

Game Plans

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Abstract

Every business is a team. In fact, every company is a lot like either a baseball, football or basketball team, the three major sports in the United States.

So what?

Different team sports have different requirements for teamwork and coaching, and these differences have remarkably close parallels to business. The three major team sports represent organizational forms common in business. By studying these models and recognizing their differences, new insight can be gained into how your organization works.

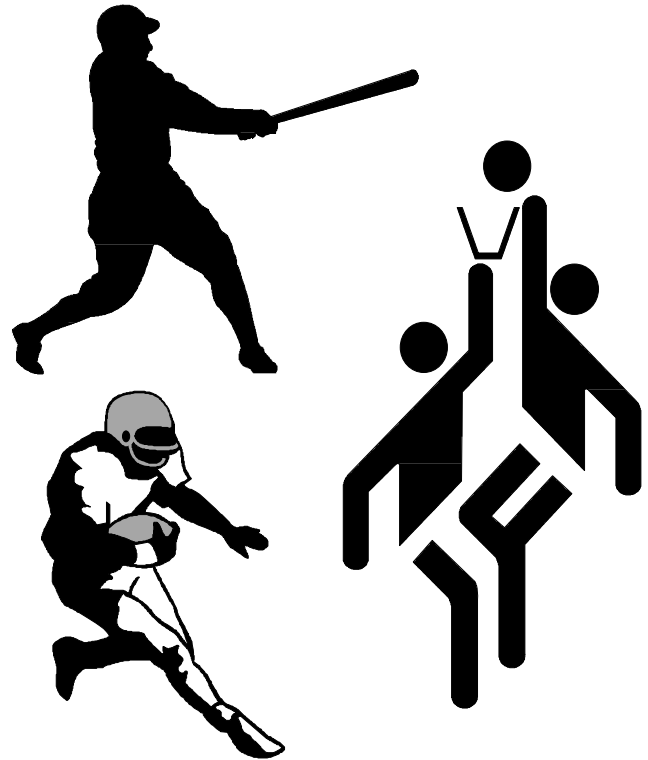
For example, if your company is like a baseball team, the players are using their own initiative, pretty much independently of each other and the manager.

If the company is like a football team, the team is very paternal. The manager or coach is calling all the shots for everyone else.

And if like a basketball team, the players are coordinating themselves as a group, with the manager or coach acting as a catalyst.

These are critical differences. The following summary digs into those differences, and provides a fresh look at your own business from a new angle. The baseball, football and basketball models provide a unique way to uncover methods for improving the performance of your operation, no matter its size.

The summary is a challenge. Can you make adjustments in how you play “the game of business.” For adjustments is what separates the winners from the losers in each game including your business of making a profit.



Executive Summary

Few things have greater impact on corporate performance than organizational design, or the way a company is put together. But many businesses are unaware of their design options, and the assets and liabilities of each. To fully understand organizational design, concrete models are necessary and there is none better than team sports.

You can use the sports models to make sense of any kind of organization, big or small, from a handful of people to a gigantic corporation. The "players" you identify may be individuals or they may be organizational units. In the latter case, player:team is equivalent to unit:organization.

To succeed, whatever the game, a team must carry out five related sets of tasks.

Planning is specifying in advance how the game should be played. Getting the plan right is the dominant challenge in football.

Organizing determines what type of structure the team will use. Again, in football, will it be the single wing, winged-T, wishbone, pro-set. The structure will influence the personnel that is needed. The motion offense, triangle offense or simply "YMCA" basketball determines what personnel are needed for the successful basketball team.

Staffing is deciding what players will be on the team and in the game. Staffing, getting the right players, is the dominant challenge in baseball.

Directing is controlled by the coach and his staff. In baseball and football, this is a very hands-on effort by the coaches. In football, the quarterback controls the action on the field as the point guard in basketball. In baseball it is the catcher that directs the team on the field.

Controlling deals with influencing the process or flow of the game, to get the process right, is the dominant challenge in basketball.

The best teams understand their dominant challenge and organize to meet it. But no company is a pure type. And in some cases, a change from one model to another should be expected. The sports models do represent organizational alternatives. Keep in mind, however, that all three cannot be maximized at once. Also keep in mind that for those athletes that have played all three sports, the transition from one sport to another takes time. As an athlete must redefine their muscle groups and muscle memory for each sport so the corporation must devote time in redefining its goals and objectives and management style when shifting from one model to another.

No organization can do everything superbly. But once it knows which criteria really matter, the organization can find in the appropriate sports model a practical design guide. Through team sports, the complex issue of organizational design can be reduced to this simple question: What kind of teamwork is required?

Three styles of Teamwork

Baseball is a highly individualistic sport that calls only occasionally for teamwork. Scoring plays are not planned, and players interact only minimally.

Football demands systematic teamwork. Plays are carefully crafted ahead of time, and players interact according to the script. Coordination is achieved through managerial planning.

Basketball requires spontaneous teamwork because of the speed of the game. Coordination is achieved by mutual adjustment by the players.

The basic model for your organization must be the right one for you -- form follows function. You can't win playing the wrong game. If your basic model is the wrong one, internal consistency may do more harm than good. *You can't be effective by being efficient in what you shouldn't be doing.*

To identify which sport, or mix of sports, is most appropriate to your organization, you need to consider the strengths and weaknesses of each.



The Baseball-Model Organization

The game of baseball is characterized by brief, infrequent interactions among the players on the team. In the same way, the players in a baseball-model organization interact with one another minimally and contribute to the organization independently. These organizations are rooted in individual stars. The extraordinary player can have a tremendous effect on the team.

Persons or units are relatively free of the burden of coordinating with one another, and the work they do is usually non-sequential. Neither bank tellers nor travel agents, for example, contribute in a serial way to a larger task that results in an end product.

Thus, the *strategy* in a baseball-model organization is: What players do I want on my team? And the core *tactical decision* is: What players do I want in the game?

Baseball-Model Examples

Mary Kay Cosmetics is a corporation that works at increasing its number of individual stars. It has some 190,000 independent salespersons, known as beauty consultants, who operate as independent contractors. Founder Mary K. Ash believes in "encouraging a person to compete with herself," and the firm has made that philosophy a company policy.

More women earn more than \$50,000 a year at Mary Kay than at any other company in the world, and many sales directors earn more than \$100,000.

General Signal Corporation, a \$1.6 billion manufacturer of instruments and controls, is a case of a baseball-model organization in which the players are units and unit top managers. The company is forty-four acquired businesses, each of which operates autonomously.

Trammell Crow Company is a Dallas-based commercial developer owned by eighty partners in forty regional offices. The regional partners are highly autonomous and make their own decisions about what, where, and how to build, as well as whom to hire or to contract with.

Self-reliance is a prerequisite for working at Crow, where new employees have to learn the business on their own. "There's no training," said Chief Financial Officer Joel Peterson. "People have to be self-motivated and self-disciplined."

Strengths of This Organization Structure

- ☑ *It cuts down on the need to coordinate centrally* that can be essential if the organization is too difficult to manage from the top down. A company can become so large that no executive group can stay in touch with operations. Similarly, it can become so diversified that those at the top are unable to understand each unit's product, market, and production system requirements. Or a firm may be so dispersed geographically that coordination from a single point is unrealistic.
- ☑ *Allows highly individualistic tasks to be performed more effectively.* In a research-based organization such as a university, many an administrator is treated like a second-class citizen because he is in effect a football coach on a baseball team. The more pure model the organization is, the more effectively are highly individual tasks likely to be performed.
- ☑ *Makes it easier for persons or units to respond to local conditions,* and in a way no remote manager can, i.e., members of a corporate field sales staff, with the authority and ability to act, are able to respond quickly to local developments. When such a need arises, they no more have to wait for orders from headquarters than an outfielder has to get permission from his manager to go after a fly ball.

- ☑ *Compartmentalizes problems.* The parts of this organization are self-contained, not intertwined. This makes it possible to isolate a problem. Damage does not necessarily spread to other units, but can be contained, and problem more readily solved.
- ☑ *Encourages entrepreneurial instincts,* allowing people to follow their own imaginations and gut feelings. At the same time, the baseball-model keeps them from interfering with the normal operations of the rest of the organization.
- ☑ *Enables responsibility to be pinpointed.* The question of who is at fault rarely comes up in a baseball game. When the ball goes between the shortstop's legs, we know instantly. In a baseball-model organization, persons are responsible for doing a specific job to a certain level of excellence. It's a simple matter to hold each one personally accountable for results.

Weaknesses of This Organization Structure

- ☑ *Has difficulty coordinating work.* There is no experience to fall back on when activities of individuals or units must be orchestrated. For example, managers of three different company plants operate autonomously and successfully. But if the three must mesh activities, the baseball-model could prove to be the wrong one, unless one of the managers displaces the other two and runs all three plants. And this is not practical if the plants are widely separated. Baseball-models are inefficient where coordination is required.
- ☑ *Restricts problem-solving and correction capability.* Because members of a baseball-model organization are freestanding, a problem of one of them cannot be solved by the others. In baseball terms, a centerfielder cannot compensate for the lapses of a shaky rightfielder without leaving vulnerable his own area. In addition, if the problem is technical, there may be no one in the organization with the know-how to help solve it.
- ☑ *Lack of cohesiveness.* The more self-contained the parts of an organization, the more likely that the parts will go their own way. Some parts, individuals or whole units, may become isolated. Others may shift their loyalties away from the company and to a customer, a particular operating facility, a community, or, with trained individuals, a discipline or profession.



The Football-Model Organization

Football has become a metaphor for the factory, the corporation, the church, the military. The thread connecting these images is organization, specifically,

hierarchically controlled organization. Football is made for top-down direction. It is designed to reward comprehensive planning, coordination and execution.

The work of most football-based organizations involves the interaction of several roles or units (or systems operations) in a specific sequence. Task A must be carried out before Task B; B before C, and so on. Football is the management of dependence.

Vertical Integration

Vertically integrated firms combine different economic processes within the company. The processes that are integrated may include any mix of discovery, procurement, production, distribution, promotion, and selling. In other words, vertical integration is a chain of activities that may begin with raw materials and end with a sale, or even service after the sale. The vertically integrated firm is to football what the conglomerate is to baseball.

Vertical integration offers these three advantages:

1. **Efficiency.** By combining operations, a firm can reduce costs in production, transportation, buying and selling, and other areas.
2. **Assurance.** The company is assured of having a source of supply and/or demand for its products.
3. **Coordination.** The company is better able to coordinate production and inventory across different phases. You can plan it all internally, and not worry about meshing with an outsider's plans.

Vertical integrated companies are heavy on coordination and control. They orchestrate, synchronize, and link multiple processes and technologies. Because of the complexity involved, the coordination has to be done top-down. This translates into a sizable corporate staff, a far cry from the almost skeletal corporate staff of a comparably sized conglomerate.

Strategy and Tactics

Football is a coach's game. Even the man who leads the team, the quarterback, is a surrogate coach. Coach Don Shula of the Miami Dolphins, a consistent winner, demonstrated his dedication to planning in the way he organized his staff's work schedule, with every day mapped out well in advance.

Strategy in a football-model organization is: How do I organize my team? And the tactical complement to team organization is: How do I plan for the game?

Examples of These Organizations

Cooper Industries, a manufacturer of hand tools and electrical and energy equipment, is vertically integrated. Cooper started up a \$7.5 million rolling mill in Alabama to provide the steel used in its Nicholson files. By having this processing capability in-house, Cooper saves money on overhead and materials, simplifies the task of scheduling operations, and reduces its dependence on Japanese steel.

Caterpillar Tractor has a huge dealer network that is a substitute for vertical integration. The dealers are independent operators, but their taut linkage to Caterpillar provides the company with many benefits of ownership, and Caterpillar plans globally for them. A national computer network links all dealers to the distribution center, enabling dealers to order any part they need for next-day delivery.

Strengths of This Organization Structure

- ☑ *Facilitate coordination.* Global coordination can be critical in attaining corporate goals. Situations requiring such coordination tend to be strategic, and may involve long lead times, substantial commitment of resources, relatively irreversible decisions, and intense front-end effort in planning and preparation.
- ☑ *Enhances efficiency.* Coordination is also a key to efficiency. It makes sure that work stations (units or individuals) have neither too much nor too little to do.
- ☑ *Protects against expensive failure.* Tight, football-like control reduces the possibility of high-cost failure. The use of a checklist, for instance, is conceptually similar to a head coach's game plan. It makes sure that things are done as planned, and in the proper sequence.
- ☑ *Provides leverage to help solve organizational problems.* Because a football-model organization is so closely joined, resources from higher levels and other parts of the company can be swiftly brought to bear in solving problems. Top managers usually have technical skills relevant to problem-solving at lower levels in the company. And other nearby organizational units or members can also contribute.
- ☑ *Has quick crisis-response capability.* The one-way flow of authority allows the organization to respond almost immediately to crisis. A common corporate situation requiring this is the turnaround of a foundering company. Often, the last hope for such a firm is an authoritarian top manager who can unilaterally make a series of unpopular decisions and set a new course.

Weaknesses of This Organization Structure

- ☑ *Narrows possibilities.* Football-models are special purpose organizations and can do only certain things. They are fine for making one, two, or three related products, but won't work if you are making fifteen different products. This makes for too much complex information to process hierarchically.
- ☑ *Limits responsiveness.* The product/market narrowness has an effect on managers. These models tend to be structured by functional departments, such as engineering or marketing. Too often, functional managers put departmental interests ahead of what is good for the organization as a whole.

The football design is set up to carry out a tightly circumscribed plan. And "eyes straight ahead" does not encourage employee innovation, can install an insensitivity

to local conditions and can fail to be "close to the customer" by requiring a customer to accept a standardized product or process.

- ☑ *Fosters inflexibility.* Simplification of product, such as a hamburger with a fixed amount of ketchup, mustard and pickle, often reflects sophisticated market research. They may lead to a huge commercial success -- for a while. But often the final result is inability to alter the package to accommodate customer preferences.
- ☑ *Allows problems to spread.* While an advantage of the football design is its ability to deal with problems that fall within its repertoire, there is another side to the coin. Once problems are encountered that are outside this range of responses, the organization becomes highly vulnerable. A problem in one part of the organization will affect other parts, and possibly the entire organization.



The Basketball-Model Organization

If baseball is a player's sport and football a coach's, basketball is a combination of the two - but make that players', and not player's. Basketball is a game of cooperation, a display of patterned, yet spontaneous teamwork. Bill Russell, a famed player and coach, put it this way:

"In each split second, a basketball game changes as fast as ten rapidly moving objects can create new angles and positions on the floor. Your game plan may be wiped out by what happens in the first minute of play. The coach can't be out there; the player has to see what's going on. More, he has to predict where a pattern of action will lead, and then act to change that pattern to the advantage of his team. Teams that can do this under the greatest pressure will win most of the time."

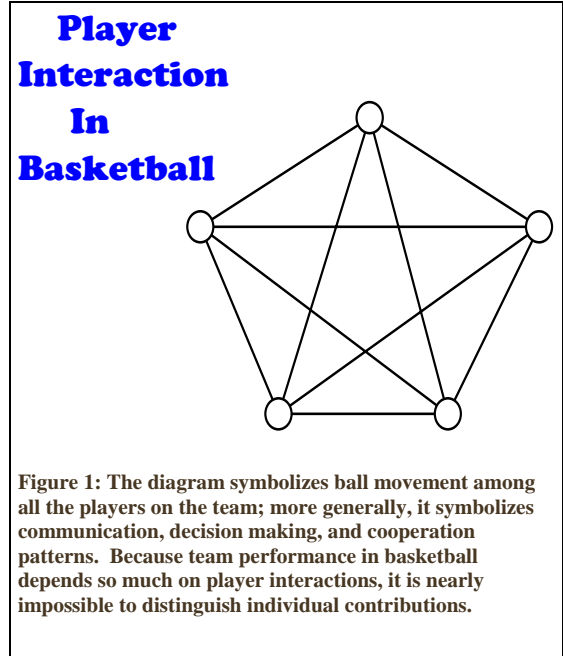
Another championship player, now a U.S. senator from New Jersey, Bill Bradley, believes, "An exceptional player is simply one point on a five-pointed star. Great individual players may earn dollars for the owner just as a sideshow does for the circus, but stardom is, if anything, a deterrent in the pursuit of a championship."

The five-pointed star image is apt, particularly if all points are connected, as shown in figure 1.

How Teamwork Dominates

The common denominator among basketball-model organizations is teamwork. Different disciplines are bridged, and the world of planning and doing are brought together. This isn't possible in a football design. Tasks range from the simple to the complex, from the family restaurant where everyone cooks, serves, and washes dishes, to the interdisciplinary, demographers, economists, and statisticians.

In every case, they rely on peer relations. The frequent, intense sharing of information among members makes these organizations work. What's more, they function with minimum supervision. The management guidance they receive is more enabling than controlling. It allows work to be done, rather than orders it to be done.



Basketball-Model Examples

Tandem Computer, a California-based manufacturer of fail-safe computer systems, is horizontally integrated. Most employees have computer terminals at their work stations. The company's major facilities are linked by an electronic teleconferencing system that allows employees to express themselves through electronic memos visible to everyone in the company.

The firm doesn't publish an organization chart. There are no reserved parking spaces, no time clocks, no badges, Stock options are available to every employee.

Managers do their own hiring, with input from prospective co-workers. New employees receive an indoctrination that includes founder James G. Treybig's five guiding principles for running the business:

1. All people are good.
2. People, workers, management, and company are all the same thing.
3. Every person in a company must understand the essence of the business.
4. You must create an environment where all of the above happens.

NEC Corporation of Japan is a good example of playing basketball in a large company. Horizontally integrated through common technologies, products and markets, NEC is involved in computers, communications, electronic devices, and home electronics. The company has forty-four committees, many of which cut across business areas.

Strengths of This Organization Structure

- Creates synergy.* The organization as a whole is stronger than the sum of its parts -- for example, by using the power of groups to generate solutions that would be

unobtainable by the same individuals working alone. Contributions by people of different skills are melded to achieve best possible results.

- Encourages innovation.* People are innovative because, metaphorically, they pass the ball around a lot.
- Allows for greater flexibility* than other models. People are not pigeonholed by hierarchical level, or by department or discipline, and therefore can serve the company in a variety of ways. There is no "line" work or "staff" work; people do work that encompasses both. Leadership is distributed and shared, and different individuals will take on the role of leader as new situations arise.

Weaknesses of This Organization Structure

- Limits itself to certain kinds of organizations*, particularly smaller ones. In the case of large organizations, it is adaptable primarily to those with a limited range of products, or products integrated by a common technology. Otherwise, back-and-forth exchanges among organizational units could not take place, because no common frame of reference would exist.
- Lacks a defined structure.* Many basketball-model organizations are perpetually in such a state of flux that their structures defy definition. And they can be "reorganized" again and again within a period of a few years. Such organizational ambiguity can lead to confusion about the company's direction, and can reduce individual accountability.

Taking Stock

Do you think your company is . . .

- a baseball-model organization?
- a football-model organization?
- a basketball-model organization?
- a hybrid (a combination of sports models)?

To check out your thinking, you'll need to answer four questions about the company.

What Game Are We Playing?

To answer this basic question, analyze the company's competitive edge, its distinctive competence.

If your competitive edge is the ability to add value through star performers, whether individuals or units, you are playing baseball.

If your distinctive competence is the ability to reduce costs and/or complexity through global coordination, you are playing football. Your concern is almost the reverse of the baseball-model. You want to reduce the negatives -- inconsistencies, redundancies, bottlenecks, errors, rejects.

In the baseball-model, the challenge is to open up the system so that the players can display their talents; in the football-model, the imperative is to close off the system so that there are few or no surprises.

If your major competitive edge is the ability to innovate by combining resources in novel ways, you are playing basketball. Your strengths may be either value-addition or cost-reduction, or a blend of these, plus other competencies. Your organization is flexible and your players, who may have to be multiskilled, apply those skills in new ways to unfamiliar situations.

About Sports Hybrids

If you have a problem identifying your corporate game, it may be a hybrid.

- ☑ *Baseball-football hybrid.* Such a firm, and often it's a multidivisional corporation, tries for the advantages of decentralization with those of centralization. It strives for operating-unit autonomy within a global framework. An example is McDonald's, a geographically dispersed but technologically unified firm. Another is A-P-A Transport, a New Jersey-based trucker as much concerned about how the work is done, the game plan, as it is with who does it.
- ☑ *Football-basketball hybrid.* Some companies consist of two parallel operations, one devoted to normal operations and the other to change.

There are other variations. Boeing Company, for example, uses a liaison group between products and process engineering. S.C. Johnson & Son, makers of Johnson Wax, uses a group executive office as a top management forum for exchanging ideas. The combination of football and basketball styles used by Delta Airlines shows up in a number of ways. For one, its communication patterns have both an open-door policy for top management and a respect for hierarchy.

- ☑ *Baseball-basketball hybrid.* These operate with a minimum of external (football-like) controls. This combination seeks a balance of individual initiative and group process. Minnesota Mining and Manufacturing is an outstanding large-scale example of this hybrid.

- ☑ *Baseball-football-basketball hybrid.* An example of this is an organization with different levels that correspond to different sports. This type of company has in effect three different teams playing three different games to fill three different needs. It is exemplified by the Inland Division of General Motors, which produces a wide variety of automotive parts.

What Games Are We Organized To Play?

The crux of a sound organization is the effective management of task interdependence, how the different parts of the organization are related to one another and to the whole. There are three forms of interdependence:

1. Pooled (baseball-model)
2. Sequential (football-model)
3. Reciprocal (basketball-model)

An example of the pooled would be a sales force of individuals, each with his or her own products, territory and accounts.

An example of sequential would be the classic factory that first fabricates parts, then assembles, tests, packages, and ships a product.

An example of reciprocal would be a consulting firm where experts from several specialties work together to solve an interdisciplinary problem.

What Game Does Our Style Suggest?

A company's style is the way it does things. Style embodies values.

- ☑ If the dominant value is self-reliance, its style is baseball.
- ☑ If loyalty, its style resembles football.
- ☑ If cooperation, its style is basketball.

Another key to style is the way communications take place.

- ☑ One-way communication is top-down, like football.
- ☑ Two-way is vertical, as is one-way. The difference is that it goes up as well as down, as in baseball.
- ☑ Three-way communication goes up, down, and laterally. In fact, the lateral direction -- one basketball player to another -- is probably the most important of all.

Yet another style is teamwork, that can be situational, taking place as in baseball; systematic, carefully planned and involving everyone, as in football, or facilitative as in basketball.

Then there is leadership style. It can be hands-off, as in baseball, authoritarian, as in football, or facilitative, as in basketball.

An important aspect of style is risk-taking.

Risk-embracing is baseball style; risk-avoiding, football style, and risk-accepting, basketball style, where risks are shared among players.

What's In It for the Player?

What do people really get out of playing your organizational game? What do you get?

Match your answers to the following:

- A baseball-model permits the individual maximum autonomy, and showcases the personal contributions.
- A football-model provides both a sense of stability and a feeling of reflected power, like belonging to the U.S. Marines.
- A basketball-model offers stimulation and a sense of belonging.

How To Analyze and Decide

You now have a file of information with which to analyze your organization. Try this three-step process:

1. Define the current organization.
2. Define the desired organization.
3. Decide on changes needed to move toward the desired organization.

No organization is perfectly consistent across all the dimensions. But clear patterns should emerge from your analysis. If not, the organization may be vacillating between two or more games and succeeding in no specific direction. At a minimum, you should be able to establish organizational priorities in terms of the three sports:

- Which model does the organization most resemble? (First priority)
- Which model does it least resemble? (Third priority)

Choosing the Future

Once your organization has agreed on what its game is, the next step is to decide whether this is the appropriate game for the future. Review the strengths and weaknesses of the three sports models and try to come up with a desired ranking order. If your aim differs from what you have, there will be adjustments to make.

Strike a Balance

At this point, try to specify measures that will move the organization in the desired direction. In the process it's practical to strike a balance between the need for change and

the capacity for change. The actual change, therefore, could be anything from fine-tuning the current model to radical transformation into a new model.

Whether the change proves to be large or small, you can take certain actions early on to promote movement in the direction you want to go. For example, change the physical location of persons or units to bring closer together scattered people who need to play basketball. Communications patterns and information systems may also be candidates for change. Or, perhaps status systems need to be altered.

Finally . . .

We are entering a future that will reward flexibility and responsiveness, spontaneous teamwork and invention. But even today, when people are asked to list the qualities of the best organizations with which they have been associated, seven qualities are invariably singled out:

- 1. A common sense of direction.**
- 2. Common goals.**
- 3. Close teamwork.**
- 4. Good communications among members.**
- 5. A family atmosphere.**
- 6. Group pride.**
- 7. Shared successes.**

Not a bad set to keep in mind when reengineering your model.