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Social technologies on the front line: The Management 2.0 M-Prize winners

Executives who won a contest McKinsey cosponsored with Gary Hamel's Management Innovation eXchange (MIX) and the *Harvard Business Review* highlight myriad ways Web 2.0 is improving communication among employees at all levels.



The Management 2.0 Challenge is the first of three contests in a yearlong competition in which executives describe practices that make management more adaptable, innovative, inspiring, and accountable.¹ In this first phase, entrants were asked to describe how Web 2.0 tools and technologies are changing management. A panel including McKinsey partners and external experts chose seven winners from a field of 143 entries. These winners come from organizations of all sizes and cultures, including the Mexican cement giant Cemex, the Dutch government, and a California-based tomato processor.

What the winners share is a concern with ensuring that even employees on the front line can contribute to organizational strategy and innovation. Here we briefly describe each winning entry and suggest some related reading from the *Quarterly*. Visit the MIX site to see the complete winning entries and to learn more about the judges and the next phase of the M-Prize contest.

1. Sharing common resources more efficiently

The first entry (“Civil servants cut through red tape and share government forward”) was started by employees of the Dutch government to share office and conference space and other resources. These employees had faced a number of bureaucratic hurdles, such as having to reserve meeting space in their own buildings through an outside agency, adding costs and time. One tweeted her frustration to colleagues, and a group then formed to use open-source software to build its own reservation system, signing up one building at a time. The system now includes more than 53 offices, with 554 workplaces, in government buildings across the country. The entry explains that “the net result is a shift *from* the focus of individual ‘ownership’ as defined by specific government buildings and offices *to* a sense of ‘stewardship’ shared across the spectrum of government.”

See also Jason Baumgarten and Michael Chui, “E-government 2.0,” on mckinseyquarterly.com.

2. Making self-management work at scale

Morning Star, a tomato-processing company, was founded in California in 1970 and has never had any kind of formal hierarchy. Instead, it manages itself through what its entry calls the “Colleague letter of understanding: Replacing jobs with commitments”; every employee sets out in a letter what he or she will be responsible for. As the company grew—it now has 400 year-round employees and 2,000 partial-year ones—this paper-based system became unwieldy.

To address the issue, the company developed software that now makes all of these letters available to every employee and allows employees to change them at any time. People can search the database to find staff members with specific expertise or to make sure that all elements of a given process are accounted for. The system also allows colleagues to offer

¹ The Management 2.0 challenge is cosponsored by McKinsey, the *Harvard Business Review*, and the Management Innovation eXchange (MIX), a Web-based open-innovation project dedicated to reinventing management.

real-time feedback based on the commitments in the letters. The entry explains that “we ask everyone to become effective managers of their own mission, activities, and CLOU² relationships. . . . The experience brought into very clear focus the idea that the strength of the structure really depended on the strength of the commercial relationships between colleagues.”

See also Nora Gardner, Devin McGranahan, and William Wolf, “Question for your HR chief: Are we using our ‘people data’ to create value?” on mckinseyquarterly.com.

3. Reaching consensus on complicated issues

Another entry (“The Deliberative Corporation”) offers a way to understand the views of large groups, such as employees or customers, on tough issues. This approach addresses some of the problems with traditional methods: group meetings can be swayed by a few passionate speakers, people may respond to surveys without a full understanding of complicated issues, and seeking information informally often means that some groups’ views are left out.

The underlying process of Deliberative Polling, which has been used in a number of public-sector settings, is an iterative approach involving in-person and online discussions (all moderated) and surveys. Over time, an initial set of documents describing a given issue is edited to reflect the considered views of the group it affects. The authors note that the process “can be used any time there are trade-offs that a population needs to consider in order to provide informed consent for resilient solutions.”

See also Dan Lovallo and Olivier Sibony, “Taking the bias out of meetings,” on mckinseyquarterly.com.

4. Improving global training with local expertise

Essilor International, a global maker of ophthalmic lenses, has created an internal training program that mixes in-person and Web 2.0 formats to transmit best practices among 102 sites in 40 countries. The company says that a mastery level that once took three years to achieve can now be reached in about one. An important element is the use by local coaches of a global platform to share best practices as they are developed. A lens-processing center in Thailand, for example, developed a game to teach new workers how to understand the shape of a given kind of lens; now it’s used in Brazil too. A social-network feature enables coaching across locations. The entry (“Entangled talents: A 21st-century social learning system”) explains that “the talents of individual employees across the globe have become entangled, creating a web that supports the company’s daily operations.”

See also Aaron DeSmet, Monica McGurk, and Elizabeth Schwartz, “Getting more from your training programs,” on mckinseyquarterly.com.

²Colleague letter of understanding.

Related thinking

“Dispatches from the front lines of management innovation”

“Innovative management: A conversation with Gary Hamel and Lowell Bryan”

5. Taking feedback from the front line to senior managers

Best Buy is a Fortune 100 consumer electronics retailer with more than 1,500 locations and more than 100,000 frontline employees. In an effort to make sure that senior managers learn what those employees are hearing from customers, the company created an online platform that encouraged employees to submit feedback. The entry (“My customer: One voice is noise, many is a chorus—voice of the customer through the employee”) explains that the platform allows everyone to see collated information from all stores. This information has affected things as simple as the signs in one store and as complicated as decisions about how to implement a national promotion. In addition, “the aggregate insights have proven to be cost-effective for the enterprise and fast and flexible in a high-speed and dynamic retail environment.”

See also Josh Leibowitz, “Rediscovering the art of selling,” on mckinseyquarterly.com.

6. Building a better idea market

Rite-Solutions, a software company, built an internal idea marketplace that has so far generated 15 products that together account for 20 percent of the company’s total revenue. This entry (“Nobody’s as smart as everybody”) explains how the marketplace goes beyond a typical idea market: the Web site contains not only innovation ideas but also detailed information on each employee’s experience and expertise, as well as a discussion board. So in addition to gauging the popularity of ideas, the site enables communities of interest to develop to further improve them. The entry explains that this approach “gives embryonic ideas—wherever they come from—room to breathe and take managerial shape.”

See also “Innovation and commercialization, 2010: McKinsey Global Survey results,” on mckinseyquarterly.com.

7. Using communities of interest to manage globally

The Mexico-based cement giant Cemex has introduced an internal-collaboration platform called Shift, which has helped the company reduce the time needed to introduce new products and to make internal process improvements. Shift uses a mix of wikis, blogs, discussion boards, and Web-conferencing tools to help communities of employees around the world to collaborate on specific issues. Cemex, for example, invited 400 employees involved with its ready-mix products to help figure out which worked best and which were redundant. The result is a slimmed-down product line offered in a constantly updated catalog available globally. This entry (“Shift changes the way Cemex works”) explains that with more than 500 communities—all created by invitation—now active, Shift is being used “to solve local problems with global talent and to store and share the knowledge they are generating.”

See also Lowell L. Bryan, Eric Matson, and Leigh M. Weiss, “Harnessing the power of informal employee networks,” on mckinseyquarterly.com. 