MasterCard
International

TEAM@Work

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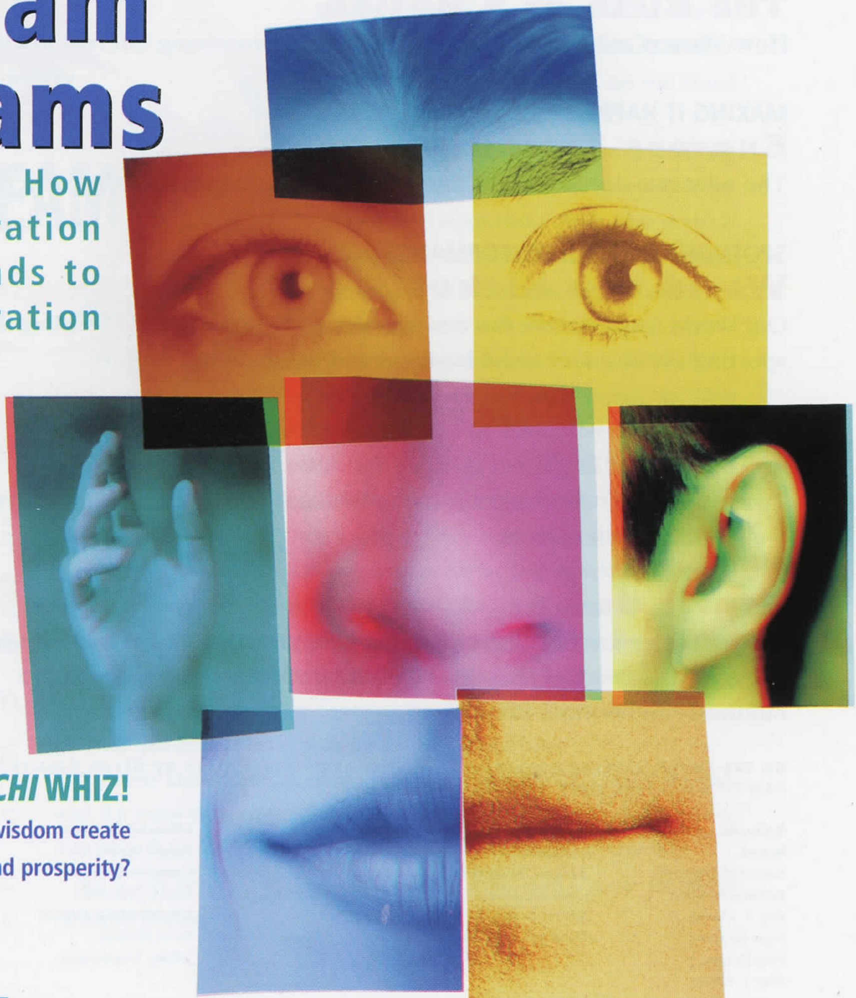
Dream Teams

How collaboration leads to inspiration



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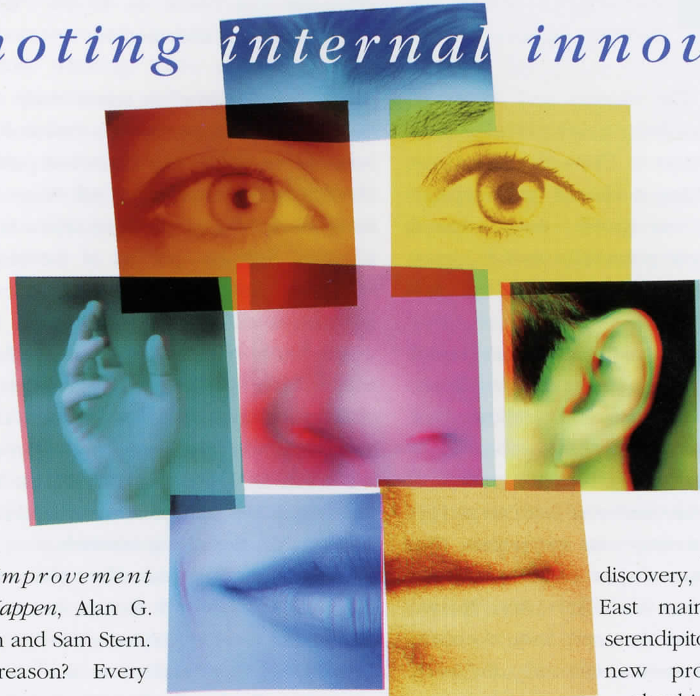


Where do great business ideas that can transform entire industries or exponentially increase efficiency come from? Not from solitary creative geniuses, according to management experts, but from two surprising sources—groups working collaboratively to solve problems, and experienced rank-and-file workers who see better ways to do things.

This is nothing short of a revelation to most of us, who have grown up in what management guru Warren Bennis calls "a by-line culture"—a society in which gifted and charismatic individuals have become singularly successful, reaping money, status, and fame.

Group Dynamics

What has changed? In his latest book, *Organizing Genius*, Bennis says, "In a society as technologically sophisticated as ours, the most urgent projects require the coordinated contributions of many talented people. Whether the task is building a global business or discovering the mysteries of the human brain, one person can't hope to accomplish it."

MasterCard President and CEO Bob Selander agrees: "We are fostering a TEAM culture at MasterCard because, working together, we all can become more innovative, more productive, and ultimately, more successful. By exchanging information and ideas, working toward common goals, and understanding alternate points of view, we can create the innovations that will enable us to differentiate MasterCard from our competitors."

Interestingly enough, Bennis points out that three innovators whom most of us would count among this century's "self-made men"—Walt Disney, Steve Jobs, and Bill Clinton—could not have made their mark on the world alone. Walt Disney recruited an outstanding group of animators to create an enduring new art form; Steve Jobs' talented team at Apple produced the Macintosh; and Bill Clinton's 1992 U.S. presidential campaign was waged by a number of political luminaries, including strategist James Carville.

Even in what we now perceive to be simpler, bygone eras, creative geniuses did not necessarily work alone. A case in point: Michelangelo collaborated with 13 arists to paint his masterpiece, the ceiling of the Sistine Chapel.

Loopholes and Liquid Assets

What's more, if there had been a better way to apply pigment to a chapel ceiling, chances are that one of Michelangelo's 13 yeoman artists, and not the master himself, would have found it.

"The vast majority of unplanned creative acts in today's companies are brought about by people that no one—including themselves—previously thought of as particularly creative," say the authors of *Corporate Creativity: How Innovation and Improvement Really Happen*, Alan G. Robinson and Sam Stern.

The reason? Every employee on a company's payroll knows something about that company's operations that nobody else knows. Employees who innovate often are in the right place, with the right type of knowledge, at the right time.

Consider the cases of the following two workers, who generated valuable ideas that the rest of us would have missed.

Kathy Betts, a part-time clerical employee of the Commonwealth of Massachusetts, discovered how the state could save half a *billion* dollars in cash in 1991, and roughly US$200 million per year thereafter. Betts—who had worked for the Massachusetts Department of Public Welfare for 12 years, and was familiar with all of the state agencies and regulations—found a loophole in the regulations and suggested using it to the state's advantage.

Around the same time Betts made her discovery, a Japan Railways East maintenance worker serendipitously invented a new product. He was checking construction equipment in a tunnel through the mountains of Tokyo when water from Mt. Tanigawa's snow pack began to flood the site. The worker thought the water tasted so good that he proposed bottling it and selling it as premium mineral water rather than pumping it away into runoffs. Japan Railways East implemented his plan, sales took off—and as of 1994, Oshimizu beverage sales were US$47 million.

The key to these valuable discoveries: Two rank-and-file employees found opportunities and offered good ideas—and management listened.

Creative Collaboration—and Coincidence

If many of the best ideas are generated either through creative teamwork or serendipity, how can a company like MasterCard—which has pledged through its Operating Principles to encourage new ideas—play a powerful role in promoting internal innovation and collaboration?

ILLUSTRATION: GLENN GYSSLER

Specifically, the following 12-step program will help employees advance their careers—and will help MasterCard advance its leadership position in the payments industry.

1

Be a goalkeeper! The interests and actions of every staff member—from security to sales, from administrative assistant to EVP—should support the organization's key goals. As "goalkeepers," employees will recognize and respond enthusiastically to a potentially useful idea—whatever or whomever the source may be.

2

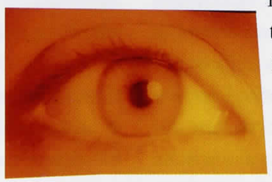
Share information and ideas. Jeff Struve, senior vice president–Human Resources, St. Louis, comments, "Today, most schoolchildren are taught that looking over anybody's shoulder is cheating. The only way to get a good grade is to use your own ideas—and you learn to protect those ideas by covering your test papers. Our system of education shapes us and makes it difficult for us to adjust to a TEAM culture. But we have to get beyond that and learn to share information and ideas—and ultimately, the credit for a job well done."

3

Ask for feedback. An employee working alone may waste months on a fruitless process or line of inquiry. Warren Bennis points out that a group "can be a goad, a check, a sounding board, and a source of inspiration, support, and even love."

4

Focus on the external enemy. It helps to have a common enemy, and just as surely as Coca-Cola has Pepsi, Philip Morris has R.J. Reynolds, Toyota has Nissan, and Sony has Hitachi, we at MasterCard have Visa to spur us on. Why do we need an enemy? As former Coca-Cola CEO, the late Roberto Goizueta, said, "You can't have a war without one." A common enemy provides motivation, a rallying point, and a definition of everything that our group doesn't want to be. An underdog mentality also helps, because everyone likes the idea of coming from behind and winning it all. But the enemy must be external; internal competition splinters efforts and hinders success. And the enemy should not become an obsession that blinds us to our "real" goal: supplanting cash and checks.



5

Form "Great Groups." A recent study of senior executives of international firms executed by Korn-Ferry, the executive search firm, and published by *The Economist* asked who will have the most influence on their global organizations in the next 10 years. Sixty-one percent of the respondents answered, "teams of leaders." A project leader who is confident enough to recruit people who are simply the best at what they do—perhaps even more talented than he or she is—has excellent odds for achieving success. Members know that being chosen for what Bennis calls a "Great Group" is a tribute to their talents and abilities. They will stretch to deliver peak performance and to gain the respect of the other team members.

Arguably, the two MasterCard teams that won 1996 President's Awards for innovation could be called Great Groups: The India VSAT project team ensured that our members in that country had access to Banknet® through the innovative application of available satellite technology; and the Euro '96 team carried out one of the most successful, highly visible, and complex sponsorship programs in MasterCard history.

6

Put the right person in the right job. "When people are put into positions in which they can use their own unique talents, their performance soars," says Meg Drago, vice president–Compensation, Purchase, as well as process owner for the TEAM Performance Management initiative. "For many gifted people, the opportunity to work in a creative environment and use their talents to the fullest is the best sort of reward."

7

Forget tradition and past experience. Seymour Cray, the legendary computer designer, liked to hire brilliant but inexperienced engineers because these unseasoned recruits "do not usually know what's supposed to be impossible."

8

Eliminate bureaucracy and red tape. Good project leaders protect their teams from bureaucratic meddling and conventional thinking. They encourage creative risk-taking and accept the occasional failure. They don't sacrifice productivity on the altar of company process. After all, as hockey icon Wayne Gretzky once commented, "You miss 100 percent of the shots you don't take."

9

Sanction unofficial activity. According to authors Alan G. Robinson and Sam Stern, "Unless your organization makes a place for unofficial activity, it will see relatively little creativity." When a new idea comes under consideration for official status, it may meet strong resistance. In the safe haven of unofficial status, a ground-breaking concept can flourish and grow. The 3M Co., known for such innovations as Post-It Notes, has a policy enabling employees to spend 15 percent of their time on unofficial activities. Similarly, Hewlett-Packard has a long-standing policy that its laboratories and laboratory supplies may be freely used for activities that are not directly related to its business or the employee's job.

One example of unofficial activity and creativity at MasterCard is the recent video spoof of the new U.S. "Priceless" advertising campaign produced by our St. Louis employees. According to Jerry McElhatton, executive vice president and president, Global Technology and Operations, and champion of the TEAM Learning initiative, "The video was produced unofficially, on a shoe-string budget, and with the highest level of enthusiasm, flair, and participation by our St. Louis employee population, led by Linda Locke, vice president of Technology Communications. It's a great example of what we can do when we all work together on something we believe in, and try to have some fun with it." [Watch for the video on *WHAM* soon!]

10

Implement a formal suggestion and review process. Japan Railways East's Oshimizu water was an entirely unplanned innovation suggested by an employee who never would have been identified by a management succession committee. Interestingly, this company has policies that are specifically designed to promote ideas for new business ventures from all employees. According to Robinson and Stern, any company that wants to promote innovation should elicit suggestions from employees at every level, ensure that several open-minded managers evaluate and respond to every idea quickly, and put a system in place to communicate new ideas throughout the organization.

11

Decompress. Stress is the enemy of productivity and innovation. Get a life!

12

Set a deadline. Deadlines may be bureaucratic, but they also are the greatest of all motivators. The members of Great Groups aren't quitters. They will work under deadline until they arrive at a successful conclusion, whether that means shipping the best computer, distributing the groundbreaking motion picture, winning the election—or, in the case of MasterCard, creating an advertising campaign, a promotion, or a card program that will defeat Visa, and supplant cash and checks.

Editor's Note: Has your business unit generated an innovative program or idea through unofficial activity, by taking a suggestion from an unexpected source, or by means of the Great Group model? Tell us about it!