

Spots Informing

Abstract

When a large variety of client domains are serviced by a group, we experienced that a particular formatting of the information system may induce an adequate support to anticipation, reactivity and pro activity in regards with the environment evolution.

By using the analogy of human beings, the paper shortly explains what the components to work out are, where the relevant information is located and how to format its broadcast accurately.

Guidelines are given for establishing the workflow and the technology. For those who are responsible for numbers, the evaluating principles are also exposed.

Finally the paper lists the recipe ingredients, gives indications where it could apply best and where data that confirms the practice have been found.

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Introduction: the addressed problem

What is the addressed problem?

Groups should work better than individuals. They do so usually by optimizing their process and installing formal and informal communication channels. Hierarchical reporting, norms, procedures, data base, information publishing, internal and external marketing are more dealing with the formal aspects. Meetings, committees, quality circles or conventions are more dealing with the informal ones.

Those means mostly tend to infer standardisation, centralization and rationality. They have been successful to produce value for about a century. They are particularly well suited when repeatable chains of actions must be run over long periods.

Since we have entered the globalization, periods tend to shorten and many organizations have difficulties to anticipate or to induce the changes within their environment.

Some innovative practices that "invite the environment" within a company have reached noticeable anticipative results, i.e. systemic thinking, learning organizations, world cafés sessions, innovation's theatres and some knowledge networks.

However they make a company more sensitive to its environment, the returns of those activities remain hazardous and imprecise. They remain anecdotic practices with regards to the production optimization tasks and they have not become sustainable profit centres as their efficiency is not often proven and can not be predicted.

There is still a need to improve the sensitivity of a company or a group to the variability of its environment.

What is proposed?

Our experience exhibits that a mean to improve the situation is to implement a simple structural information system that is only a particular formatting of existing practices.

To introduce our practices we will sketch the analogy that is "how we feel that human beings are capable to react to their environment".

After a short emphasize on the components that make human beings able to react to their environment, we will expose a mean to implement those components within a group.

What we propose here for a group is in fact a very natural way to behave. You are familiar with the co-existence two brain behaviours: your "long term brain" behaves more rationally to manage your pension plan and your mortgage; your "short term brain" behaves more intuitively to react at non expected opportunities.

Your actual personal achievement depends upon the combination of both, rare being the people that built their situation only with their "long term brain".

A company is well organised on the rational side but has difficulties to detect and gain on unexpected opportunities that may enhance growth and sometimes greatly influence its future. What we propose here is to introduce a simple practice providing a solution to this second aspect.

The components that make us reactive

Human beings reacting capabilities

Human beings are made of cells that are grouped within organs and of neurons that communicate and infer actions by exchanging signals. The brain processes and coordinates the information such that human beings can learn, adapt and infer changes into the environment.

Important is that organs can on one side be grouped by similar and duplicated like hands, feet, arms and legs, and on the other side as complementary like hands and arms, feet and legs. When one of them learns a new skill, the system allows distant organs to be aware and to acquire similar or complementary skills.

Reaction and anticipation mechanisms

Even if we known that human beings do have memory and brain that can generate actions, we can consider that human beings fundamentally only react according to information that are what they see and feel. We consider that the anticipation capability and the knowledge are only acquired by mentally extrapolating a collection of past information.

Noticeable is then that human being only process information about actual results of the environment evolutions, hence only tangible results of past actions.

Only a part of the system is involved

The human body is a complex system. We known that we don't need a comprehensive description and understanding of this complexity to describe what makes most of the pro active interactions with the environment. A simpler description will do.

For achieving a "first level" fair knowledge, it will be enough to retain the organs that infer interactions with the environment and the components that allow them to communicate and behave coherently.

For a group to mimic human being

To infer similar capabilities within a group or a company, we should only identify two elements: the groups of cells that interact with the environment and the neurons. Hence we should implement the signals broadcasting such that the collective brain would better work.

To do so, we will adopt the following translations:

- A cell is a group of persons that is able to perform a set of actions.
- A neuron is a member of a cell able to receive, produce and process signals. A neuron can infer actions within a cell.
- Being human person, each neuron has a brain that enables him to judge if his actions are in coherence with the group's and the environment's requirements and trends. He just needs to receive actualized information about what the others are doing.
- A signal is a piece of information that describes shortly that an action has been completed by a cell.

Mapping the reactive spots of a group

Describe the environment.

Consider a medium or large company and its environment. First, make a quick list of the most typical companies and organizations that interact with the company. Use this list to describe sectors, chains or domains that helps to sort the list by groups. Give a name to those groups. Those names will represent cells of the environment.

For the sake of an example, we will take the imaginary medium size pharmaceutical company "Pharma Kho" that produces generic medicines and commercializes them in several countries.

Draw the organic map illustrating the cells arrangement.

Select the cells of the environment that have the highest and more significant interaction rate with the company. Those names will be the cells that we will retain in the map.

For Pharma Kho, they decide for health care, government agencies, distribution, marketing, automation, chemical producers, financial investors and bank and also bio R&D companies because those young starters are looking for production facilities or distribution channels.

Layout the cells locations: like in fig.1, at the outside of the map, locate the cells of the environment and at the centre, locate a cell that will be the central core.

In between, locate the cells that we call specialized. They will gather the groups of people having significant interactions with one particular external cell.

At the reverse, the central core is the working location for the groups of people that remain generalist by interacting equivalently with any outside cell or that do not interact directly with external cells.

We call the "active cell" of the company the central core plus the specialized cells.

The organic map of Pharma Kho is represented at fig. 1: the central "dark red" cell is the central core where are located i.e. the CEO (as he is looking at every domain), the ICT manager (as he deals with anyone outside of the group) and the plant workers as they are not in contact with anyone outside of the group). The external cells are represented by the red labels and the specialized cells by the blue square. Those cells are the location for the people trading at significant periodicity with the corresponding external cells.

Complete the map by locating the names of the "neurons".

Remember that a neuron is a person who exchanges information with other neurons and who may infer action within a cell. Just annotate the map with the people names that infer frequent interactions with the external world.

Having completed this last step, the organic map provides you with the components of the company that do actually have the highest probability of being confronted to new opportunities and to infer new practices. We call this map's components of the collective brain of the company.

In fig. 1, the annotations for Pharma Kho are symbolized by a few horizontal short lines.

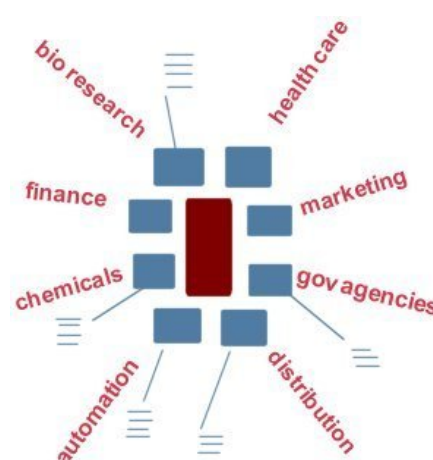


Fig. 1 - Exemple for Pharma Kho

Activating the spots

The signals just need to tell that something happens between the company and the external world. The organic map tells then where to pick up the information.

Create the signals.

Create briefs that mention the new interactions that happened with the external world. A short message will do. The neurons are brained to take contact when more is needed.

At Pharma Kho, they hire the services of a few independent journalists. They daily produce three briefs, by shortly interviewing through phone calls the “neurons” about their new achievements with clients or suppliers. The journalists mainly follow the news protocol at fig. 2 to ensure that the information will remain a short signal and that the neurons will remain aware of what happened with the external world.

Broadcast frequency.

Any media will do. The e-mail is a simple one today. A key point is to pick up an appropriate rate and focus. The neurons are all at work. They can quickly implement an action but do not have the leisure to process useless data.

Client News Template

Title

Abstract

§ 1: a client action

§ 2: the advantage for the client of the client

§ 3: who in the brain has been the actor

§ 4: who are other actors that have been involved

Contact name - tel & e-mail

Fig. 2 - Pharma Kho - News template

At Pharma Kho, they chose first to daily publish the news in the group intranet. Next, they gather the news of the week in an e-mail sent every Friday morning to all the neurons. After a three month period, they observe that the people involved in the sales were more responsive to shorter newsletters as well as to higher and slightly irregular frequencies. For them, they create a particular service that sends the news two or three times a week, according to the news content.

With only those steps, non predictable results might be picked up and propagated within the organization. We name the organic map and the organized signals flux “the collective brain” because this set allows the group to react to environment and to propagate innovation.

In February 2005, Pharma Kho received an enquiry to provide an automatic distributor to avoid queuing for generic medicine. They asked a few neurons specialised in automation and distribution to help them to select suppliers and to quote the service. They implemented the first device in May.

They publish the following news:

” [Health care] - An automatic safe distributor for generic medicine - In order to avoid unnecessary queuing, the Medical Group (Paris) implement a “bar code distributor” with Pharma Kho France”.

Pharma Kho UK followed the same track and also published a brief. In front of the confirmed success, six other affiliates investigated also the opportunity. By the end of 2005, six obtained orders. Mid 2006, the sales of Pharma Kho via those distributors reached already 9%, they expected to reach 17% at year end. By those results, Pharma Kho estimation is that the “collective brain system” is already profitable for the next four years.

Débriefing sessions.

To achieve sustainability, the neurons must participate to the news production. The news must be their news. Implementing a debriefing session’s agenda is a necessity to infer their participation.

At Pharma Kho, they set up a calendar of “Les Café de la Presse” sessions. They happen monthly at a different location such that most of the “neurons” are able to easily attend a “café” every two or three month. All those sessions have a simple similar ceremonial. They rely on client cases discussions simultaneously mixed within formal presentations and informal “café-like” exchanges via small groups and face-to-face relationships.

Workflow and technology

There are several manners to set up the news production and broadcast. Below is an example for the sake of illustrating some practical aspects and numbers.

Workflow targets

One is to start by fixing the news production rate. It would be somewhere between a minimum needed to sustain interest and a maximum that would start overloading the readers.

In example, once a month is not enough to keep the attention on; five to ten spots once a week might be a good start; four to eight spots daily will most likely be a maximum. Say that your starting choice is 5 per week.

Estimate the number of week publishing for a complete year. In example, you may drop off a week or two at Christmas, and a week over two during July and August. Say that we talk about a total of 46 weeks. This leads you to 230 briefs produced per year.

Compatibility with the resources

Take the conservative assumption that people "can and have to" produce two briefs a year on average. Check if you target is compatible with your organic map potential and eventually correct the estimation with the people able to produce more.

At Pharma Kho, they had around 10 people per specialized cells and 30 within the core cell, such that they could afford for a minimum of 220 briefs a year. As the sales teams were able to produce more, their estimation reaches 280.

Publishing schedule

Care must be taken that there are people more often in contact with the environment than others. A power law distribution usually better fits for establishing a publishing agenda.

At Pharma Kho, they evaluated that "sales area managers" could infer a spot twice a month, that each "installation and maintenance" team managers may infer one spot a month and that the "research and special services" managers may report one brief every two months. They booked dates in the calendar for those high producers and distribute the other evenly in the empty spots.

Technology

At the start, Spots Informing does not require much more than a CMS for publishing (a blog may also do) and broadcasting does not require more than a newsletter (even if rss flux, podcast and other emerging technologies may apply adequately).

Best is to start with tools that you are familiar with, providing that they produced a minimum set of data about the readers usages. When applicable, formatting an existing news letter will be the simplest way to start.

Getting further will enhance gradually your special requirements needs. Best is to ensure that you are working with an ICT support that can provide agility.

Costs and returns

Estimation principles

It is no difficult to estimate the costs that only depend upon the mobilized resources. Obviously the costs increase by increasing the number of news and the number of debriefing sessions.

The returns expectations are a matter of probability. When a neuron is exposed to new external realities, new practices will be inferred within the company at a probability. The probability number multiplied by the exposure number provides you with the new practices expectations.

When inferred, a new practice has a given impact on the company results. The mean of the impact values allows you to obtain the expected returns.

The exercise consists in plotting a graph "resources versus returns expectations".

Estimating in practice

At the first set up of the process, it is enough to create this plot based on your own observation of the company, eventually complemented by some interviews with other knowledgeable people of the group.

Care must be taken that usually "the most is not the best". A good evaluation should exhibit an optimum range.

At Pharma Kho, they obtain a graph like in fig. 3.

If each neuron is exposed to a pertinent signal once a week, they estimate that nothing would happen, as this corresponds more or less to the actual rate.

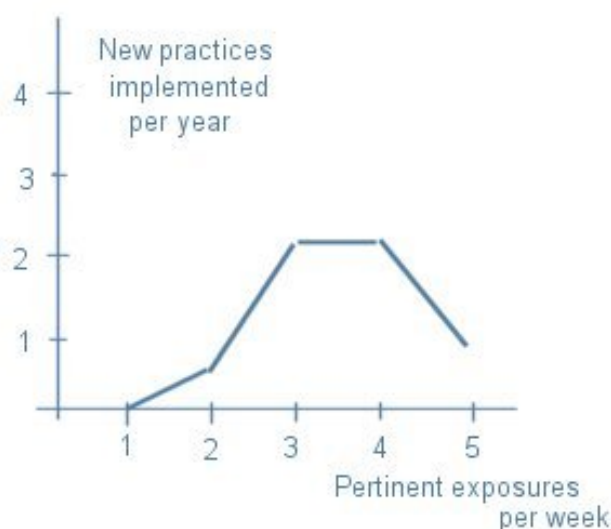
Exposed to two pertinent signals a week, they estimate that half of the neurons would implement a new practice per year within its cells. This mainly because our brain needs on average hearing 6 to 8 times about a new practice to accept a natural adoption. And also because we implement new things most often forced when there are no other solutions. Hence two signals per week would not be enough to infer a new practice expansion as the require repetition effect will not be achieved and as the diversity offered would not be high enough to cope with the only few forced opportunities met per year.

At three and four signals per week, they estimate that any neuron would implement a new practice in average twice a year. They estimate that the people would be please to see that their colleagues are innovating and proud to express they own innovative capabilities.

At five per week, they estimate that the neurons would be become frustrated by discovering their weakness within the group. The implementation of new practices per neuron would drop to one, the neuron doing the minimum, only to avoid reprisal from the staff.

By evaluating the mean impact of some typical implementation of new practices over the past two years, they estimate the maximum investment and operating costs allowed to respect the company general efficiency requirements. Finally, within this budget, they define the resources and the programme that would reach three+ pertinent exposures per week and per neuron.

Fig. 3 - Efficiency versus exposures average values per neuron



Controlling efficiency

While implementing

The first costs will be like a series of training sessions that progressively helps you to learn a new sport practice. You may feel that you enjoy learning and that you may be good at practicing. You may also feel after a few sessions that you won't fit.

Nothing will fix your mind but start practicing, hence creating your own visual effective translations. It infers a necessary a step by step "trial and error" implementation to create what convenes your group. This difficulty may pay back advantageously by ensuring results being yours and unique. Exactly as you will not find any two similar sportsmen, it won't exist two similar "company brains".

At Pharma Kho, they were first surprised that there were some external companies within their brain.

They set up first the news channels only with company members. So the point did arise about confidentiality and critical matter. They observed first that the results of their actions within the external world were anyway in the public domain, their competitors knowing probably those points better than themselves. They start by reporting only the results of completed actions. They observed that nothing was said about forth going confidential projects neither about particular knows how.

Adopting the fig 2 format enabled the all company to reproduce and propagate successes.

As some "neurons" were not producing any news, a coach make them talk in groups about they work such tha the journalists picked up relevant news. Pharma Kho understood that "Les Cafés de la Presse" being was a necessary ceremonial and they inferred an agenda.

Having now a daily news production in front of their eyes, it becomes more obvious how to handle the companies of the brain that were independent of Pharma Kho. By telling their achievements, those companies would also promote their innovative capabilities. And so on ... step by step.

After set up

Classical means would exhibit a tangible efficiency by relating investment and operating costs with the returns that reflect i.e. new practices inferred, new practices propagation, new clients from new practices and acquisition of additional people inferring new revenue.

The root origin of new practices being often not unique and their implementation being also a suite of several actions, it will remain an implicit intangible efficiency that classical means will not be able to assess as the results may not be explicitly related to a cause.

The system self sustainability will only tell. If the system "fuel" is distributed among news readers, i.e. via commitments or voluntary actions, the repartition among users and the renewal rate of the commitments reflect the self sustainability.

At Pharma Kho, they distributed progressively the costs and did require commitments to generate quota of news leads. The set up is fair because anyone would receive 20 by giving 1.

At a time, the company entered a severe market decline that inferred operating losses over a six month period. The number of new sales practices reported slightly increased (the innovative people were proud to show their ability counteract adversity) and sales practices adoptions published increased significantly (individualists refrained their "NIMBY" inhibition for the sake of surviving a possible sales force restriction).

The "intangible" indexes went up while the "tangible" reported a negative operating efficiency. By the fact, innovation invaded much more the company within this period. It allowed Pharma Kho to increase market share by 14% over the next six month.

With only a "tangible" analysis, there is a chance that the system would have been stopped prior the end of the decline.

Where the numbers show it applies

In varying and competitive B2B environment

The competition level at which spots informing becomes appropriate is where some operational empowerment and independency are necessary to sustain with specific or variable market conditions.

This is most often in the B2B space for middle range product series (i.e.: in between unique engineering projects and mass repetitive productions) or for products that require specifics adaptation for each client (i.e.: like in the software industry).

Where you have less or more than 8 client domains

“We are specialized for only one client type” and “our clients are in all sectors” are two classical assessment suggesting that client domains are either one or hundreds, but not eight. A brain trained for only one domain often mishandle sub domains and a brain handling any domain is unable to select priorities or will never be top in any.

To handle “enough but not too much”, it is our actual observation that a group improves its communication by describing around 8 main client domains. They can be either specific as markets or sub markets, or more intangible as people competences domains.

Direct client care between 130 and 260 people

It easy to understand that below this range, news rate may not create interest and that above this range, readers may be overloaded by uninteresting subjects.

Noticeable is that by replacing 130 and 260 respectively by 128 and 256, the range allows a scission operation by cutting a “brain 256” within two “brains 128” each being able to work similarly with 8 domains. All those numbers being generated in a base 2, it is like a living organism generating a new similar organism.

Sales numbers: 10^3 per year

10^1 or even 10^2 sales a year will hardly generate quick and frequent variations of practice. At 10^4 , it already becomes series productions that require a centralization empowerment. 10^3 is the in-between magnitude where Spots informing should typically apply. This magnitude is in agreement with the B2B space mentioned at the top of this page.

Typical ranges summary for high and low sales figures													
Client Numbers (high)												2056	4128
Sales per year (high)										1028		2056	
Briefs per year (high)									512	1028			
Client's Domains			8										
Client's Care People						128	256						
Briefs per domain (high)					64	128							
Client Numbers (low)											1028	2056	
Sales per year (low)										512	1028		
Briefs per year (low)								256	512				
Client's Care People						128	256						
Client's Domains			8										
Briefs per domain (low)					32	64							
	2	4	8	16	32	64	128	256	512	1028	2056	4128	

Where the words tell it works

Large groups

Every time one can draw an organic map that embeds a fair number of people, Spots Informing may apply. The viability depends mainly upon how many people can produce information and how many are interested in receiving.

Neurons may belong to a unique company, to a group of companies or even be apart of the "grand public". From fully restricted to fully open, we may find:

- International companies or groups
- Holding of complementary companies
- Medium to large companies in fragmented markets
- Commercialization via VAR (Value Added Resellers) networks
- Large groups of companies like clusters or federations
- Regional development agencies dealing with a diversity of SME's
- Press and web information services

Large markets and diversity

Typical markets are services, information, leisure, fashion, design, software, FMCG, distribution, retail and production of small to medium series of goods or industrial products:

- Products that requires specifics adaptation for each client in the software industry
- Frequent new offers to sustain the customer interest in sectors like FMCG, distribution and retail
- Culturally or locally influenced markets like leisure, fashion and design
- Generic technology applied in specific domain (i.e.: automation in health care, food production, bio industry, chemical and automotive industry)
- Complementary narrow niches within widely distributed service domains like medical care, legal matters, finances, marketing, leisure or tourism.
- Information services like press groups or web services to decrease the costs of collecting news and to sustain the interest of a specific community.

Operational variability and international size

Where ever there is a common core plus an operational variability, spots informing will ensure that experience sharing will improve. International operations are typical situations were the news diversity and quantity can be achieved and where structural experience sharing will improve the efficiency of a group.

External innovative empowerment

A part of the secondary industries that produce row or semi row materials (i.e. chemical industries) and generic components (i.e.: electronic or mechanical components) have their assets fixed to optimize specialized mass productions. Their R&D people are hardly in frequent contact with the end users that drive the final usages.

The organic map should indicate that the highest probability of influential variability is at the outside of the company, i.e. at the interface between their clients and the clients of their clients.

Spots informing will help concentrating adequately on those outside innovators and ease a higher interaction rate between the deep inside that are generic technologies and the far outside that are "grand public" usages.

The recipe ingredients

Concentrating on variability

The organic map helps to concentrate the information generation upon the spots where the operational variability is the highest. Hence, it helps concentrating the news search where unexpected opportunities emerge the most likely. Most of them are often upon the client usage side.

First, it works because it increases the probability to pick up externally initiated innovative actions such that the news eventually exhibit new market opportunities.

Imitation, complementarities and competition

Within a large company, several people are fulfilling similar functions. The system may promote imitations of new practices when their success propagates. As the company actions are also combining complementarities, inferring a new practice in one part of the company, may also infer new practices in other parts of the chain.

The above process mostly refers to a kind of collaboration. The system relies also upon competition. Within any large group, you will find innovative people that infer new practices, are early adopters or proud to communicate non standard achievements. Managing adequately the news will force the others to show up their capabilities to innovate and obtain non standard results too.

The systems works because it provides actors with an easy reporting mean that infers both collaboration and competition mechanisms to enhance evolutions.

Focussing on the company outside

Focussing on client usages has the first effect to "switch off" individual concerns and "switch on" clients concerns. Briefs styles that emphasize the client as the initiator or as the main actor are among the best. When the client says "I have done it" and that "I love it", what else to argue?

It also infers a sort of demand-like driving force. Anyone knows that clients would often prefer majors that's usages and innovative capabilities are confirmed by numbers. By reading achievements reports on a regular basis, the readers will feel like a client demand continuously asking: "and you, what are you doing for me?" Even tough virtual, this demand-like force is a strong driver.

By giving 1, they'll receive 20

A fair amount of people just like to contribute because when the system is properly set up, by providing information leads, no one burns a great time and anyone receives back a lot more than its effort.

Because they like to maintain this advantage and they do not like to be judged as free riders, they need keeping providing information leads.

Keep informing about completed action

Do not advocate but keep mentioning about completed actions. What has already been done once and successfully completed, can be verified and replicated.

Complying only with completed actions involving the company outside will prevent honorific advertisements and empowered abuses.

Assessing a systemic advantage

Keeping track where you are

By setting up the organic map for the first time, you evaluate what influences innovation and evolution for your company. By publishing spots news, you check whether your evaluation stands out whether the facts display another one.

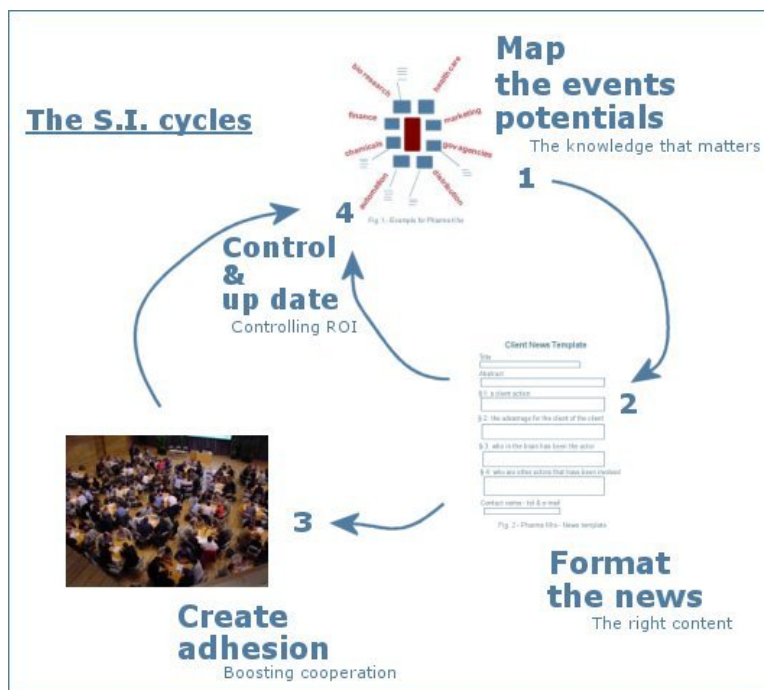
Keeping cycling the four stages of "Spots Informing" will confirm the trends that actually reinforce your company strength.

And where you go

Hopefully, the news will sometimes report unknown facts or extensions within new domain.

Natural trends may render those occurrences unique or enhance their replication.

In this later case, Spots Informing will make you aware when your company starts to be driven by a new field.



Creating an anticipative feedback

Formatting the Spots News as per fig. 2 is linking the actions of your group to your client's actions and to the clients of your clients' usages. Those "clients of your clients" are often numerous such that a statistical survey of their numbers and trends evolution may generate an anticipative inference upon your own business.

Important is to evaluate what part of the innovative engine for your company might be within this far space made of your clients' clients.

By proceeding adequately, even though Spots Informing is reporting completed actions it provides with an anticipative tool.

Inferring sustainability

The systemic aspect of the process is a key point to address sustainability of itself as well as probably for your company.

As seen above, the system may confirm known trends establishments as well as pick up new practices even when raised from far (mass) market trends. The systemic aspect may then infer enhancement of the actual investments as well as the openings of new ones.

As the news contents are based on environment insides, it may help the company to maintain appropriate assets diversity and become more sustainable.