

How does consortium based thinking work?

The consortium idea came about because a number of different organisations in our network expressed a need to explore specific topics and were keen to do so in a pragmatic and cost effective manner.

The benefits of working in a consortium are considerable. The organisations that participated in consortium based thinking in the past felt that a lot of unique learning took place during a stimulating process. This is due to the combination of academic, expert contributions during work sessions with the practical experience of the participants. The participants are typically a mix of HR and business people which seems to work well. Sharing ideas and engaging with leading edge experts provides insights that cannot be gained from published material. Members found their understanding was changed by hearing the perspectives of other organisations. The consortium members work intensively in a series of meetings and establish strong, lasting relationships. As a result, members continue to share information and use each other as sounding boards on a number of different issues. Getting a trusted perspective from respected individuals in a different organisation has been a big bonus for all concerned.

Finally, and very importantly, participants can have confidence in the robustness of the project findings because of the breadth of inputs.

The projects typically involve six high-energy, interactive 2-day meetings over a period of 6-9 months. The approach is cost-effective because the project is funded by fixed contributions from all members and would cost each one several times as much to do alone. Each organisation is free to use the consortium outputs in pursuit of their own business objectives.

What topics?

Our first consortium project in 2003 studied the **Future of Work**. With a range of academics and experts from across the globe, the consortium grappled with the implications of a variety of issues including:

- Within a decade, half the world's labour force will be located in China or India
- There will be more over 50s than under-14s in the world by 2020
- All the technology currently used at work will be obsolete within 10 years
- West Germany's manufacturing labour costs are 30 times higher than India's, 3 times higher than Korea's and 50% higher than the UK's
- In India over 60,000 call centre staff changed jobs in 2002 at an estimated cost to the industry of \$60m

The members of the Future of Work Consortium had varying needs and uses for the material generated – some to inform future strategy, others to test

alternative hypotheses, one to underpin customer presentations, another to drive thought leadership throughout the organisation and one to feed their shareholder presentations. All got extremely useful insights and a wealth of valuable research and analysis which is located on a dedicated website. Some of the proprietary material from this project is now available. For details, please email enquiries@toscagroup.com

As they found the model worked well, several of the Future of Work Consortium members asked TOSCA to set up another and two new member organisations joined them. The chosen topic was **How to be a Great Employer in the Future**. For most enterprises, no market is more competitive than the market for employees. The challenge for great employers is not only to make potential employees aware of their organisation as a good place to work and bring the best applicants successfully through the recruitment and hiring process, but to retain them, ensure their understanding of the organisation's goals and commitment to them and provide the environment and structures to motivate them to give of their best. Meanwhile, shareholders demand a decent return and society requires good corporate citizens. How can these potentially conflicting demands be managed?

This consortium completed its work in March 2005. One of our key findings was that the quality of leadership and high levels of trust are significant differentiators for high performing organisations. We have identified a range of learnings and actions for organisations who seek to be Great Employers over the coming decade. Future Great Employers will:

1. Develop excellent leaders at all levels in the organisation, especially at middle management, rewarding (and punishing) behaviour as well as results- people join companies but leave managers
2. Engender trust throughout the organisation by open, honest and transparent behaviour consistently demonstrated
3. Genuinely involve staff in decision making and provide for continuous feedback
4. Ensure communities of employees to create a sense of belonging even within a large company
5. Allow for social interactions in the workplace as long as targets are delivered – measure outputs not face-time
6. Connect the HR strategy to a clear, prioritised, long-term business plan
7. Provide efficient HR processes proactively accommodating diverse and changing requirements
8. Treat all those who can impact the customer experience as if they are employees
9. Give high priority to understanding and meeting customer needs
10. Choose collaborating partners with care to preserve company values and reputation

For detailed findings plus a Chart to help navigate the future please email enquiries@toscagroup.com

Another consortium is now completing its work on Leadership and Trust in organisations of the future. Engaging with thought leaders such as Kjell Nordstrom and Dave Ulrich we have developed radical ideas on the role of Trust in driving future performance. The conclusions will be in the public domain in late 2006. For details, please email enquiries@toscagroup.com

Several topics have been proposed for our next consortium project. Among those presenting major challenges to forward thinking organisations are:

- **Leadership Reshaped:** "Companies today cohabit with a vast number of joint-ventures and strategic alliances, some more and some less connected. The line between what is inside and what outside the corporation, once so clear, has become blurred."¹ How can increasingly decentralized leadership be reshaped to meet these practical challenges?
- **Human Resources:** does it deserve a seat at the table? - For at least a decade HR practitioners have been saying they want to be strategic partners. The reality is that for many, administrative, transactional and process work still takes up the bulk of their time – and often, it's what they're best at. Faced with outsourcing and headcount reductions can HR really step up to the plate?
- **Inclusivity:** the moral and business justification. It's been preached for over a decade now though the business case can still look shaky. But with our multi-cultural, offshored, ageing workforces, capitalising on diverse talents will be essential to competitive success. Recent events suggest we are all potentially exposed to a clash of civilisations. What can organisations do to manage the fall-out?
- **Human capital metrics in a knowledge world:** Around 50% of the value of your organisation probably now derives from its intangible assets, especially your people. But we still use 20th century metrics to address the performance of 21st century knowledge workers. What should we be measuring and rewarding?
- **Talent Management:** High employee engagement produces annual share price increases of 10% above industry average² so it's worth the investment. But few organisations in the 21st Century have the luxury of knowing that they will attract, retain and fully engage a talented workforce solely with a good compensation and benefits package. What practical steps can we take to manage our talent for full engagement?
- **The new paradigms for learning in organisations:** All our workplace technology will be obsolete in less than a decade. The learn/work/retire pattern is dead. How can we move lifelong learning from rhetoric to reality? We can't afford to send everyone off for continuous retraining so what processes can we install to ensure that our workforce continues to

¹ The Economist, 21 January 2006

² Wharton School Publishing

have the skills to do the job?

These topics are, of course, interconnected and we now have the capacity to resource two consortium projects simultaneously so that the learning can be shared between them. Up to seven organisations will be able to participate in each consortium. We are working with interested organisations to define the topics in more detail and determine exactly what they would like to get out of each project and we anticipate that there will be a mix of commercial enterprises, not-for-profit or government organisations and professional services firms.

What do I get in terms of output?

The consortium members decide collectively what is useful to them. Typically this would include:

- White paper
- Executive summary
- Issues papers
- Power point presentations
- Speaking notes
- List of reference material used
- Access to all research on a password protected website

What can I use the output for?

The consortium members have used the output to:

- Inform future strategy – support the organisation's CEO in the setting of business strategy
- Enhance the definition of the organisation's Human Resources Strategy
- Test alternative hypotheses by being up to date on leading thinking in academia and other international organisations
- Provide critical questions and useful insights in the internal risk management debate
- Underpin customer presentations and support the brand of the organisation
- Drive thought leadership throughout the organisation
- Provide input for board meetings and shareholder presentations
- Present on this topic on behalf of the organisation to professional networks, graduate trainee recruitment drives, etc.

How does the costing work?

The participation fee for each organisation is £35,000 and up to 4 representatives from each organisation may be involved. The participation

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fee covers all costs except travel and accommodation of the organisation's representatives.

With regard to internal cost allocation – the costs for consortium projects typically come out of the following budgets (or a mix thereof):

- Strategy Development
- Human Resources
- Internal Communications
- Business Division of the participating line manager
- Executive Development in case of participating high potential young leaders

How many organisations participate in a consortium project?

Experience shows that a minimum of 5 and a maximum of 7 is ideal. This ensures an environment where relationships can be established and a breadth of perspectives that enables real insights to be shared.

When will the next consortium project start?

We aim to hold our launch meeting in May 2006 and would expect to conclude our work around the end of 2006.

Who can participate from my organisation?

Every organisation can designate up to four participants. We have found that the specific field of specialisation (HR, Strategy Development, Line Management, etc) is less important for participants than the ability and confidence to contribute to the debate and to share their own knowledge and expertise. The sharing of insights and ideas between organisations stimulated by external inputs is a very valuable part of the process.

Diversity of background, experience, nationality and personality profile are a plus. TOSCA facilitators are used to working in these settings and welcome a lively mix! However it is important that the participants are sufficiently fluent in English to contribute to the discussion.

How often will we meet?

Typically six high-energy, interactive 2-day meetings will be arranged over a period of 6-9 months.

Where do the meetings take place?

The group will decide but often the meetings take place on the premises of the participating organisations. That means that participants travel in some instances but can also host a meeting. The added benefit is that the consortium members can get a more detailed insight into the country and or industry you represent. These work-visits have proved to be exceptionally helpful in the past.

What is TOSCA's role?

TOSCA manages the project, conducts and commissions research, tracks down experts and gurus, structures and facilitates discussions, produces the outputs the consortium members specify such as presentations, reports etc and maintains the dedicated project website.

Where can I read about previous consortium work?

You can visit TOSCA's website: www.TOSCAgroup.com.

People Management – the UK HR professional journal, published an article in January 2005 about consortium work and The Future of Work project in particular. You can find it on the TOSCA website. A further article will appear shortly.

Melcrum's *Strategic Communication Management* international journal carried a thought leader article on our consortium work in their December 2005 issue. Again, you can read it on our website.

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