

Want to Know Who's in the Loop? Draw a Map

Organizational analysis software taps the human dynamics that drive most firms

ROCHESTER, MINNESOTA — Getting things done usually depends less on an organization chart than on informal networks of friends and colleagues. These “communities of practice” — often far removed from the center of power — are the real sources of innovation, according to the Institute for Research on Learning (OAE, July 1994). But because peer groups and social circles cut across departmental and geographic lines, they are hard to identify, let alone direct.

Enter **InFlow**, a PC-based

program for analyzing the personal interactions and information flows in an organization.

Gerry Falkowski, a business-transformation consultant with the **IBM Consulting Group**, has used InFlow in three client engagements. In one case, he asked 250 employees and contractors involved in strategic planning for one IBM division to take a 10-question survey asking, in part:

- Whom do you work with to better understand and develop strategy?
- To whom do you go to make decisions related to strategy?
- Whom do you work with to better understand customer wants and needs?

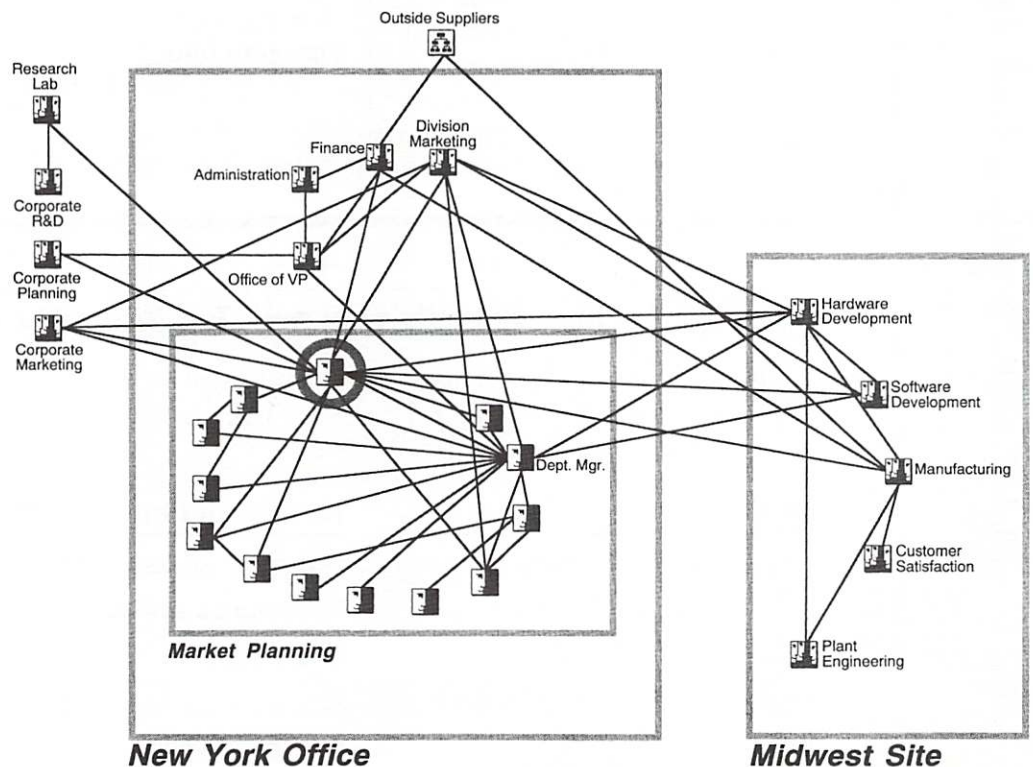
InFlow sorted the responses and mapped the working connections between departments and individuals. The results were startling.

“A person in the New York office — someone on the market planning staff — showed up as a key resource for people in the Midwest,” says Falkowski. “This was someone buried in the middle of the organization, who received very little recognition but knew everything there was to know about client-server networks. Even his manager was unaware how crucial he was.”

The New York associate was asked to set up a new computer network, which increased the flow of information across the division and changed the way people identified sources of expertise.

“People now think more in terms of networks based on expertise and core competencies, not on

Go with the flow: Consultant Gerry Falkowski mapped communication patterns at one IBM division, using InFlow software. This detail shows complex lines of communication into and out of the market planning department. One previously unheralded employee (circled) emerged as a key information resource whose contact with other departments and locations were as rich as his manager's.



hierarchy," says Falkowski.

Belinda Ross, staff consultant at **TRW Space & Electronics Group** in Redondo Beach, California, reports similar findings following her company's move to cross-functional teams. Ross surveyed 100 employees at a newly reorganized unit about whom they report to, where they go to discuss problems or seek expertise and so on. The result, says Ross, was a "snapshot showing that people were talking across disciplines. Systems engineers, design engineers, production-line assemblers were all having conversations that were not occurring before."

After each survey, Ross presents the InFlow maps to team members and uses any communication gaps uncovered as the basis for team-building exercises and other training.

"It's exciting to see patterns of communication emerging," says Valdis Krebs, a former human resources manager who developed

InFlow while studying artificial intelligence and organizational development. Krebs' organizational assessments based on InFlow sell for \$5,000 and up.

Having mapped the operations of more than 20 firms since 1992, Krebs says he has discovered one truth: "The informal workings of an organization almost never conform with the official version."

LESSON: *Smart companies seek to align their organizational structures with their actual practices — which are seldom revealed in traditional organi-*

Sound Bytes

"The more essential a process is to your business, the more likely you are to make mistakes when re-engineering that process. If, for example, your core requirement is order entry, you are likely to force-fit the newest generation of software and hardware into your organization before looking at the whole operation. You need to choose the most appropriate technology, not necessarily 'the best' technology. It may well be that three more people working the phones may buy you more capacity than the latest order-processing system."

— STEVEN GESSNER
PROGRAM MANAGER,
IBM MICROELECTRONICS

zational and workflow charts.

For more info ...

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RECOMMENDED RESOURCES



Technology and Change

Shared Minds by Michael Schrage (Random House, \$19.95). A revealing look at the evolving role of collaboration in the workplace. Schrage offers a new understanding of organizational tools — low and high-tech — designed to foster collaboration.

Leadership and the Computer by Mary E. Boone (Prima, \$24.95). Through executive profiles and detailed analysis, Boone explores how information technology is changing leadership roles and how organizations can effectively employ the new technology.

Computerizing the Corporation by Vicki C. McConnell and Karl W. Koch (Van Nostrand Reinhold, \$39.95). An examination of how people interact with computers and what organizations can do to avoid the most common pitfalls of automation.

Images of Organization by Gareth Morgan (Sage Publications, \$62). A critical analysis of how metaphors illuminate the "complex and paradoxical" character of organizational life. To help people "get a reading" on where they work, Morgan, a professor of administrative studies, looks at the organization as machine, brain, culture, organism and psychic prison.

Competitive Strategy

The Discipline of Market Leaders by Michael Treacy and Fred Wiersema (Addison-Wesley, \$25). Consultants Treacy and Wiersema say successful companies focus on one of three distinct disciplines: *operational excellence*, exemplified by efficient performers such as Wal-Mart; *product leadership*, represented by innovators such as Johnson & Johnson; or *customer intimacy*, practiced by firms like Lands' End that understand and bond with individual customers.