



From
divided to ignited to united

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**EXECUTIVE
SUMMARY**

Proper planning is necessary if you want more than an information dump from your offshore business. Cultural education and team building can unite your global teams, leveraging them to operate as a single entity.

A big change has come in global industrial business, and most companies don't even know it. The light-speed innovation of technology and the shrinking of the world have disrupted the architecture of fields like engineering and manufacturing, and many are caught unprepared for the shift. On a recent trip to India to work with a team of engineers for a large manufacturing company, I saw this shift happen right before my eyes.

At some point while I wound through the streets of Mumbai in a taxi with my colleagues, the thought occurred to me that we've been evolving through stages in our organizations, and a new stage was making its debut. Let me start at the beginning of the story.

I took my first trip to India in 1998. Riding only local trains and buses, I made my way across the country and back again, taking in everything from a camel fair in Pushkar to religious ceremonies on the banks of the Ganges River. At that time India had not yet graced the covers of the major business magazines touting it as a superpower, a mighty player in the world market. The average American engineer never would have dreamed she would be sending design reviews to Bangalore, let alone relocating there. The reality was that offshore work to locations like India and China already had taken root long before 1998, but the model looked very different from how it looks today. I call this the divided stage. In this setup, the CEO of a large company looked at the significant savings he would achieve by sending back-office work to India or manufacturing a product to China. He would assign a team to go overseas, hire Indian contractors at a low cost, and transfer knowledge for, say, credit card processing. Offshoring in this model was often painful and tedious, and leaders learned mostly by trial and error. Headquarters usually ignored the nontechnical side of the transfer, such as cultural intelligence, and as a result, customer satisfaction ratings sometimes suffered.

Eventually the company knew how to step around the proverbial landmines and meet their cost savings goals, though the ramp-up process could take two years or more. In this model, managers were unsure how to leverage the talent of their offshore partners, and some never even met their counterparts face to face. In the worst cases, customers could be heard complaining from miles away, and the outsourced service had to be pulled back to North America or Europe, often at great expense. In the best cases, the company worked in a divided way, often feeling disconnected from and frustrated with their contractors on the other side of the world, but at least meeting revenue goals.

For engineers and other technical workers, this division of labor between onshore and offshore was a strange dichotomy. Most engineers focus

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intensely on efficiency; that's what makes them good engineers, yet the divided stage contained inherent inefficiencies. Lack of trust thwarted the flow of information, and little or no shared vision existed between headquarters and affiliates. Few audits were conducted on standard operating procedures to ensure their suitability for external workers, and solid communication protocols were rare. Something had to change; disruption had to occur and drive a new way of working. Enter the ignited stage.

Two years ago I had the privilege of working with a large consumer goods company; we'll call it ABC Co. It had about 20 percent of its engineering work coming from a contract partner in India. The team in charge of the offshore transition was knowledgeable,



dedicated and well-organized. Team members visited India a number of times to set up the engineering knowledge transfer and set clear expectations, roles and responsibilities for the company's Indian counterparts. In fact, the very reason ABC Co. decided to move work offshore showed its evolution from the divided stage. Rather than solely seeking to save money and lay off North American workers, it kept its U.S. work force and took advantage of the lower costs, 24-hour work cycle, and capabilities that the Indian company had to offer. In other words, the leaders were doing many things right. In spite of that, however, challenges arose that slowed the company's transition into the next stage.

ABC had started the offshore partnership about one and a half years

before I was called in to help. By the time I arrived on the scene, company executives and engineers were in some pain. The ramp-up to cost savings had dragged, communication was working but inefficient and neither side was delivering all of what it had promised in the allotted time. Some of the manufacturing plants had been more successful than others in working with counterparts in Chennai, India, but cultural differences seemed to be blocking the flow of information. Strain, distance, time zone differences and lack of face-to-face time pulled at the relationship.

How ABC Co. responded placed it firmly in the ignited stage. It struck the match that sparked a series of new initiatives. Among those plans was a worldwide cultural education

program about working effectively with India, which I conducted for the company in eight cities across three countries. In the sessions, we explored strategies to solve the challenges the engineers faced when working with Chennai. The offshore leadership team set up an audit system with feedback surveys, benchmarks and other success measures. American team members spent time with the management team in India building relationships based on mutual respect and emphasizing the importance of communication to upper management and C-level executives. Together we distributed tool cards to all the training attendees with key reminders for interacting with the Indian engineers. Individual plant sites set up welcome events for visiting Indian workers, which increased trust.

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The Western engineers adjusted to the Indian style of delivering bad news if a project was not going according to plan, and the Indian team adapted by being more direct, which is more typical of American communications. The fire had been lit, and engagement with India increased across the organization. By the time my work with ABC slowed down, it had a well-run offshore partnership with its primary vendor.

Some industrial or manufacturing organizations today have entered or moved into the middle of the ignited stage, but many still operate from a divided stage mentality. They see a global outreach only as a way to cut costs, and as a result they do not invest the necessary planning and time into the details that would ensure success. In global business, the details matter — a lot.

In the ignited stage, attention to detail improves, as do efficiency and trust. Even in ABC's case, however, challenges remained. Inconsistencies in results between U.S. plant sites working with India made identification of issues difficult. Differing cultural approaches and management styles led to gaps in understanding across the ocean, even though both sets of engineers worked with the



same hard data. Attrition and visa issues prevented relationships from deepening between the two sides, and setting up new engineering tasks with new vendors was like reinventing the wheel. The company needed something more. It needed the united stage.

Let me circle back to my epiphany in Mumbai. I was hired as a consultant to work with another consumer goods company headquartered in the U.S. that has locations all over the world. We'll call it Spring Co. The company's top leadership decided to move some supply-chain process development over to one of its India facilities. Indian engineers would solidify the processes, and then U.S. engineers would implement them. The team had two leaders, one in the U.S. and one in India. Unlike ABC Co., the engineers in India were employees of Spring Co., rather than contractors. One could argue that this organizational structure helps a team unify, but it does not guarantee such unity. In fact, I've seen clients with locations around the world where, although they work for the same company under the same branding, each piece operates as a separate entity. The Spring Co. team of engineers entered the united stage because team members not only understood the value of their diverse resources, but they also applied the best practices for true global collaboration. They did so proactively without waiting for the pain to set in, and here's how.

When the decision had been made to restructure and move specific processes to Mumbai, another decision went right along with it: The company wanted to do the transfer right. Beyond that, company leaders saw the transition as more than a movement of information. They saw it as an opportunity to develop a high-performing global team that leveraged the talent of each member to achieve stellar business results. They sought outside help, hiring a consulting company to develop a series of team-building initiatives, and not just entertaining activities allegedly

designed to build trust. Instead, there were true team-building activities, through which the team created a shared vision, set team norms and agreements, honed those agreements down to specifics and built virtual relationships. The team created formal repositories for new ideas from any team member and drew up guidelines about how the team would maintain its dynamic face-to-face energy once members again were separated by an ocean. Members looked at their processes, created knowledge documents and examined in detail all standard operating procedures, checking for gaps.

When I flew to Mumbai to work with the team for the first time, I could not believe my eyes. Three Spring Co. leaders had flown over to participate in the program, one of whom was a team leader for the engineers. She brought gifts for her Indian teammates and spent hours getting to know them. She had an open question-and-answer session during which anyone could ask her any question about herself or the technical procedures. The Indian team leader did the same, asking team members for their opinions on all matters and defining clear roles and responsibilities for each of them.

The person heading the project for which the team was responsible dialed in by videoconference when I delivered the team-building program and as a result was able to share primary business drivers and the purpose of collaboration. He gave the team goals to aim for and confidence that it could meet those goals. He let the team know how vital each person's role was to the success of the company, and the engineers looked eager to jump out of their seats and get started.

We worked through exercises on virtual communication and cultural intelligence. The team laughed a lot, too, and everyone enjoyed the relationship. In a follow-up session by webinar and phone, it was clear that the Mumbai engineers and their team leaders were on track with results,

meeting their goals and objectives and still having a good time. In other words, they were united. This shift to being united was the epiphany for me. More companies need to evolve into this stage if we want to tap the vast talent and growth that is possible in a global organization. Many companies haven't begun to scratch the surface of the united stage, but imagine the possibilities.

No matter what the structure of your global business, whether it is vendor/client, employees of the same company or an onshore/offshore contract relationship, it must be treated as a global team. Within that global team the members must apply the best practices that bring them into high performance, such as setting up a clear mission and purpose and putting a detailed communication protocol in place. These best practices must be applied by all individuals and at all levels of the organization.

Where does your company stand at this moment? Look carefully, and you might find a mixed bag. An organization might be in the divided stage overall, but one team within that company might push those boundaries and enter the united stage. In every phase of global business, early adopters come along and lead the way to new levels of thinking and innovating. Look for those innovators and make them leaders.

Spring Co. is not without challenges across borders, but its Mumbai/U.S. team serves as a model of what global organizations could be if they took a proactive, curious, open and thorough approach to their overseas operations.

Divided-Ignited-United. Where does your global business stand? Take one small step forward today and watch your work force thrive. ❖

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