

## The Venn Factor – Part II

Eat Right and Exercise

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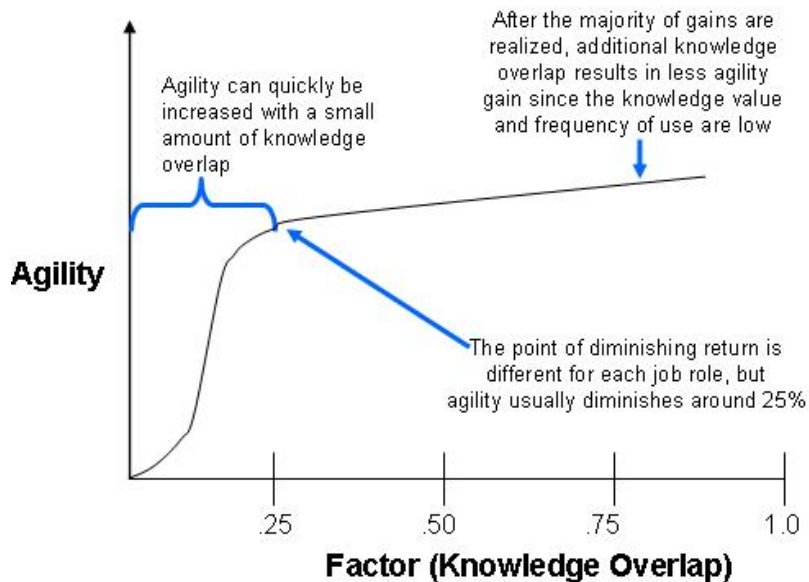
*The Introduction to the Venn Factor* article contends a company whose employees have a high Venn Factor is much more agile than one whose employees have lower factors. This idea isn't necessarily a complex or a difficult one to understand. In the words of a noted world leading business thinker, David Maister<sup>1</sup>, "The keys to losing weight are fairly simple, eat right and exercise." It's not enough just to understand and believe in eating right and exercising, as execution of these are the key to success. The Venn Factor is analogous to this principle in that leadership must take action if they believe in the value of having an overlap of knowledge. Many executives realize the benefits of cross-training, but may not know where to target increasing the Venn Factor in their organization or, once that is known, just how to go about increasing it. This article assumes there is value in the overlap and focuses on helping executives understand the what and how of eating right and exercising or, in this case, determining the what key employees need to improve their Venn Factors, the right amount of overlap (i.e. factor), and how to go about achieving that overlap.

Many organizations commit to the Venn Factor in principle, but then fail to execute on its principles. While not everyone needs to have a high Venn Factor, at a minimum the major decision makers and leaders of a company need to have appropriate factors (see Figure 1). Organizations rarely have leaders with the right level of overlap, and thus they don't foster and execute on improving the Venn Factor. For example, does leadership require the corporate training department to focus on cross-training future leaders? Is corporate recruiting looking for new hires with both business and technology knowledge? Is money being spent on either of these efforts? These are all signs of commitment and execution towards the goal. If executive leadership isn't committed and executing on their beliefs, the beliefs will never be recognized at the organization's lower leadership levels.

Corporate culture stems from executive leadership - there are many examples to support this including Andy Grove<sup>2</sup> (Intel) and Steve Jobs (Apple). In order for an organization to develop a healthy Venn Factor, the action must start at the top. Both IT and Business Executive Leadership must commit to working together, and better understanding each another<sup>3</sup>. How many regular scheduled meetings are there between you and your counterpart – e.g. if you are a CIO, how often do you meet with the COO and/or CEO? If the answer is a low number, it begins illustrate how your counterpart(s) see the role IT plays in the success of the business as well as the current relationship between business and IT.

If there isn't an overlap of knowledge around IT and business alignment an IT dependent organization's agility will suffer. The conversations may be difficult and awkward at first, but are necessary. As stated in the *Introduction of the Venn Factor*, today IT plays a much more vital role in business than it has in the past. If there is a corporate business strategy there should be an corresponding IT Strategy to go with it

and, most of all, people who understand how the two work together to deliver the strategy. Once Business and IT Executive leaders begin to better understand each other, they will be able to make better, more informed decisions and that will send a message to the rest of the organization about the importance of understanding your counterparts and their vision.



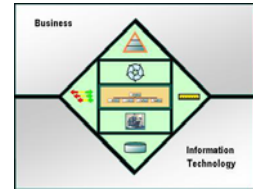
**FIGURE 1**  
Corporate Agility vs. Knowledge Overlap – Conceptual Overview

How much one should know about their counterpart's activities (whether business or IT) varies depending on how both of their roles and responsibilities relate to each other. One can measure if the right level of overlap is present by seeing if their counterpart has additional activities they should know about in order to better conduct their job. This usually requires a bit of process and activity analysis<sup>4</sup>, but because the majority increase in agility occurs with a small amount of overlap (see Figure 1), large gains can be achieved

through acquiring knowledge of these activities. An exercise as simple as conducting a business and technology workshop to learn about how different jobs are interrelated, or even taking your counterpart out to lunch to ask some questions is beneficial.

For example, at an executive level, the CIO and CTO should know where the CEO and COO would like to take the business in the next 3-5 years. For the CIO and CTO to actually understand the business strategy, they must understand the industry. While technology is horizontal in nature, the issues that crop up are often industry specific. Likewise, as a CEO or COO one should have a high level understanding of how the technology is enabling the business strategy. A couple of important points here, the first is that the business plans still drive IT, and the second is that the overlap isn't one way (i.e. IT only needing to have an understanding of the business). As Figure 1 shows, however, be careful not to start doing your counterparts job or waste time acquiring knowledge of low value – the benefits of increased agility diminish after the early gains are realized.

A good example here is that there may be a new technology or product that could greatly reduce a company's inventory costs. As a business executive one may hear or read about the technology, but a better understanding of how the technology will help and apply to the business can be accomplished by also understanding the basics of the technology itself. As an IT executive one must understand the



business to best determine if the technology has the potential to be of any benefit to the business. The primary point is that if both the business and IT executive know a little about their counterpart's activities and vision then they are together a more agile and powerful team. If there is a low Venn Factor each person solely relies on the other for knowledge and ideas, resulting in the company still not performing up to its potential.

Part III of the Venn Factor, *You Can't Get There From Here*, will discuss organizational change beyond the executive level and measurement of improvements from cross-training.

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<sup>1</sup> David Maister, *DiamondCluster All Hands Meeting* (May 5, 2006)

<sup>2</sup> Richard Tedlow, *The Education of Andy Grove*,

[http://money.cnn.com/magazines/fortune/fortune\\_archive/2005/12/12/8363124/index.htm](http://money.cnn.com/magazines/fortune/fortune_archive/2005/12/12/8363124/index.htm) (Fortune Magazine, Dec 2005)

<sup>3</sup> George Westerman, *IT Leadership and Agility*, <http://mitsloan.mit.edu/cisr/r-main.php> (MIT CISR, 2005)

<sup>4</sup> David C. Baker and Micahel Janiszewski, *7 Essential Elements of EA*, <http://www.diamondcluster.com/ideas/whitepaperlist.asp> (DiamondCluster International, 2005)