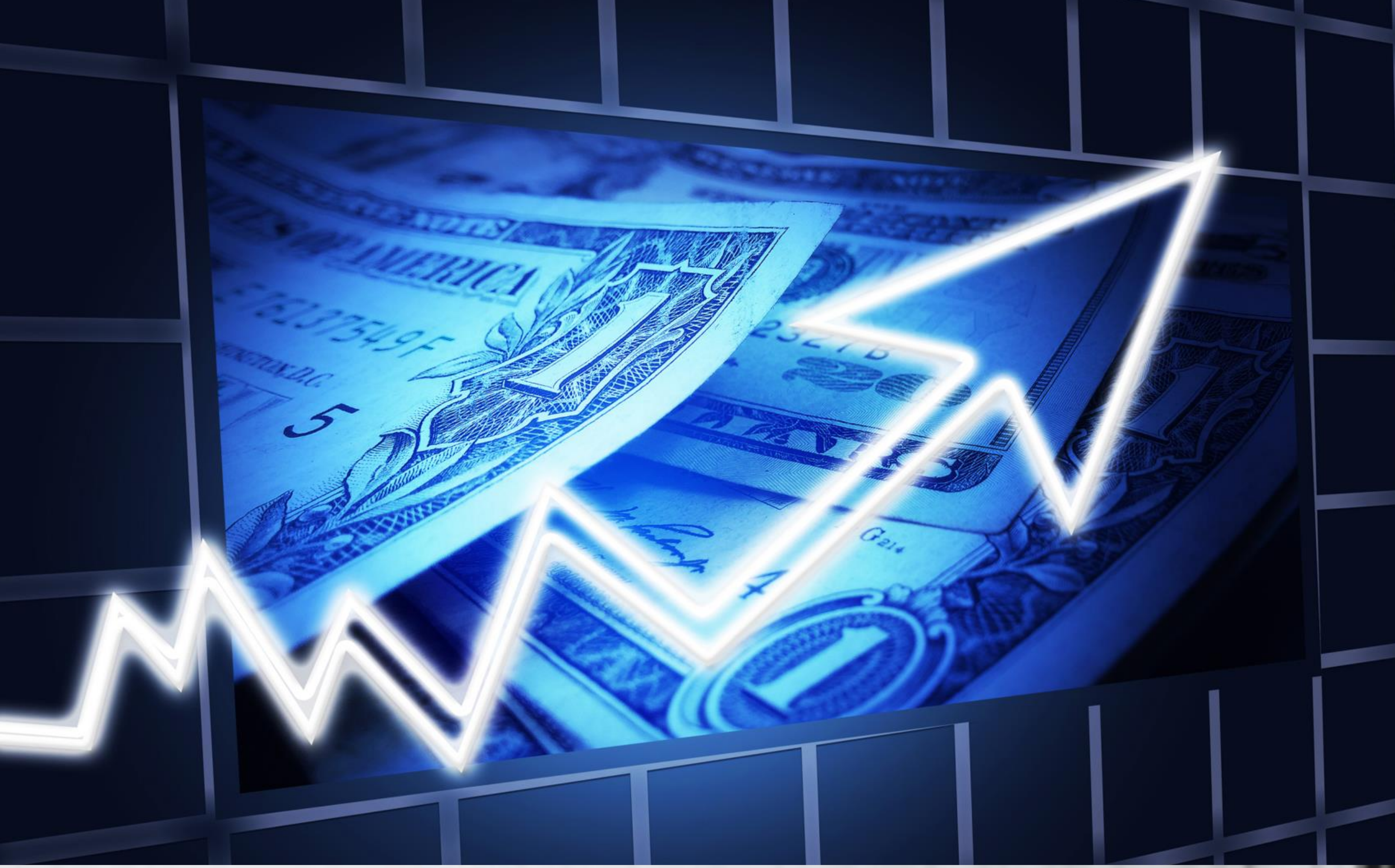
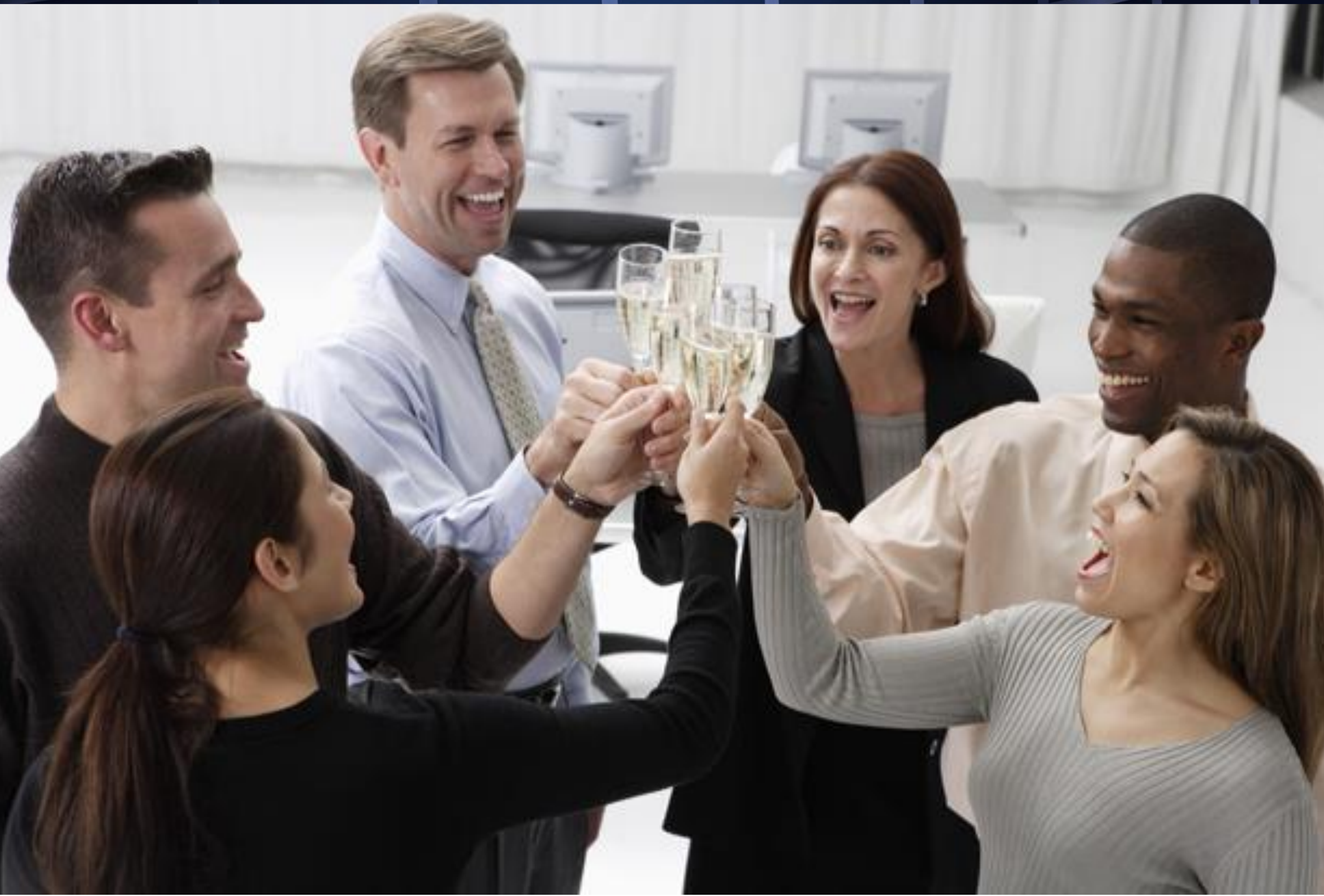




Preventing "Failure at the Brink of Success Syndrome"

Stephen Willis, Ph.D.

Mysterious and Unexpected Failure. Riley and Jessie numbly reviewed the financials for the umpteenth time as they awaited the verdict from their meeting with the investors. There could be little doubt about the outcome. The CEO and CFO still felt dumbfounded. They could not grasp how quickly their company's prospects had gone from being so promising to so hopeless. They struggled to understand what had gone so terribly wrong.

Little did Riley and Jessie realize that they were like many others who had fallen under the curse of a mysterious phenomenon that plagues organizations of every size and stripe. It affects new company start-ups, merger and acquisition integrations, joint venture endeavors, supply chain collaborations, major strategic initiatives, and large scale change management projects. It strikes out of the blue just when prospects are improving or looking really good. And just as puzzlingly, it strikes organizations that appear to be collaborating well.

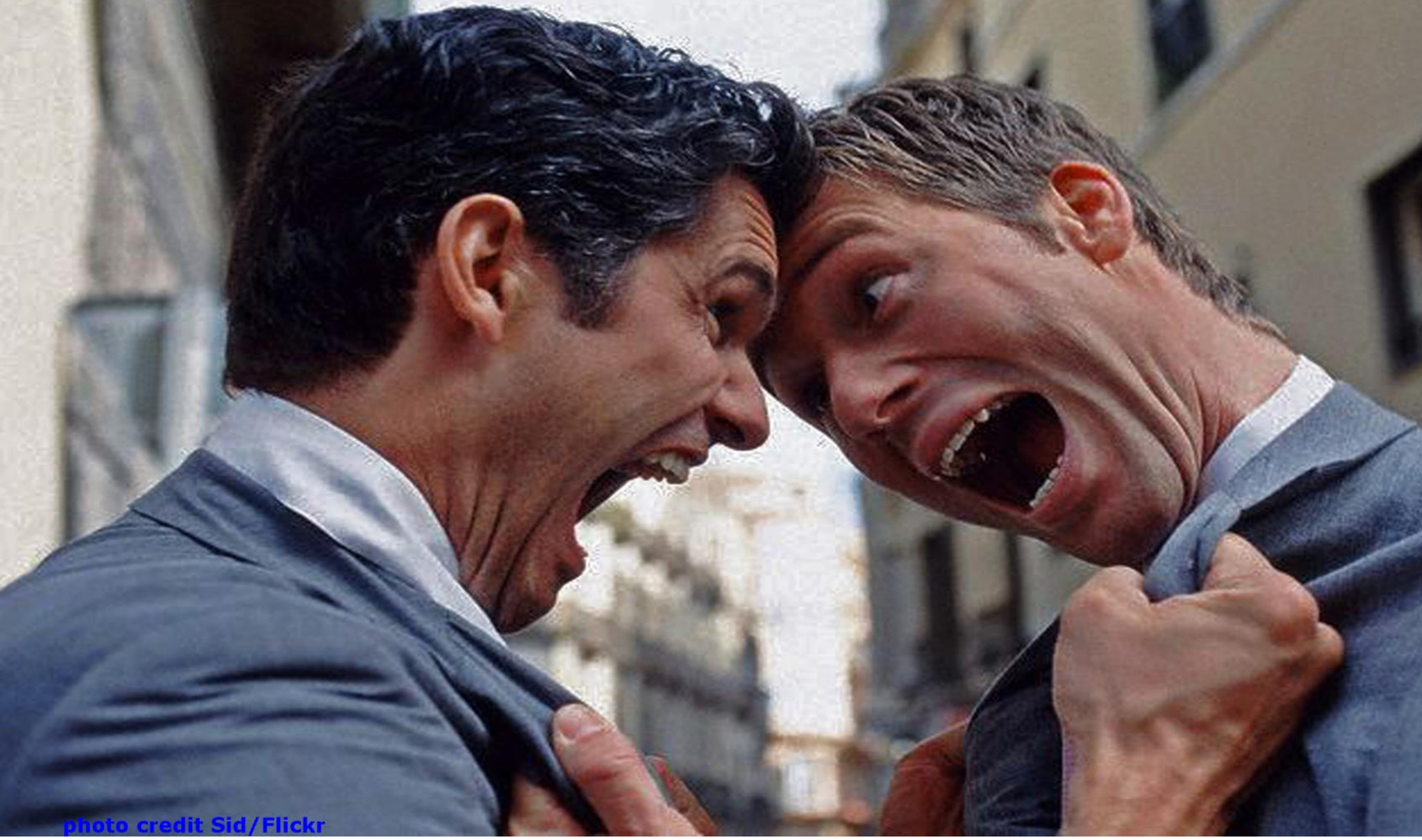
I label the phenomenon "Failure at the Brink of Success Syndrome" and utilize the Power through Collaboration Formula to pinpoint its root causes."

Promising Beginning. In the Failure at the Brink of Success Syndrome key players frequently profess a willingness to collaborate and even expressly agree to operate via a collaborative culture. However, just as business expands and momentum builds, the key players turn on each other. They become entangled in vicious battles over power, control, and money. The ensuing warfare can destroy the company, endeavor, or project, and devastate the careers and finances of all involved.

For example, Riley and Jessie launched their company with much enthusiasm, a sense of great promise, and adequate capital funding. The executive team was knowledgeable, competent, and had proven themselves during their careers. They had successful executive track records at major companies and degrees from prestigious universities.

The key players discussed counterproductive management practices they experienced firsthand at prior companies. They discussed problems caused by management operating via domination and onerous control. They emphasized that they could and would do much better. They espoused operating their company utilizing a collaborative approach.

In the beginning the key players seemed to work well together. They functioned like a high-performing executive team. With an eye on large returns down the road, they



sacrificed for little immediate reward. As is usual for new ventures, the early period had setbacks, delays, and disappointments. Yet, the capable cast of key players forged ahead and began to make things happen. Customer relationships were built and sales gained traction.

The hard work began to pay off. Several lucrative contracts were landed. The order quantities were a game-changer with the potential to rapidly push the company up to the next level. A celebration party was held. Champaign flowed and inspired congratulatory toasts all around.

Shark Attack. But shortly afterwards, a peculiar thing occurred. With the financial feast laid out before them, some key players became shark-like. They tried to make secret deals to enrich only themselves, and even tried to exclude the very people who had brought in the game-changing contracts. Trust was demolished, customers scared off, investors panicked, and the company destroyed. Principals and investors alike lost large sums of money. Like Great White sharks, they literally devoured the “goose that laid the golden egg.”

Did some troubling event precipitate the backstabbing, vicious free-for-all, and all out warfare? No! As usual, there were suspicious looking developments that could be latched onto as possible triggers, but such were not primary causes. This fatal instance of “Failure at the Brink of Success Syndrome” was not caused by new or unexpected developments or conflicts. Rather, it was just the typical pattern preordained from the very start. And the Power through Collaboration (PtC) Formula helps illuminate why it hit Riley, Jessie, and their company so hard.

Power through Collaboration Formula Post Mortem. Riley and Jessie's company operated on the basis of routine cooperation and pseudo-collaboration, and thus was at a higher risk of failure. Yet, the elevated risk was masked by a veneer of cooperation. Potential problems were overlooked or minimized so as not to rock the boat or present an obstacle. Pivotally, delicate difficult to discuss people issues were hushed up or pushed under the rug. Thus, problems only emerged or became undeniable later on at crucial junctures.

Applying the Power through Collaboration (PtC) Formula revealed that a fundamental cause of this case of "Failure at the Brink of Success Syndrome" was the particular PtC Types and PtC Motivations of the key players.

PtC Motivations. Upon looking closer at the motivations driving the key players, what initially appeared to be collaboration driven by Shared Values motivation, Shared Mission motivation, or Common Goals motivation, turned out to be merely ordinary cooperation, and sometimes just pseudo-collaboration, driven by Achieve Own Goals motivation or Survival motivation. The key players of the destroyed company acted collaboratively at the outset because they calculated that they could better achieve their own interests by working with others compared to using non-cooperative methods or going it alone. And as a fledgling company, there initially was little to lose by not appearing to collaborate.

But, the key players were not truly interested in working with their fellow principals to achieve mutual success, only with achieving their own goals. They were socially skilled enough to give the impression of caring about each other's goals, but they really were only concerned with getting as much as they could get for themselves.

When the financial opportunity arose they pounced on it. As a shark-like feeding frenzy ensued, the façade of collaboration was tossed aside and the real PtC motivations became exposed. Escalating conflict depleted the more collaborative PtC motivations, and inflamed the less collaborative PtC motivations of all the parties. Common Goals and Shared Mission motivations dwindled as Achieve Own Goals and Survival motivations intensified.

PtC Types. The less collaborative PtC Motivations are more natural for the Predator, Enslaver, and Competitor types. The key players with these PtC types shrewdly talked the language of collaboration even while focused only on their own goals. But, as soon as there was more to gain by not collaborating, the game changed. They lunged for as much as they could grab, and the company and everyone else be dammed. They did not care who they hurt or damaged.

Even though the Predator types could gain more from a fair distribution, they were unable to control themselves and share once the meal was in front of them. In the

absence of temptation they could lay in wait like a camouflaged hungry lion. But at the sight and smell of a meal they lost self-control and could not help but pounce. The Enslaver types were so focused on gaining control over the promising company that they escalated the stakes to the point where they risked losing more than they could gain just to achieve that control. And the Competitor types were so driven to win that they become ensnared in playing a lethal "game of chicken" well beyond any reasonable balancing of the prospects of winning versus losing or risks versus rewards. The combination of noncollaborative PtC Types plus noncollaborative PtC Motivations made the downward spiral inescapable and fatal.

Prevention. The company principals and investors were talented, skilled, smart, educated, experienced, powerful, well-connected, and adequately funded. They were also energetic, hardworking, and invested enormous amounts of time and energy. But these qualities were not enough to insure the success of their promising venture. All came to naught because key players characterized by noncollaborative PtC Types and PtC Motivations destroyed their company upon the brink of success. How could such a seemingly capable executive team not grasp the damage they were inflicting on their company, and change course before it was too late?

The key players were well aware of the advantages of working together. What they did not comprehend was the pivotal distinction between cooperation and collaboration, and the dramatic difference in associated outcomes. They were also unaware of their own PtC Motivations and PtC Types. They were just being themselves and reflexively conducting business as usual. They were oblivious to the dysfunctional patterns they were acting out, and the precarious path they were on and where it was taking them.

The “Failure at the Brink of Success Syndrome” can be prevented by early diagnosis and preparation. The key distinction between collaboration and ordinary cooperation needs to be understood and a determination made as to which best fits the parties involved.

Sensitive and difficult to discuss people issues need to be addressed early on. When a collaborative approach is desired in setting up new companies, joint ventures, mergers and acquisitions, reorganizations, supply chain collaborations, cross functional teams, or other such endeavors, the due diligence process needs to include an analysis of the PtC Types and PtC Motivations of the key players.

The PtC Formula is a tool that can optimize the likelihood of success. It can create a realistic strategy that incorporates key players’ PtC Types and PtC Motivations, and determines what level of collaboration will work best for the collaborative endeavor.

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