

How GE is becoming a truly global network

The company's vice chairman describes GE's efforts to bust silos, boost collaboration, and build an internal marketplace of ideas and solutions.

by John G. Rice

The GE that I work for now is not the same company as the one I joined in 1978, with stand-alone businesses in a holding company. Today, we operate on the premise that our whole is greater than the sum of the parts, and the dynamic networking and exchange of ideas and solutions across GE is a performance differentiator for each business. Close to 70 percent of our business now takes place outside the United States, so this networking exchange needs to reach far and wide.

The problem, of course, is that as businesses grow larger and scale up internationally, more silos start to pop up. It's not always easy for employees to stay connected and share ideas that drive innovation and add new value, or to view sharing and multiple teaming as a competitive advantage. That has been GE's challenge: how to connect more than 300,000 people, operating in over 180 countries, in a dynamic and practical way without adding more process and bureaucracy that slows them down. Without a radical shift in everyday working behavior—in employees' relationships with the company and with one another—silos will remain, and the sort of cross-industry and horizontal collaboration that companies like GE need to foster for growth is not going to happen.

We don't have the perfect answer, but we are investing in digital tools, training, and "exchange" platforms to facilitate an internal marketplace that enables individuals and businesses to contribute or tap into ideas, inventions, and practices. When our approach works, it has helped us speed up development times, expand globally at a faster pace, scale innovation across industries, improve productivity, and accelerate problem solving. When it does not work, we have a *Game of Thrones* scenario—silos and fiefdoms. It is metrics that aren't reconciled or leaders that have not engaged the right way.

While we're still on the journey, we hope that some of what we've learned so far can be helpful for other industries and companies. One lesson is paramount: nothing changes without the right culture. Along with the technical solutions we're pursuing to support this marketplace, here are five steps we're taking to create a new team culture and establish a new way of working.

1. Create a network effect

We encourage GE employees to reach out to employees in other departments and regions around the world to share or ask for ideas and tips. We recently created a virtual forum that connected over 30,000 employees across ten businesses in 91 countries to share insights and drive faster problem solving. One of the results from this virtual exchange was a project leader in our Power business in Europe identifying a solution he needed from the Australia Oil and Gas team, who had earlier worked with the Aviation services team in Singapore. Other leaders use cross-team meetings or councils to connect to horizontal and vertical expertise within the company. We're also investing in digital tools like sites and apps to make it easier for our teams to identify the right inputs and partners—for any project. At the core, we're working to eliminate silo thinking that inhibits people from taking advantage of a cross-industry and global network.

2. Get to 'why' early, and establish an underlying 'yes' philosophy

When an internal network works, it's because everybody understands that there is a mission to deliver for a customer, solve a problem, launch a product, or create a solution. That means bringing people together, often from across the organization. Teams that understand the importance of the mission, starting with the why, find ways around obstacles, get past no, and get to yes. Strong leadership and intervention are often required to get everyone to yes and drive a must-win mentality. This means aligning the priorities across the team and agreeing on shared metrics for the common endeavor, whether that is a Power deal in North Africa or a Gas project in the Middle East.

3. Hunt in packs

There is no confusion in a well-oiled team. Everyone is working to accomplish both the team goals and their own personal goals; they know their roles and reconcile any differences. Nothing of substance happens at GE without a team. Leadership meetings, management councils, and training at GE are conducted with cross-business teams working on problems with the collaborative mind-set we aim to foster. When we worked with Centrais Elétricas de Sergipe (CELSE) for Brazil's Porto de Sergipe combined-cycle power plant, five different vertical business teams aligned as one to meet the customer demand for a one-stop shop. If we hadn't, we would have won only a third of the deal.

4. Move at market speed

Solutions and business models for places as diverse as Japan, Nigeria, and Pakistan require local knowledge and speed as much as global industry expertise, which necessitates both horizontal and vertical intersections. We have to move at a speed that's determined by customers and by markets, while aligning what we need locally with what we can scale globally. The last three years in India, for example, have seen fast changes brought about by the new government, bringing with it infrastructure-spending increases of 22.5 percent. The market also is highly competitive. Five years ago, we decided to invest in an extremely flexible manufacturing facility in India that could scale multiple businesses as they grew. Spread over 67 acres in Pune, the plant is among the first flexible factories where different products for multiple businesses are built using shared infrastructure, equipment, and people under the same roof. We invested more than \$200 million, and in less than three years that investment has paid off. The opportunity that facility provides to demonstrate our local capabilities and flexibility across industries has helped us secure new business, including a \$2.5 billion India Rail deal.

5. Be the dog with the bone

Breaking down silos is tough, even when the intention—and the company goal—is there. Individuals must have persistence and make it part of their personal leadership journey. It is up to the individual leading a team to be both a contributor and an extractor. Continual appraisal of what is valuable is important, giving people an opportunity to say they see things they don't think add value or to explain why it's worthwhile to do something differently; we have a company simplification initiative and new employee-appraisal system to support this. But it still requires personal intervention, where leaders interject to align on metrics and outcomes, or it can involve knocking on enough doors internally before you get the right solution.

People often think about the marketplace as something that happens primarily on the outside. But the key insight from our efforts has been the degree of business value, measured by business performance, driven by internal exchanges with the right combination of leadership and culture. When the transportation industry went into a downturn and orders for our locomotive business dropped off, for example, our Transportation team worked with Aviation and our software division GE Digital to create a new business model and build a successful parts business. The transition from new build to fleet modernization happened in months rather than years.

The best marketplaces create as much value as your people put into and take from them. And for me, it's always about the outcomes. Otherwise, just call it a work happy hour. 

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