

## **ALASKA JOURNAL OF COMMERCE:**

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### **The Power of Collaboration**

by Tim Pearson

According to Inupiat Eskimo elder Paul Tiulana, if you had lived on King Island in the Bering Straits at any time over the past 1400 years, you would have had a partner cousin. Partner cousins are always your mother's brother's kids. Together you learn how to jig for tomcod in the winter (catching them on a line), how to handle a kayak in the shifting pack ice, and how to behave properly in society. Your uncle is your instructor and your cousins help you to practice your skills and serve as your confidants. The social and practical skills honed and transferred enabled the King Island community to thrive perched on a cliffside for centuries.

The partner cousin concept contains a valuable principle: namely, collaboration builds wealth and social capital faster than going it alone.

#### **Collaboration results in faster wealth creation**

In How to Be a Star at Work, Robert Kelley describes star employees -- those who outproduce average employees ten to twentyfold. A two year study of 300 Bell Lab employees uncovered how stars used their professional networks. Example: two employees are given a project assignment. The average employee goes to his desk and works for three days to reinvent the wheel. The star employee goes back to her desk and in three hours has tapped into her network, discovered who else has previously invented the wheel, and utilized their knowledge. A star's network is not only of higher quality, it gets results 3 to 5 times faster.

Collaboration also stimulates wealth creation. Hicks Muse Tate & Furst, a highly successful Dallas investment firm, credits its inside edge on the purchase of San Francisco's Ghirardelli Chocolate Company to their insurance broker. Thanks to the broker's tip that Ghirardelli was for sale, the Hicks Muse team was able to assemble a \$65 million dollar buyout before competitors found out about the sale. As a result, Hicks Muse got a better price and the insurance brokers got to be part of the deal. The ultimate payoff? A 72% annual ROI when Hicks Muse sold Ghirardelli to Swiss candymaker Lindt & Sprungli two years later in 1998.

#### **Collaboration creates opportunities for sophisticated work and market leadership**

Professional service firms use collaboration to handle complex client issues efficiently. [Leidtka, et al, 1998] Experts who collaborate have "T-shaped" skills: technical expertise in one area with an ability to link with other areas. The result is the crossing of technical boundaries to find multi-disciplinary solutions. Case: A group of law firm partners consulted, shared expertise and reduced issues ranging from litigation strategy to bankruptcy to criminal and civil forfeiture law to four to five pages and sent one partner to the potential client with their collective wisdom. Their competitors each sent six people. The lean, focused, collaborative firm won the business.

Collaboration can also sustain market dominance. Two New England whaling communities, Nantucket and New Bedford produced 90% of the world's whale oil for decades. In 1857, New Bedford (pop. 20,000) sent out 10,000 men and 327 vessels and brought back oil and baleen valued at \$6.2 million. The two communities' dominance and continued success was built on a culture of personal relationships, trust, and long-term collaboration that other whalers lacked.

Robert Putnam's new book Bowling Alone: The Collapse and Revival of American Community, expands on his 1995 thesis that American social bonds are fraying but can be knit together. In the past, Americans bowled in leagues, usually after work. Today they bowl alone. His analysis shows that social bonds predict life satisfaction as well as the strength of civic community. Economic facts: attending a club meeting regularly is the equivalent of doubling your income. Getting married is the equivalent of quadrupling your income. Education facts: states that have the highest club membership and voter turnouts also have the most income equality and the best schools (those with the lowest, have the worst). Furthermore, according to Putnam, "if you decide to join [a group], you can cut your risk of dying over the next year in half." The bottomline: a society rich in collaboration and social capital is healthier for the group and for the individual.

### **So how can we continue to encourage collaboration in Alaska?**

- Start with the "mug-up." It's the rural Alaska term for stopping to have coffee together. Having coffee is a connector. The purpose for connecting is to establish a relationship. Relationships take time.
- Try Out-of-the-Box Lunches © -- put together group lunches with four to six people. It's a chance to introduce friends to friends who have interests in common.
- Listen and ask "How can I help?" Listen again and then follow through. This is about building trust.
- Look for ways to build on collaboration. You get what you give.
- Keep at it. Even King Island wasn't built in a day. ([www.kinc.org/kingisland.htm](http://www.kinc.org/kingisland.htm))

By the way: Geneticists think we're all at least fiftieth cousins.

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