

Intel boldly goes on marketing mission

When journey into the future can be science fact

Valuable lessons from inflexible alien cultures

Most of us have seen science fiction films where advanced civilizations and cultures have somehow “lost the plot” and exist for the sake of existence itself, subjugating their people, crushing expression and individuality.

Star Trek’s Captain Kirk came across umpteen examples during his command of the *Enterprise*, and the BBC’s Doctor Who still bears the mental scars of the time lord’s run-ins with Cybermen and Daleks.

Fans of the genre tell us that such stories can teach us valuable lessons about where our own cultures and civilizations are headed, and offer important warnings. No matter how powerful and amazing is the technology that comes our way and how successful our communities – including top companies – become, people need to be constantly looking at, and sharing their opinions of, how those organizations are organized.

The “bottom line”, so to speak, is the involvement of people. The simple truth for successful businesses is that their success isn’t guaranteed. One way to ensure it is to consistently re-invent themselves, while at the same time harnessing the value they have in people from all sections of the business and from outside.

Doctor Who and James T. Kirk have tried to impose similar sorts of philosophies on erring communities for decades, but what would they make of twenty-first century corporations which are structured in such a way that the best front-line employees are kept away from interacting with customers? Where designers and engineers are busily coming up with products the marketers doubt if people want or need? Where the people who know answers to important questions are discouraged from speaking?

Where sections and divisions of a company interact only with the people within those sectors? Where employees’ efforts are measured within the narrow context of their own isolated task, rather than relating their contribution to the organization’s effectiveness as a whole? And where everybody just keeps his or head down, doing what’s expected of them and no more, and drawing comfort from the one and only way their labors and expertise are rewarded – getting paid?

Command or communication?

No doubt the Doctor and the Starship captain would call it stupid, as indeed it is. Yet many companies, whose employees from the president and CEO down, would recognize the folly of such a situation are in a similar one and seemingly don’t have the will or capability of getting themselves out of it by introducing new structures which have less emphasis on command and more on communication.

But who within the organization should talk to whom? Asking the question and recognizing such dialogue is vital is already a sign of progress. And of the organization itself, should the fact that it is extremely successful tempt its management to veer towards the status quo when that frightening possibility called “change” is dared to be mentioned?

At iconic technology company, Intel, for instance, you might imagine that their branding should be left well alone. Especially as that “Intel Inside” finale to advertisements provided it with one of the world’s best-known trademarks – possibly even more memorable than the PC manufacturer’s product with which it was sharing the expensive advertising.

Intel intelligence was sufficiently savvy to be aware that just because you are a high-flying, high-performing profitable company, doesn’t mean you will stay that way. As the world changes around us, staying the same often involves a great deal of change.

Who would take notice of a marketing man?

So when the company’s new Chief Marketing Officer said the “Intel Inside” slogan had to go and even the Pentium processor brand name – recognized by generations of users – would be phased out in the name of progress, saying he was brave and bold is an understatement. Maybe not like boldly going where no one has ever gone before, but getting pretty close to it in an organizational structure context. But who at Intel would take notice of a mere marketing man? After all, wasn’t the company’s enviable success based on being engineer-led?

That was then, and this is now, was the message which permeated the whole organization. New CEO Paul Otellini was on a mission to make changes – changes necessary to the company’s future. And people were going to talk to each other, not so much about a very well-known chip which helped to revolutionize the PC market, but about a range of new collaborative ventures in areas including consumer electronics, health care and communications. Those people doing the talking would not be engineers telling marketers about even faster chips which they should go out and sell, but marketers, engineers and software developers talking together about what products could and should be offered.

Furthermore, the conversation would be shared with experts such as ethnographers and even a doctor, the latter being brought on board to help develop technologies for digital health. Cliff Edwards says of Otellini: “Rather than just micro-processors, he wants Intel to create all kinds of chips, as well as software, and then meld them together into what he calls ‘platforms’. The idea is to power innovation from the living room to the emergency room.”

In February this year, (2007) for instance, the Intel Corporation announced the mobile clinical assistant (MCA) to help nurses to spend more time with patients. The same month the company announced research to give medical experts faster assessment and intervention for age-related conditions such as Alzheimer’s disease and injuries from falls.

A journey into the heroic environment

While Doctor Who’s and Captain Kirk’s journeys may be trans-galactic, Rob Lebow wrote a “Journey Into The Heroic Environment”, a guide to creating a work environment based on shared values. In the present paper Lebow uses the example of a Chief Financial Officer, Tom Hastings, to further his advocacy of connecting job satisfaction with performance to increase morale and productivity. Trusting associates, being receptive of new ideas, giving credit where it’s due and being prepared to take risks all play their part in the journey.

“ Intel intelligence was obviously sufficiently savvy to be aware of the hard-to-accept fact that just because you are a high-flying, high-performing, profitable and well-known company, doesn’t mean you will stay that way. ”



Hasting says of his biotech company's pyramid organizational structure:

The pyramid is comprised of rules, incentives, performance standards, processes, policies, etc. The list goes on. It's like asbestos. In the past, we used asbestos everywhere, not knowing that it was poisoning using our homes. In this case, this structure is killing our profits, competitiveness, and abilities to adapt. Most of all this operational approach separates us from our passion to do our jobs. Instead of connecting people to their jobs, we spend time and resources building better and more dynamic pyramids because we believe in trusting numbers, not people.

The alternative is a strategy which nurtures people's individual responsibility and accountability – developing structures to allow, for instance, front-line staff the flexibility and authority to conclude interactions to the customer's satisfaction without having to refer anything back to a supervisor.

The fact that the word "ownership" has been much overused and has had some fairly woolly definitions shouldn't deter companies from testing the benefits of instilling a feeling of "ownership" of a project or product among employees.

Peer group power to get things done at BP

At BP, during a period when peer groups were established in the company's oil and gas exploration division, peer group members were the business unit leaders (BULs) responsible for profit, and not functional managers. Michael Goold says:

This meant that decisions taken in peer groups carried the authority of the senior line manager in each business unit. Each BUL was able to take account of his or her own business unit perspective in peer group discussions, providing a means of surfacing and resolving possible conflicts between peer groups and business unit priorities. By involving BULs directly in peer groups, BP made sure that the peer groups would address the most important business issues and had the authority and power to get things done in each business unit.

The key to organizational change was not dissimilar to the aspirations of other companies – especially huge ones with local, regional and global power bases: to find out about and learn from the best-practices of other business units and willing to co-operate with other sections of the organization to help each other face particular or shared challenges.

Captain Kirk said that one of the advantages of being a captain was being able to ask for advice without necessarily having to take it. Today's captains of industry might find some comfort in that, but taking employees' advice might just surprise them.

Comment

This review is based on "Inside Intel" by Cliff Edwards, "Making peer groups effective: lessons from BP's experiences" by Michael Goold, and "A CFO's strategy for the human side of change" by Rob Lebow. Cliff Edwards highlights changes made by new senior management at Intel which includes a billion-dollar advertising and marketing campaign and a shift in focus away from PCs towards consumer electronics, wireless communications and health care. Rob Lebow describes, by means of a conversation between a CFO and a departmental secretary, a corporate change agenda on a control-based company structure which limited communication and interaction. Michael Goold analyses the use of a peer group process at BP from the early 1990s to 2001 and considers changes in BP's management processes since 2001 and the reasons why peer groups were disbanded.

References

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