

12 Billion in 2010-An IT Challenge

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The Challenge:

Hallmark Cards, Inc already a leader in the greeting cards industry and who has prospered for nearly nine decades plans to take another step forward. Hallmark Cards, Inc. is positioning itself for long term growth by focusing on consumers. In an aggressive effort Hallmark has set high expectations to tripling current corporate annual sales over the next ten years. Currently a \$4 billion company, Hallmark's corporate vision is to triple revenue by the year 2010 to \$12 billion. Hallmark recognized that it would not be able to obtain that type of growth doing the same things the same way and therefore, is making fundamental changes to position the business to capture tremendous opportunities.

Our Information Technology (IT) Division of Hallmark Cards, Inc. asked early on what role could we play in enabling Hallmark Cards. In response, IT redesigned itself to ensure that it could effectively deliver the strategies and results needed to support Hallmark in achieving its aggressive growth targets. The first step IT took in redesigning itself was to follow a rigorous and well thought out model to lead IT in the design efforts. The model is called the Organizational Systems Design (OSD) Model created and lead by Organizational Planning and Design (OPD). This model provided IT with the necessary framework to accomplish the new design.

In following the OPD Model, IT's first challenge was to define the current IT processes. Through the effort of understanding the current IT business processes, they also put a stake in the ground around the categorization of their work. It became evident that IT's competitive advantage was going to be knowledge. Specifically, how IT would be able to discover and diffuse knowledge to create new capabilities to enable Hallmark to its aggressive goal of \$12B. In categorizing the work they determined their competitive enabling work would be new value creation (i.e., create new capabilities). In creating value IT recognized that since they were not in the business of selling proprietary software or hardware that it would be the knowledge that would be necessary to create the new value (i.e., new capabilities). IT put a stake in the ground that they would compete on knowledge.

The Approach:

IT determined what goals were needed to achieve in order to best support Hallmark. IT followed the Organizational Performance and Organizational Knowledge Model to better gauge what was the knowledge needed in IT to achieve the identified goals (performance). Then IT determined what tools would be necessary to learn the required knowledge. IT knew that if it was all about the discovery and diffusion of knowledge that the faster they could accelerate that equation (i.e., Learning Capability = Discovery x Diffusion) then that would impact IT's ability to be successful in achieving its goals. So IT looked for opportunities that it could leverage to increase the equation. Research indicated that diffusion and deployment are harder than discovery and that mathematically increasing increments on diffusion would yield higher results. In focusing on what opportunities could increase diffusion, IT put a stake in the ground that teamwork was a requirement. Being a team-based organization would be a critical component in increasing knowledge diffusion. The direction would be that IT would organize around business processes and knowledge and use teams as a critical component of the design as a means for discovering and diffusing knowledge.

Using Teams:

Teams are a critical component of IT's design as a means for discovering and diffusing knowledge. This notion of how IT manages knowledge is a fundamental way that IT will differentiate itself. Being a team-based organization meant that teams will be the fundamental work units of the new IT. There will be different kinds of teams: functional teams, project teams, management teams...but all work will be done in a team context. Even given that there are different teams within the four business processes there are some

commonalties on which IT will focus resources. The three critical areas of focus will be on the need to start up teams effectively, the ability to possess appreciation for uniqueness and differences that people bring to the team, and belief in building high performance teams that can renew themselves. Therefore IT created a common toolkit that will be the foundation for all employees and all teams. The toolkit includes a start-up kit, communication skills (through the Path of Dialogue program), a five-stage development model to guide teams, and the Herrmann Brain Dominance Profile.

IT is focused on both discovery and diffusion mechanisms for teams. Efforts focused on discovery within IT are information sharing on increasing understanding about the creative process and ways to facilitate creativity. Facilitation methods for creativity are around learning when we are most naturally creative which is theta time. Music, toys or particular activities are being shared with teams to tap into creativity. Diffusion is focusing in not only are the sharing aspect, but also the applying. Here IT focused in on a common language for how to diffuse. The Herrmann whole brain is an approach that will help create a common language to talk about thinking and learning preferences so that IT can increase the speed in which they accelerate learning throughout IT. The literature states that it is all about learning faster than one's competitors. Extra focus was placed on diffusion because even though the idea of diffusion is a basic premise, which is easy to understand, IT recognized the challenge to actually execute diffusion.

Accelerating Learning:

IT's goal was to have individuals understand how others learn and how they process information so that they could present in the others' learning preference or in a whole brain way. This would increase the ease of diffusing and would accelerate learning. Paul Gustavson, the Principal Organizational Architect for OPD, also founder and president, worked on our Team Development framework, which included the whole brain model and tools. IT contracted Paul to begin the initial rollout to the IT design teams. Research indicated whole brain, gender balanced teams have more robust solutions and better results. Although IT may not have consciously selected team members to form whole brain, gender balanced teams they did plan on leveraging those on the team to communicate and leverage thinking in a whole brain way. Following team formation, IT had the need to start-up the design teams with the necessary tools to be successful and to come up with a robust and aligned design to achieve the IT outcomes that were identified. The design teams were heterogeneous. Research indicates that heterogeneous teams can either succeed wildly or fail miserably in comparison to a homogeneous team that usually ends up with average performance. The whole brain model was an important team start up tool. The profiles assisted in increasing awareness in the differences in our mental processing, the benefits of having members of a team who approach an issue differently, and appreciation of the diversity of mental processing. By using this approach the IT design teams came to have more tolerance, move to acceptance, and as time passed began to better utilize and understand the learnings from a whole brained approach that IT could increase appreciation. By increasing appreciation for each other's mental processing the design team was able to seek differences out to create more robust thinking and solutions.

Following the formal design sessions IT was clear that they were putting a stake in the ground that IT is truly going to compete with knowledge and the "how" IT managed it would be a major leverage point. IT began focused effort on knowledge management, which encompasses not only the formal tools, but also the processes of how to manage knowledge.

Specifically with the profile, it meant that just having the outside consultant was not enough. IT needed to bring the capability of facilitating the process in-house, it meant IT had to invest in certifying people. Human Resources who facilitated the process of bringing this knowledge in-house worked to engage representatives across the organization to increase buy-in. Four facilitators representing each of the major business processes within IT, along with three Human Resources practitioners had agreed to be part of the team to be certified.

Not only would this team come to live and breadth the whole brain approach in order to facilitate workshops, but they made sure an entire process of how to implement and communicate the methodology within IT's context would be established and agreed upon.

Finally, and most importantly, this same team would come together in an on-going effort to learn from each other in a community of practice (CoP). This CoP is a learning community of a group of practitioners in this case for certified facilitators. This group would learn better techniques for facilitating information about the approach within the IT context, would ideate on how to keep it alive within IT, and brainstorm what might be the next steps in leveraging the investment.

What was very significant about this whole brain application is that it was strategy driven. Based on performance goals IT outlined by its strategy, the design was created to achieve that performance. The whole brain model was built into an overall IT framework that was inter-connected and linked to other systems. There are three other systems in the framework that the whole brain is connected to. For example, in IT's assimilation process they work on assimilation of new members by sharing about their thinking preferences. As part of the selection process since ideation is a critical skill set we asked candidates to facilitate an ideation session. Additionally, in the performance agreement process IT chose to do a similar activity differently to create an advantage. IT leverages the whole brain model in most of its sections of the performance agreement which includes talking about learning as part of the behavioral aspects of the IT culture, in terms of support functions some people will lead communities of practices, and specific sections on learning and teaching. Other such examples are linked in throughout the design.

The Results:

IT is in the early stages of leveraging the whole brain approach and is still rolling out interconnecting pieces that all fit together. The success however, is evident in seeing that there are supporting systems and that the profile is not a stand-alone tool. The approach is strategy driven and is linked as part of an entire re-design. IT has some preliminary results of how the new design is perfectly designing IT to get the results they are getting. At this time, the results are positive.

In a very early analysis IT is on target in achieving very challenging IT objectives in the four areas that they measure. These four areas are Value Creation, Operational Excellence, Customer Value Analysis, and People measure. IT believes that a contributing factor to achieving the IT objectives has been and will continue to be how they leverage the whole brain approach in helping accelerate the discovery and diffusion of knowledge.