United States. Is it good for whatever ails your company? Consultant Michael Hammer thinks not. He warns that in their quest for operations performance improvement, many business leaders fail to distinguish its strengths from its weaknesses. Hammer presents a strategic, holistic approach--business process management--in which Six Sigma is only one of many useful initiatives. If a business process, such as billing customers, is fundamentally defective, why use Six Sigma to improve the performance of it? Companies that Hammer calls process enterprises (Caterpillar, Johnson & Johnson, Merck, Progressive Casualty Insurance, Bombardier, and IBM) have found more success redesigning whole processes. Certainly, Six Sigma's ability to unearth root causes of problems is outstanding for narrow cost-saving improvements. But it deploys statistical analytic tools to uncover flaws in the execution of an existing process without asking whether the process itself is flawed. Six Sigma assumes that the existing design is fundamentally sound--a dangerous assumption. For peak performance, companies should position Six Sigma in the context of process management and assign process owners. Process owners ensure that all performance initiatives (Six Sigma, enterprise resource planning, balanced scorecard, customer relationship management and so on) are integrated to support strategic goals. Fitting Six Sigma into the process-management framework allows organizations to enjoy Six Sigma's benefits while keeping it away from areas where it doesn't belong. Process enterprises already are reaping cost savings, accelerated new-product introduction, improvements in customer satisfaction, and increases in profitability.

Perspectives in quality: designing the WHO Surgical Safety Checklist by Weiser et. al. (Not on HBSP website. Downloaded from: http://intqhc.oxfordjournals.org/content/22/5/365.full.pdf+html

Description: The World Health Organization's Patient Safety Programme created an initiative to improve the safety of surgery around the world. In order to accomplish this goal the programme team developed a checklist with items that could and, if at all possible, should be practised in all settings where surgery takes place. There is little guidance in the literature regarding methods for creating a medical checklist. The airline industry, however, has more than 70 years of experience in developing and using checklists. The authors of the WHO Surgical Safety Checklist drew lessons from the aviation experience to create a safety tool that supports essential clinical practice. In order to inform the methodology for development of future checklists in health care, we review how we applied lessons learned from the aviation experience in checklist development to the development of the Surgical Safety Checklist and also discuss the differences that exist between aviation and medicine that impact the use of checklists in health care.

Session13. The Downside of Best practices (and some precautionary measures)

Getting It Right the Second Time (HBR OnPoint Enhanced Edition) by Gabriel Szulanski, Sidney Winter

Description. Once a business performs a complex activity well, the parent organization often wants to replicate that success. But doing that is surprisingly difficult, and businesses nearly always fail when they try to reproduce a best practice. The reason? People approaching best-practice replication are overly optimistic and overconfident. Getting it right the second time (and all the times after that) involves adjusting for overconfidence in your own abilities and imposing strict discipline on the process and the organization. The authors studied numerous business settings to find out how organizational routines were successfully reproduced, and they identified five steps for successful replication. First, make sure you've got something that can be copied and that's worth copying. Second, work from a single template. Third, copy the example exactly, and fourth, make changes only after you achieve acceptable results. Fifth, don't throw away the template. If your copy doesn't work, you can use the template to identify and solve problems.

Management Half-Truth and Nonsense: How to Practice Evidence-Based Management by Jeffrey Pfeffer, Robert I. Sutton (CMR340-PDF-ENG)

Description: The quest for information and research-based insight is an obsession in the capital markets. There is a veritable industry of analysts, investment bankers, portfolio managers, and investors who seek any informational advantage, which is one reason that academics who study finance have been recruited to work on Wall Street and with money managers. Yet, the potential payoff for using valid evidence is even greater when it comes to managing organizations. At the same time, however, imitation is much slower and less effective in the world of management practices, in part because such practices depend on tacit knowledge and implementation skill, on knowing not just what to do but how to do it. In addition, management practices and logic resist copying because of the power of precedent and ideology. Most managers actually try to act on the best evidence. They follow the business press, buy business books, hire consultants, and attend seminars featuring business experts. Although companies sometimes benefit from these efforts, there is surprisingly little rigorous use or serious appreciation of evidence-based management. Explores these obstacles and offers guidelines to enable managers to practice evidence-based management better.

How Strategists Really Think: Tapping the Power of Analogy (HBR OnPoint Enhanced Edition) by Giovanni Gavetti, Jan W. Rivkin (9661-PDF-ENG)

Description: Leaders tend to be so immersed in the specifics of strategy that they rarely stop to think how much of their reasoning is done by analogy. As a result, they miss useful insights that psychologists and other scientists have generated about analogies' pitfalls. Managers who pay attention to their own analogical thinking will make better strategic decisions and fewer mistakes. Charles Lazarus was inspired by the supermarket when he founded Toys R Us; Intel promoted its low-end chips to avoid becoming like U.S. Steel; and Circuit City created CarMax because it saw the used-car market as analogous to the consumer electronics market. Each example displays the core elements of analogical reasoning: a novel problem or a new opportunity, a specific prior context that managers deem to be similar in its essentials, and a solution that managers can transfer from its original setting to the new one. Analogical reasoning is a powerful tool for sparking breakthrough ideas. But dangers arise when analogies are built on surface similarities. Psychologists have discovered that it's all too easy to overlook the superficiality of analogies. The situation is further complicated by people's tendency to hang on to beliefs even after contrary evidence comes along and to seek only the data that confirm their beliefs. Four straightforward steps can improve a management team's odds of using an analogy well: Recognize the analogy and identify its purpose; thoroughly understand its source; determine whether the resemblance is more than superficial; and decide whether the original strategy, properly translated, will work in the target industry.