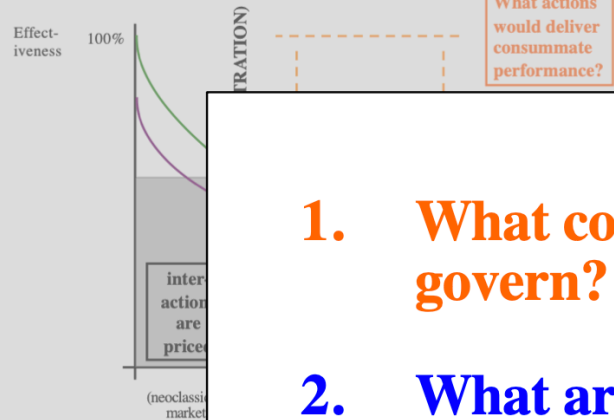


4 Habits of Mind

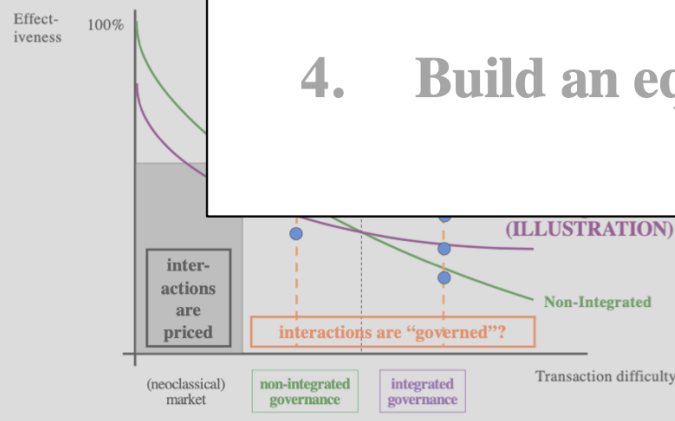
HoM #1: What Collaboration?



HoM #2: Consider Formal Options



HoM #3: See



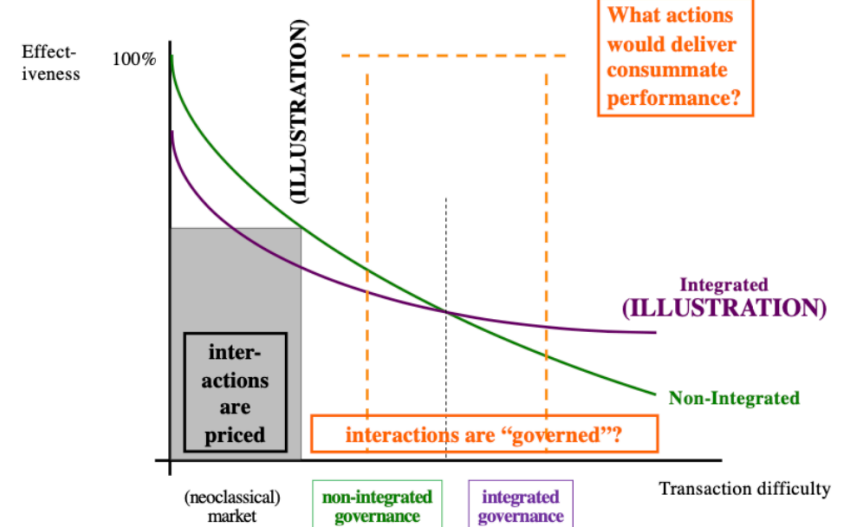
1. What collaboration are we trying to govern?
2. What are the alternative governance structures?
3. See discretion (needed & unavoidable) and needed promises
4. Build an equilibrium

3. Providing for *adaptation*
 - a. HP (stone tablet, clay tablet, white board)
4. Walking the talk (requires talking the talk)
 - a. Jack Welch @ Crotonville (& MIT Sloan)
5. Formal Measures in Informal Management
6. ...

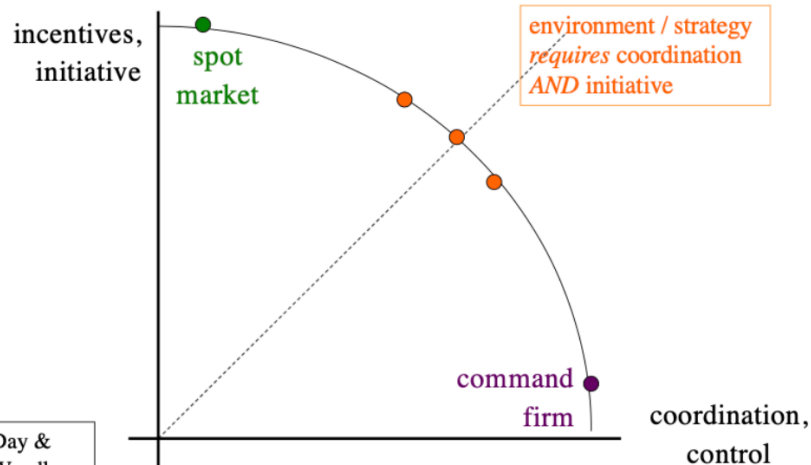
4 Habits of Mind

1. **What collaboration are we trying to govern?**
 - What actions would deliver consummate performance?
2. **Alternative formal governance structures?**
 - e.g., allocations of control **within** or **between** firms
3. **See discretion (needed & unavoidable) and needed promises**
 - **credibility of promise: temptation vs. consequences**
4. **Build an equilibrium**
 - **clarity of promise: can't be announced, must be experienced?**

HoM #1: What Collaboration?



Initiative AND Coordination?



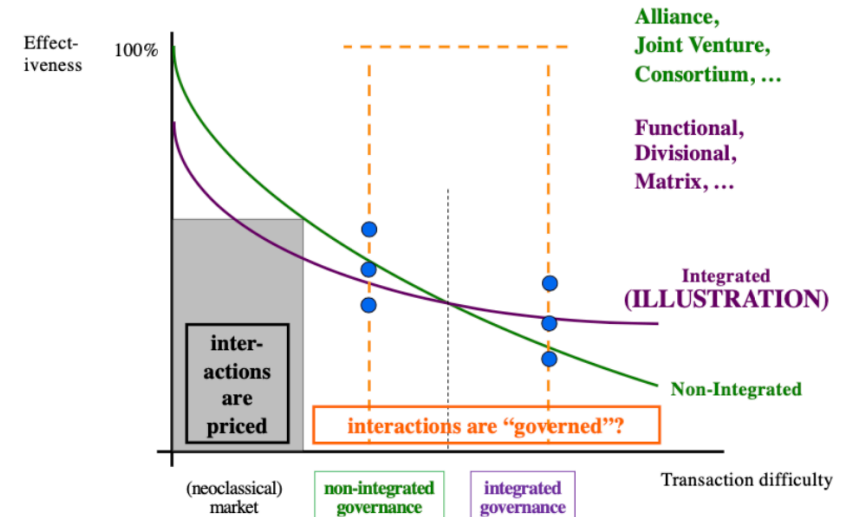
Day &
Wendler
McK Q 98

- **What does success look like?**
- **What do parties need to do to achieve this success?**

4 Habits of Mind

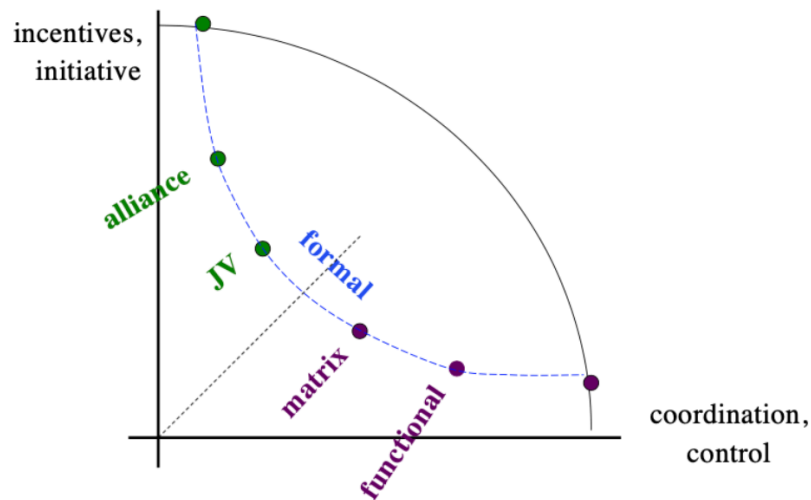
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HoM #2: Consider Formal Options



Formal Is Flawed

(in hard problems)

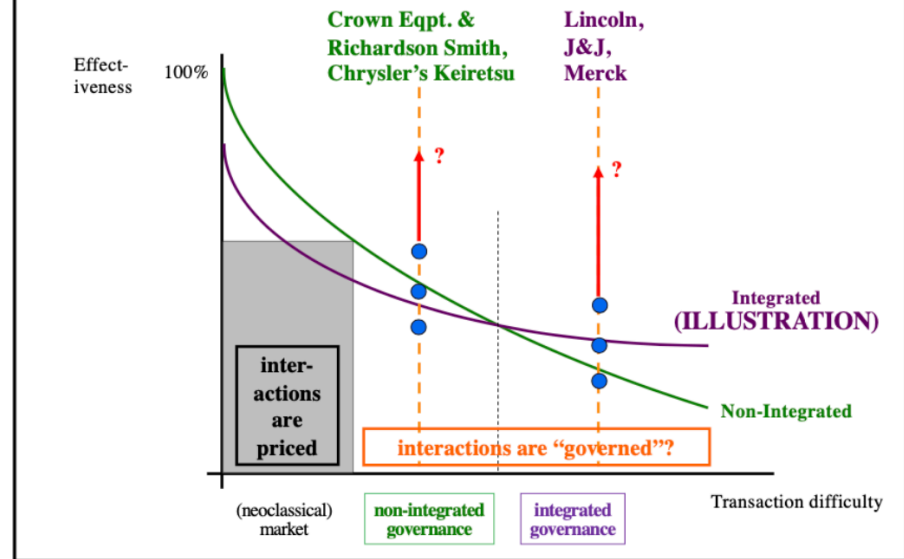


- **Formal only?**
 - Does the trick 😊
 - All you've got ☹️
- **If contracts were perfect, would we tolerate discretion?**

4 Habits of Mind

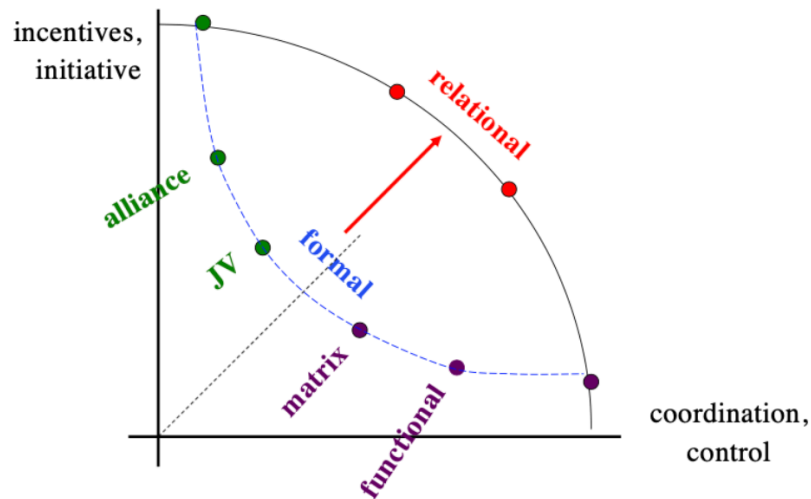
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HoM #3: See Discretion (& Promises)



Relational is Required

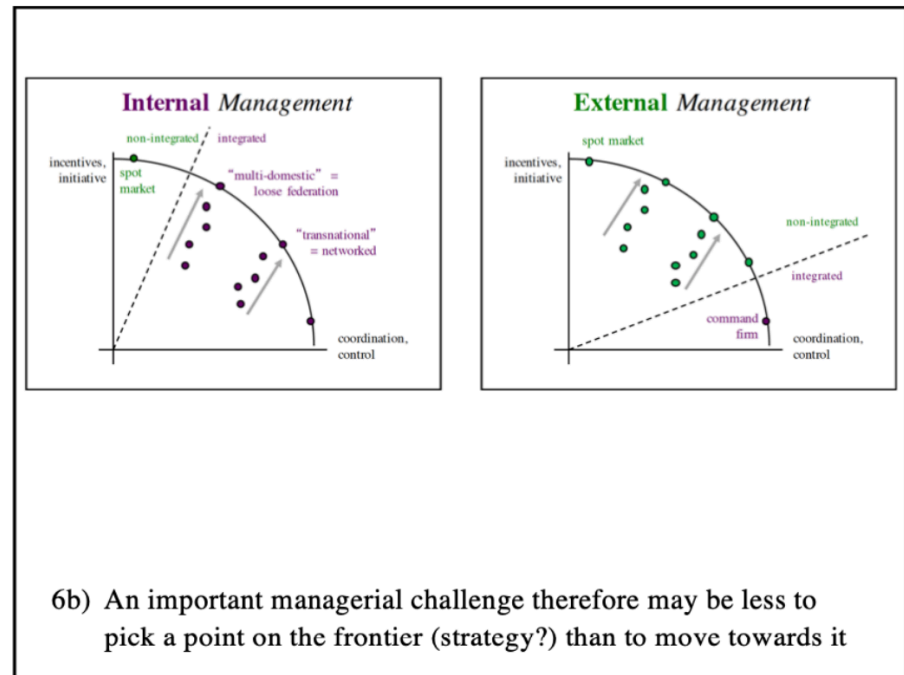
(in hard problems)



- If blue imperfect AND prospect of relationship then try promise?
- If promises clear, why not use contracts?

4 Habits of Mind

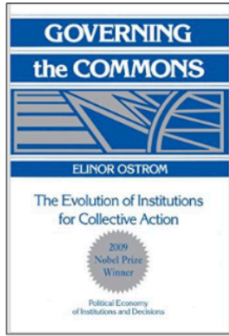
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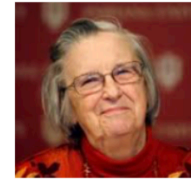
HoM #4: Build an Equilibrium

1. Acknowledging "Almost"
 - a. Merck (almost asst. prof.)
 - b. NUMMI (not "no layoffs")
 - c. oxymoron @ A.P. Sloan, ABB
 - d. Formal Measures in Informal Management?
2. Walking the Talk / Refining "Almost"
 - a. NUMMI (slowed line @ downturn)
 - b. Jack Welch @ Crotonville (& MIT Sloan)
3. Starting small (*and* creating value)
 - a. NUMMI (alternating risks)
4. Providing for adaptation
 - a. HP (stone tablet, clay tablet, white board)
 - b. Oticon (broke stone or clay?)

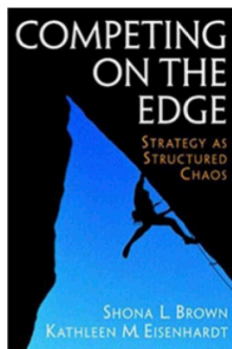
- **If blue imperfect AND prospect of relationship but promise not clear, then ... ?**
- **Important ("sign") and ongoing ("live") work**
- **Including between orgs**



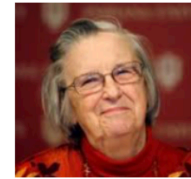
- Political Science: 40 families around a lake → how to stop over-fishing?



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- Ethnography: delegation of voice (but not decisions) → how to demonstrate listening?



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*Building
equilibrium*

- Political Science: 40 families around a lake → how to stop over-fishing?
- Ethnography: delegation of voice (but not decisions) → how to demonstrate listening?
- Google: “We were trying to build a new equilibrium. It was fragile; we had to reinforce it every day.”