

Practices for Innovating in a Flat Organization

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W. L. Gore & Associates

#fstinno

As promised, we will explore:

- Unique roles in this organization long recognized for prolific innovation
- Mechanisms that engage team members across many international cultures to collaborate effectively
- Ways that leaders achieve objectives through influencing and engagement instead of authority.

Developing capability in organizations where everyone is connected

Command and Control no longer serves

Organizations are:

- Global
- Complex

Individuals are

- More connected
- More empowered





The Power of Flat

How organizations without managers succeed in the real world



If Self-Management Is Such a Great Idea, Why Aren't More Companies Doing It?

NEW YORK NEWS & POLITICS

The Boss Stops Here



CAREERS

Who's the Boss? There Isn't One



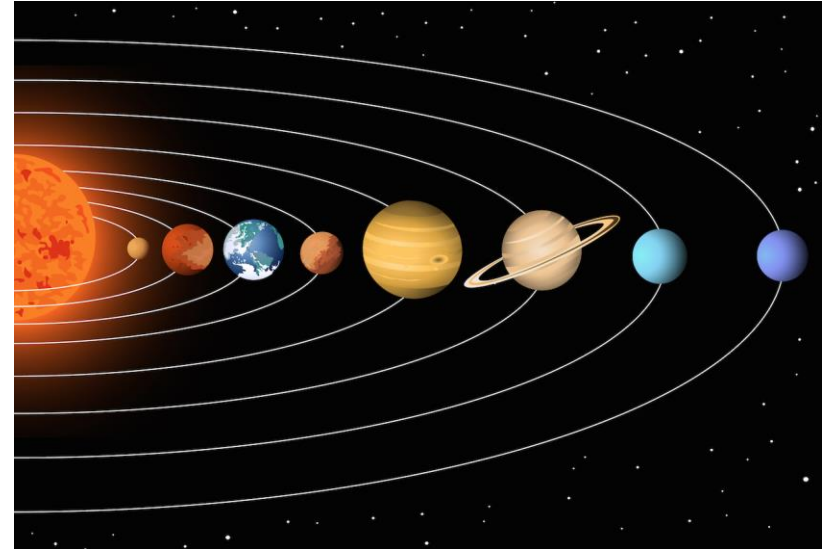
Inside The 'Bossless' Office, Where The Team Takes Charge



Flatter organizations

Reduce hierarchy – to harvest benefits of connection

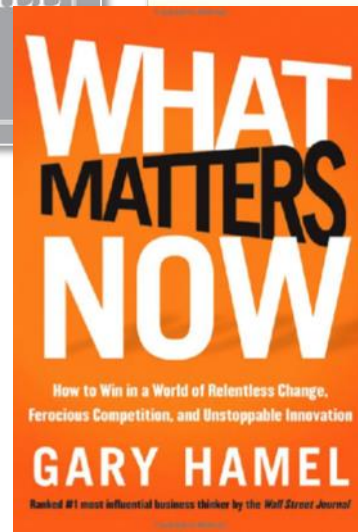
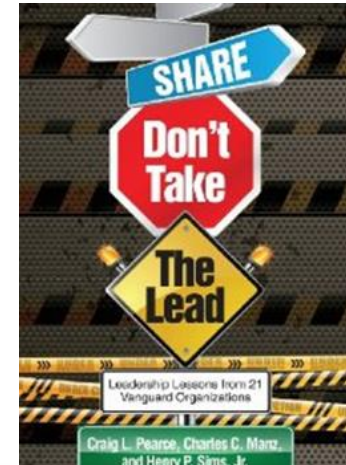
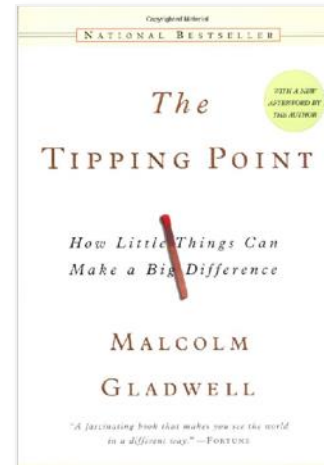
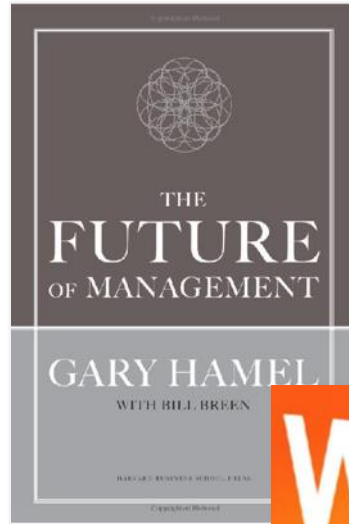
- Shared leadership
- Responsive organization
- Adaptive Organization



Skills for Flat Organizations Developed over 50 years



Bill and Vieve Gore founders of the first Theory Y company.



W. L. Gore & Associates: Developing Global Teams to Meet 21st-Century Challenges!

CASE 26

Frank Shipper
Salisbury University

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In 2010, W. L. Gore & Associates celebrated its 50th year in business. Founded in 1959 by Bill and Vieve Gore in the basement of their home, Gore had grown into a global enterprise famous for its high performance fabrics, medical products, and non-aggressive electronic products, as well as its use of self-empowered teams of employees (called associates at Gore). In its earlier years, the company had endeavored to restrict the size of its different corporate facilities to 200 associates or fewer, a practice that helped keep the number of teams at a given facility to a manageable number and facilitated cross-team coordination. More recently, however, to better cope with the challenge of a global marketplace, increasing numbers of teams were composed of associates in different facilities, sometimes facilities that were spread across three continents; the coordination of team members working in different facilities was enabled by online communication.

In 2010, Gore's products were sold on six continents and used on all seven continents, as well as under the ocean and in space. The company's global operations required teams of associates to tightly coordinate their activities in developing, producing, and marketing products to customers across the world. Currently teams were organized primarily along product lines, with only a few teams consisting of members working in the same Gore facility. As a consequence, it was common for team members to be separated by thousands of miles, work in multiple time zones, speak different languages, and live in quite different cultures. The diversity among team members, combined with the company's emphasis on growth and global operations, presented significant challenges for W. L. Gore as it strove to maintain a family-like, entrepreneurial culture. According to Trent Kelly, the president of Gore and a 25-year associate:

In the early days, our business was largely conducted at the local level. There were global operations, but most relationships were built regionally, not most decisions were made regionally. That drove our evolution. Today, most of our teams are spread across regions and continents. Therefore, the decision-making process is much more global and results in more, and there's a growing need to build strong relationships across geographical boundaries. The globalization of our business has led to:

Elements of the culture at Gore are captured in Exhibit 1. The core belief is the need to take the long-term view in business situations, and to make and keep commitments, drive cooperation among individuals and small teams. This was supported by key practices that replaced traditional, hierarchical structures with flexible relationships and a sense that all workers were in the same boat.

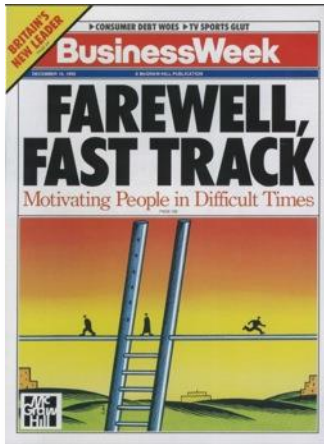
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Flat by Design - Recognized for Innovation



“Pound for pound the most innovative company in America.”

Fast Company Magazine



Why Study Gore?

Flat by Design - Recognized for its Culture



- A World's Best Multinational Workplace
- Recognized around the world on best workplace lists in:
 - Greater China
 - France
 - Germany
 - Italy
 - Korea
 - Sweden
 - United Kingdom
 - United States
- Included on all FORTUNE “100 Best Companies to Work For[®]” lists in the U.S. since 1998

Granted after external survey of our associates

How does Gore's flat organization operate?

Our Flat Structure is a Lattice

Power of Small Teams

Leaders focus on the Future and the Interfaces

Gore's Flat Structure is a "Lattice"

- Minimal titles and bureaucracy
- Direct communications among all associates
- Emphasis on personal relationships
- Teams of associates organizing themselves around opportunities with leaders evolving naturally
- Leadership defined by followership
- A Leader role does *not* imply authority



Attributes of the Lattice

- No fixed or assigned authority
- Natural leadership defined by followership
- Person-to-person communication
- Objectives set by those who must make them happen
- Tasks and functions organized through commitments



“We don’t manage people here, people manage themselves.”

- Bill Gore 1968

The Power of Small Teams

- Teams form naturally around opportunities
- Associates bring their energy and attention
- Small agile units of organization
- Close relationships of trust and accountability



Unique tasks of leaders in flat organizations

- Direction
 - Strategy, Priorities, Decisions
- Expectations
 - Environment, Alignment, Metrics
- People
 - Motivation, Development, Resources
- Interfaces
 - Interdependencies; Value across, between and beyond

*“I am just another member of the team.
I just have different tasks to do.”*

“Being a business leader does not assign me some authority. It doesn’t assign me some power. It simply defines what I am committing myself to accomplish.”

How does Gore innovate?

Defined Functions

Disciplines and Agreements for the Intersections

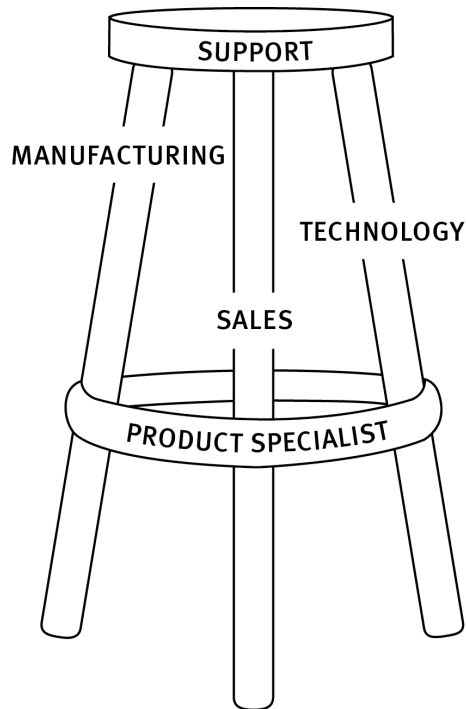
Shared Values

Sponsors

Mechanisms for Innovation in Gore

- Defined Functions
 - Clarify contribution and decision-making for groups
- Disciplines and Agreements
 - Drive collaboration at the intersections
- Values and Principles
 - Create norms for trust and a dynamic environment
- Sponsors
 - Create microenvironments for innovators

Defined Functions



- Functions clarify contribution and decision-making
- Three legs of the stool for innovative product development
 - Technology
 - Sales
 - Manufacturing
- Product Specialists integrate contributions from all
- Support from Corporate functions

Innovation requires all three legs of the stool throughout the product development and life cycle.

Disciplines drive collaboration

- Agreed-upon project practices for the intersections
- New associates learn the language and processes of the culture
- Expectations for inputs and decision-making from all three legs of the stool



Disciplines Complement Autonomy

- Two sides of the same coin — for all our freedoms, there are disciplines
- Agreed-upon disciplines
 - Continuously articulating values
 - New members initiated thoroughly and iteratively
 - Project reviews that force attention to potential impact of internal and external developments



Shared beliefs enhance relationships

Core Beliefs

- Belief in the Individual
- Power of Small Teams
- All in the Same Boat
- Long Term View



Shared values promote respect and inclusion

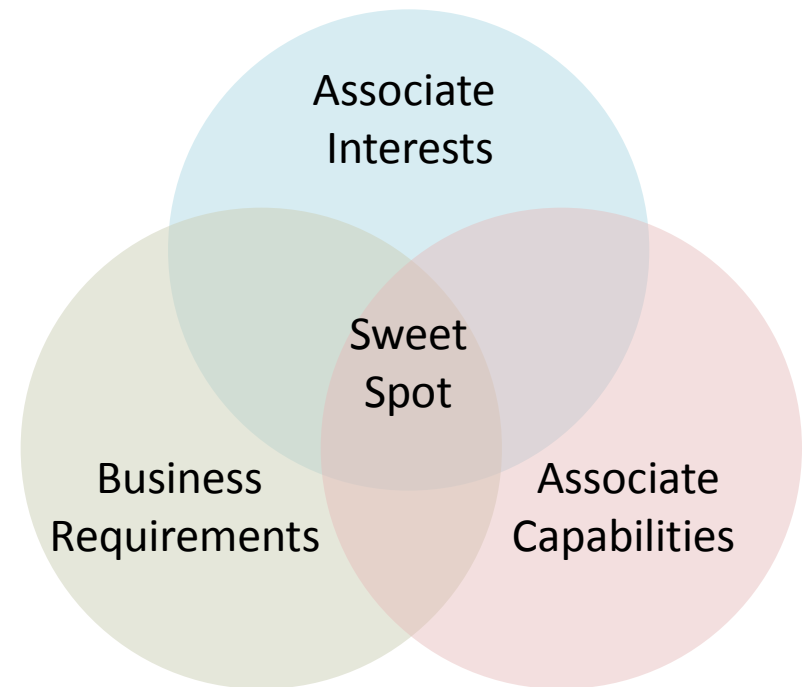
Guiding Principles

- Freedom
- Fairness
- Commitment
- Waterline



Associates make their own commitments

- Leaders make promises and invite associates to join them
- Each brings a voluntary spirit
- Some commitments begin with more clarity than others
- Associates are encouraged to grow continuously and to find their “sweet spot” of development and contribution
- Our commitments are sacred



Sponsors support learning and risk taking

- Every associate has a sponsor
- Sponsoring is a formal commitment to help an associate succeed at Gore
- The sponsor ensures the associate is growing and contributing according to their strengths and interests, which enhances discretionary energy
- The sponsor advocates for the associate and ensures fairness
- The sponsor helps the associate build relationships and credibility



Sponsors provide critical support for innovators

- Lend their networks and their creativity until the innovators have their own
- Drive their development
- Scout for desirable opportunities
- Moderate conditions to be optimal for each innovator



Sponsors create microenvironments for innovators

Sponsors provide personalized support for each innovator:

- Context and Focus – how to fulfill the greatest business need
- Air Cover – until the value of an idea was apparent
- Innovator Development – training, coaching, role models, experiences
- Personal Support
- Facilitating different stakeholders
- Advocating vigorously



What are the essential skills of associates and leaders in this setting?

Associates

Leaders

Innovators

What skills have you noticed are necessary?

Core Skills for all Gore Associates

- Taking Personal Responsibility
- Learning and Innovating
- Building Relationships in the Lattice
- Direct Communication and Influence
- Working in Teams



Skills of effective Gore leaders

- Navigating polarities
- Facilitating
- Influencing
- Scanning and sensing
- Strategic and systemic thinking
- Preserving and aligning motivation
- Providing business context and applying levers



Leaders skilled at navigating Polarities

Types of Polarities that accompany innovation

- Creativity and discipline
- Near-term performance with long-term possibilities
- Value from the known or the new?
- Relinquishing control for greater effectiveness
- Distributed decision-making for efficiency
- How can we foster innovation *and* productivity?



Traits and Skills of Innovators

Unique elements of Gore innovators:

- Immense Expertise – technical and business
- Creativity Skills
- Motivation
- Personal Attributes



No managers or bosses, but leadership abounds.

Culture Survey Question:

“Do you consider yourself a leader at Gore?”

Over the years, affirmative responses average: **50%**



Questions?