"... the rate at which individuals and organizations learn may become the only sustainable competitive advantage, especially in knowledge intensive industries..."

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Background

There is general agreement about why GM, IBM, the American steel industry, etc. are down on their luck: times changed, the companies didn't. They followed a well established business strategy: IIABDFI ("if it ain't broke, don't fix it"). While this strategy may be adequate in periods of relative calm, it is certain to fail in a turbulent environment. Witness the current landscape of American business.

We are now in a period of enormous change--social, political, cultural, and technological. Even more important the rate of change is accelerating exponentially. (See the attached discussion of changes in the publishing industry.) This is forcing us to reevaluate venerated models of management and modes of corporate thinking and search for alternatives which are more appropriate to the current business climate. American business is now undergoing a "paradigm shift" not unlike that experienced by the scientific community in moving from the Ptolemaic to the Copernican view of the universe or from Newtonian mechanics to the special theory of relativity.

The problem is that the new paradigm is not yet fully defined or accepted. We can begin to see its outline by looking at some of the characteristics of an organization which thrives on change. These characteristics include flexibility, adaptability to changing markets, openness to new ideas, innovativeness and creativity, a healthy dose of skepticism about past practices and successes, a relentless seeking of information (about itself, its customers, and the changing environment in which it functions), a shared vision which keeps the organization on course and, most important of all, a recognition that no one person has all the answers, that there is much to be learned and that everyone in the organization must contribute to the learning process.
Building the Learning Organization

The Learning Organization

This list enumerates a few of a network of features which characterize a learning organization. We could mention others as well: a "flat" rather than a hierarchical organizational structure; viewing information as a shared resource which is available to everyone in the organization; existence of cross-functional teams which contain members from all departments at all levels; evaluation and reward criteria which encourage creativity, learning, and informed risk; a shared feeling of purpose by all members of the organization, etc.

These characteristics are interrelated parts of a single whole. They are "symptoms" of an underlying organizational philosophy from which they flow naturally and inevitably. They derive from a shared belief in the primary importance of continuous learning and personal growth throughout the organization. This carries with it a commitment to openness, sharing of information and a respect for the capacity of all individuals in the organization to learn, to grow, to contribute, and to create. From the perspective of a learning organization, an organization's most important asset is the knowledge which its members possess and its ability to continually use and create new knowledge.

Building the Learning Organization

To build a learning organization we have to start from the premise that "we all have a lot to learn" about our business, our customers and, most importantly, about ourselves. We all function according to certain "mental models" or internalized views about how the world "really is" and how the world "should be". We all have devices that we employ automatically (and usually tacitly) to avoid embarrassment, to maintain control, to "win", etc. Left unexamined these can also function as barriers to genuine communication and creative learning. It is this sort of "reflexive" learning--learning about our learning processes--that is the hallmark of a learning organization. It is only when we can take a step back and say things like "Oh. This is where the communication process is breaking down. This is why we're not getting anywhere. Let's fix it." that we will be able to create teams which have higher IQs than their individual members and an organization which fully utilizes the creative potential of all of its employees. At that point we can begin to achieve a significant and sustainable competitive advantage. We begin to have a learning organization.

Is This A Fad, Yet Another Program Du Jour?

There were eighteen participants in the Darden BLO Executive Program. I represented the smallest business organization. The next smallest had annual revenues of about $100M (up to several billion dollars per year for the largest). Represented companies included South African Breweries, Ethyl Corporation, Lederle Labs, Chemical Bank, BC/BS Florida, Philip Morris and Mobil Oil. Every company in the group was already committed to some degree to the ideas embodied in the program. They have all taken steps towards building a learning organization.
Building the Learning Organization

This is not to say that these initiatives will all work. It does suggest that these ideas are becoming a part of the fabric of business in America. The move from command and control to learning organizations is not being imposed upon business by academics. It grows out of the changing nature of customers, competition, and change itself. The concepts underlying the learning organization are not new. In some respects they appear obvious and trivial. They have been clearly articulated for at 30 years. That they are just now coming into "fashion" is perhaps not all that surprising. After all, IIABDFI.

BLP and the Learning Organization

Is any of this relevant to our business? Even if one agrees with the basic principles of a learning organization, how does vague theory get translated into actual practice? There are no simple answers to these questions. The answers differ for each organization. The following very general steps are frequently mentioned:

Attend to and reevaluate our core competencies ("What do we do and what do we want to do?"), our core processes ("How do we do it?"), and our corporate culture ("What is it and how is it reinforced?")

Build a shared vision or a picture of what the organization will look like in the future. This should serve as a guide and a magnet which draws the organization forward. To function in this way the vision must be concrete, compelling, and truly shared by everyone at every level in the organization.

Articulate a set of organizational values which will frame the strategies necessary to realize the vision. These values will become the basis of the new corporate culture. E.g., we might include among our values the overriding importance of providing to our customers not only the highest quality products but highest quality service as well. Other corporate values might include openness, sharing of information, etc.

Make an individual commitment to openness and personal learning. Senge refers to this as "personal mastery." Without this sort of individual commitment at a personal level a learning organization is impossible.

Make an individual and organizational commitment to learn to work in teams. This involves appreciating different learning styles and problem solving strategies, developing listening skills, understanding our own defensive routines, taking risks, replacing winning with learning as our primary criterion of success, etc.

On a more concrete level we might:
Building the Learning Organization

Use every opportunity to articulate and re-articulate our shared vision to anyone who will listen. Make sure that this vision and the values which frame it are reflected in our daily routines.

Begin pilot reengineering projects which embody some basic ideas of the learning organization such as cross-functional teams. What we learn from these projects is no less important than whether they "succeed".

Read and discuss together articles and cases about how other businesses are making the transformation from command and control to learning and participation.

Make an awareness of these ideas part of our corporate culture. Discuss them at every opportunity. Incorporate them into our daily routines. Set up a library which is available to everyone in the organization.

Treat information as a resource to be shared by everyone in the organization. Move from information as a need to know commodity to information as a want to learn resource. Develop both the mindset and the technology which is required to give people a clear sense of what we are doing and how we are doing it. Our goal is to encourage creativity and learning at every level. This won't happen unless people at every level are part of the team. Availability of information is a necessary condition.

Invite a couple of customers to one of our executive meetings just to chat and see what they have to say. Invite a couple of authors to an executive meeting for the same purpose.

Reformulate evaluation and reward criteria. Make explicit the importance of learning, openness and informed risk taking. Reformulate hiring and promotion criteria. Make explicit that what a person can and is willing to learn is no less important than what a person knows.

Initiate small regular discussion sessions drawn from people at all levels in all departments to review articles or ideas of interest.

The learning organization provides one model for channeling the creative potential of everyone in the company towards the same end. Whether it will work for BLP is to a large degree a matter of choice, commitment and our willingness to take a risk.
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Some Thoughts on Publishing in the 90's

Glenn Kessler
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The publishing industry is changing. I have seen in several places the impact of electronic publishing on our industry compared to the invention of the printing press. While this may turn out to be an exaggeration, there is no question that the role publisher is likely to change radically over the next few years. For example, Dow Jones, publisher of the Wall Street Journal, today publishes 50% of its material electronically. Five years ago that figure was close to 0%. Dow is not an aberration. It's a sign of changing times.

How will electronic publishing effect what we do? I want to consider one very important consequence of electronic publishing for the industry along with a relatively minor one. What's interesting is that this minor consequence is the one which normally comes to mind when we "think electronic." The major development is less frequently discussed and recognized.

The minor consequence is the creation of new markets. The advent of electronic products without question opens up new markets via:

- New types of products
e.g., searchable databases, interactive systems
- Old products repackaged in new ways
e.g., forms on disk

When we think of electronic products this is what we tend to focus on. How can we sell new electronic products to our current markets and expand our markets with these new products? This is reasonable and important. But to see electronic publishing in this context is to miss the most significant impact that electronic publishing will have on our industry. This consequence may well redefine what it is to be a publisher.

The truly cataclysmic development tied to the publication of electronic products is

- Proliferation of delivery channels

The role of the publisher bifurcates into the following areas

- Nurturing and guiding the creative process
- Packaging and distributing the results of this process
Thoughts on Publishing

Up to now the publisher has not only helped the author in the development of material but has pretty much been the final arbiter of the form of that material. It is delivered to the customer in one "take it or leave it" form determined by the publisher. If we factor out the creative aspect and focus on the latter, a package of information is pretty much like a toaster or a hair dryer. Our packages are called "books." This is changing and we have already seen the change in our own back yard.

With the advent of electronic publishing the cost of distributing information drops dramatically. Anyone can do it. As the cost drops even further and the means of electronic distribution become even easier to master, more people will. Consider CD Law in New Hampshire. They are not publishers and only nominally in the "information business." Yet they were able to capture a sizable portion of a market that we thought we owned. This is not an anomaly. It's the sign of a sea change. As of January 21 the California Codes, statutes and all legislative material is available on the Internet. All you need is a PC, a modem and a little patience. As publishers we must adapt to the widening accessibility of information.

And as that information becomes more accessible (and we ain't seen nothin' yet), the customer is going to become more selective about the information that she wants. We will see an increase in on-demand information providers. Expect online systems to become even better and more aggressive at giving users exactly what they want.

We are part of the information industry and we need to be very clear about what our role in this industry is going to be. The information industry has the potential to become the ultimate customer driven industry. Those who don't position themselves to respond to the customers' demands may not survive. It's unlikely that we will be able to dictate what attorneys should read or how they should read it. Much of the information we publish will be available from other sources. Channels will even be open to authors to directly disseminate and market their own information.

This is already happening today. As information is digitized it becomes more accessible. There are more ways to distribute it and more demand to distribute it in various ways. The publisher's challenge in the 90's will be to capitalize on these proliferating vehicles for information delivery and the see the new technology as an opportunity rather than a threat.

Consider the supplementation process. Twice (or four times) a year we print supplements for nearly all of our publications and realize substantial revenue from these supplements. Could there be an even better and more profitable way to provide this information to our customers? Would customers be willing to pay more if they had to wait less or if they received only the information they really need? Could we provide immediate electronic access to this information in addition to or in place of printed supplements? Could we provide to customers immediate updates to the information that they need the most? What can we offer that will make their life easier and increase our revenue? The point is that someone is going to take advantage of alternative delivery mechanisms. And they might just be the people who wind up with our customers. The question we need to be asking ourselves is what will it
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mean to be a publisher? What role do we play now and will we play in five years time?

Electronic publishing is not an aberration. It is the harbinger of a rapidly changing information industry. As the means of information distribution change and proliferate the publisher will remain the developer and "guardian" of high quality information. But the distribution of this information will become a separate function. The degree to which publishers can maintain control of this function (either individually or through joint ventures with online services, cable companies, RBOCS, software giants such as MicroSoft, etc.) will, I believe determine the nature of publishing in the next century.