Robert D. Austin and Javier Busquets

Managing Differences

Innovations Case Discussion:
Specialisterne

> Autism is both a disability and a difference. We need to find ways of alleviating the disability while respecting and valuing the difference.[1]
>
> —*Simon Baron-Cohen, autism expert*

The example of Specialisterne, its mission and accomplishments, inspire us at the broadest human level. It's a story about a father's love and sacrifice for his son, about members of society left behind and counted out who return in triumph. About mothers moved to tears by the long-awaited and fervently hoped-for successes of their children. And about good done for individuals that is also good for us all.

The importance of such stories (as the pages of this fine publication demonstrate, there are many others) has been widely agreed. According to *The Economist*, social entrepreneurship was the hot topic among world leaders at the 2008 World Economic Forum in Davos, Switzerland.[2] That entrepreneurship has taken a social turn is an exhilarating fact both for the good it can do and for the new challenges social systems and contexts present to conventional ideas about management. Within such enterprises, we find unfamiliar business questions (Why do people care for each other?) channeled within familiar frames (How can we design incentives to make the most efficient use of such motives?). These questions, and others like them, invite us to reflect in new business-relevant ways on issues of our own human nature and how we interact.

Thorkil Sonne started Specialisterne to create employment opportunities for people like his young son, who had recently been diagnosed with autism. As an expert in information technology, Sonne realized that some of the traits he

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observed in his child fit very well with the ordinarily tedious and exacting tasks involved in software testing. Here was a job, he reasoned, in which people with autism could excel, in which they could earn their own way without charity from others. So he founded his firm as a for-profit business. But he quickly discovered that the usual principles of business don't extend seamlessly to social enterprises. Conventional wisdom in marketing, for example, didn't help that much as he considered how the company should manage perceptions of its unusual mission. Specialisterne's social mission helped him get through the door to meet new clients, but it also threatened to undermine perceptions of the firm's capabilities (because people assumed, wrongly, that clients would hire the company to do good rather than because its consultants are good at what they do). Such unconventional challenges stretch our thinking about marketing and business in ways that advance our general understanding of those subjects.

Indeed, there are many, similar reasons to examine this company, reasons that don't rise to the level of importance of the firm's and founder's overall accomplishment, but that nevertheless offer other firms lessons that might apply to them. Without taking anything away from Specialisterne's larger significance, we'd like to focus on one issue the company's example suggests for all firms in an economy that trends increasingly toward knowledge-based and innovation-based value creation: managing differences. More specifically, managing people differences.

THE BENEFITS AND COSTS OF IDIOSYNCRATIC TALENT

One of our colleagues, a senior business school professor who serves on the boards of directors for several large international firms, recently read a Harvard Business School case we co-authored on Specialisterne;[3] he immediately raised the following issue:

> The item that is hard to sort out in the case is how much (if any) of a cost is being incurred by a customer to use these resources. Is it mostly break even with extra coordination costs or are there significant economic advantages? You tease out the issue but it is hard to know the economics associated with it.[4]

In meetings we have attended, Thorkil Sonne, when asked why his company operates as a business instead of a charity, has always highlighted the advantages (to everyone, staff and customers) of viewing the special skills of ASD consultants as a source of competitive advantage, rather than as a disability to be overcome. If we engage this point with seriousness and evaluate the firm as a business, on the business value it creates, then an unusual feature of its interactions with client firms demands closer examination: the extra support and extra management required of both Specialisterne and the client firm when consultants have ASD.

Specialisterne must either absorb extra costs, those over and above what would be incurred in this category by a firm that did not employ ASD consultants, or pass these costs along to clients in the form of higher prices. Costs incurred directly by

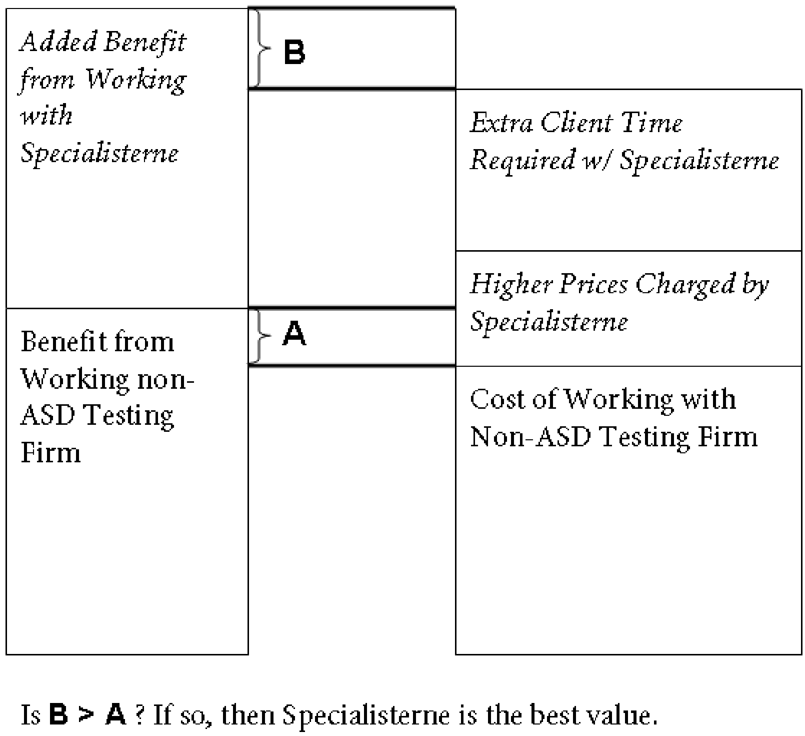

Figure 1. Net benefit of working with Specialisterne.

the client, managing the fact that many ASD consultants cannot work full-time, say, amount to extra costs of doing business. To justify the additional costs in business terms, Specialisterne must provide additional business benefits. There is evidence that they do; the company estimates that their consultants are more than 20% more effective than traditional testing consultants.

But the real question, as our colleague points out, is about relative magnitudes. Is the extra 20 percent in benefits enough to offset the added costs? We can depict this question graphically (see Figure 1 above).[5]

Events in the case—a client who departed for the lower prices of an alternative firm eventually returned—suggests that B, the "profit" that arises from working with Specialisterne, is greater than A, the "profit" that arises from working with a "non-ASD" firm. In other words, Specialisterne can provide additional benefits that exceed the additional costs they impose on clients. Our purpose here is not to argue this point or further analyze benefit and cost accounting in work with Specialisterne. Instead, we wish to point out how truly general this question of relative benefits and costs really is when you're managing specially talented employees. It's nothing unique to ASD consultants.

A manager at one of Specialisterne's client companies made this point eloquently. He argued that managing Specialisterne's ASD consultants had made him a better manager of all his staff. Managing ASD consultants, he said, was about creating the conditions required to make these staff members most productive. Working on that problem resulted in an epiphany for this manager. He realized that the same approach could be applied to all his employees, especially the particularly talented ones. Many (but not all) of those, he observed, had eccentricities or other idiosyncrasies of personality or behavior. In the past, he'd regarded these differences as inconveniences he needed to "put up with." After working with Specialisterne, he began to ask whether there might be ways he could improve the performance of all his employees by adjusting their working conditions to better suit their preferences and idiosyncrasies. Atypical behaviors at work did sometimes create coordination difficulties and additional costs, but this manager reckoned he'd be dealing with those no matter what.

The shift in his way of thinking, derived from his work with Specialisterne, created a greater possibility of increasing benefits from talented employees, without necessarily increasing any costs associated with their atypical practices. The costs of accommodating the eccentricities he was already paying, he figured, so why not get some more benefit for his trouble?

MANAGING GOLDEN GEESE

A software company CEO told one of us a story about an unexpected difficulty with her most talented developer. This company had grown rapidly by helping large financial institutions join the ranks of the Web-enabled, but now the Internet bubble was collapsing and the number of substantial engagements dwindling. A major deadline loomed on the company's biggest project for its best client, and no one could say for certain that they would be able to meet the deadline. The client had communicated with great certainty, however, that a delay would be unacceptable. Developers across the company worked long hours, trying desperately to finish in time. Everybody knew: the project would make or break the young firm.

Within this pressure-cooker environment, the CEO felt helpless. She was not technical. If she'd been able to help with coding she would have, but she couldn't. She settled for all manner of supportive activities. If a developer wanted a cup of coffee, she went to get it so the developer could keep cranking. While being thus supportive she accidentally discovered something that startled her: her best developer had been working for months on a pet project that had nothing to do with the big client project—that, in fact, had nothing at all to do with her firm's business.

This best developer, it turned out, was an activist for the cause of open source software. He opposed efforts to patent software and work on this cause routinely occupied his time at work, as much as a third of his time in some recent weeks (including the current one). This surprised the CEO. It surprised her even more that the developer made no attempt to hide his work on the pet project. When the CEO noticed it, the developer proudly explained all of his work on the project. He seemed to expect her to approve of his working for the common good (not just the company's good).

The CEO withdrew, unsure what to do. She was, in turns, distressed and infuriated. She thought about firing the developer. But she knew she couldn't. He was the best at the firm. Without him there would be no chance of making the big deadline. The situation provoked a crisis in her confidence as a manager. She did not know how to react.

We used this true-life scenario as fodder for a panel discussion on managing talented employees at the 2005 Seattle Innovation Symposium at the University of Washington.[6] Frank Coker, President of Seattle-based Information Systems Management Inc. and a panel member, immediately weighed in with a similar account:

> One of my key players…really wants to be a [professional] musician. He quit [another well-known company where he made a fortune from stock options] and now he's working for me 20 to 30 hours a week. And what a deal I have! But I've got to be willing to let this guy go on the road, disappear for a couple of weeks at a time, go record CDs. But he does great work, so it's an opportunity. You've got to have some boundaries…but in general, I'm okay with this.

Jonathan Roberts, Founder of Ignition Partners (a venture capital group) and another panel member followed with a similar story and unique way of framing the same issue:

> I worked at Microsoft for 13 years and had a chance to work on a lot of the great businesses there, and while there I developed the notion of a tax. At the core of every product [is a really great developer]. These guys, no offense to them, but they're all a little odd. I've developed a notion that [if you are one of these guys] you can extract a tax proportional to your degree of contribution. So if you are the core developer on a project, you can extract a pretty high tax. You've got to isolate it from the rest of the team. But I've had meetings with people where I've said: "Your tax is getting a little high."

This is, of course, the exact formulation expressed in our graphic, and a further conceptualization of the concern raised by our business school colleague. The "tax" Roberts mentions is the extra cost you pay for working with employees who have special characteristics. Contributions from these employees make the tax worth paying, as long as it doesn't get too high. It's important to notice, though, that this tax, as described by both of these experienced executives, is just part of doing business, an inevitable aspect of management in a successful (technology) business.

Such stories are far from unusual. They are, on the contrary, par for the course in an innovation economy. In such an economy, people's talents are idiosyncratic. You could say that people's talents are idiosyncratic in any economy, but in an innovation economy the idiosyncrasies are linked vitally to what we particularly value in these employees. Each person represents a portfolio of "features" relevant to creating value. You don't apply interchangeable units of labor to a task; rather, you "cast" a group of variously talented "actors" particularly suited to their roles. And you don't get to choose among the features, only among the people. As DeMarco and Lister put it in their classic book *Peopleware*[7], you can't call down to HR and ask for another John Smith who is a little less snippy than the last one they sent up. Suppress idiosyncrasy and risk suppressing talent also.

There's a larger reason why people's whole selves have become more important to value creation in an innovation economy. Innovation is about producing novelty that differentiates a product, service, or company. In a world that grows ever smaller as communication networks expand and improve, this differentiation must increasingly be world-class. Not just a little better but a lot better. Differentiation that is a lot better requires going beyond reliable step-by-step procedures, performed over and over by interchangeable "Full Time Equivalents." Apologies to Larry Bossidy, but world-class differentiation is often about more than mere execution.[8]

> The management behaviors involved in working with Specialisterne might be some of the same behaviors you need to develop the capabilities of employees to their fullest. Working with this company is about looking at reality differently, about care, tolerance, respect, and also business value—it might even be a path to a vital education in the evolving nature of management.

As the leader of a world-class string quartet once said, it's about going beyond mere technical competence to achieve artistry.[9] And, as this same string quartet leader also makes clear, the people who can take you to the heights of differentiation don't always arrive in the most convenient packages.

Sometimes they are software activists. Or musicians. Or consultants with some form of autism. Most of us grow up in communities where people have much in common; we establish "social circles" and we engage in relationships with people like ourselves. Differences challenge us in the way we build trust. In a world in which people engage in activities that involve people different in many aspects, the Specialisterne example invites us to think of the extent to which management requires building relationships and business requires grounding activities on tolerance and respect for others—making successful management of differences a true competitive advantage.

In the software CEO's case, she managed to have a conversation with her best developer in which she delivered a message that could reasonably be approximated by "Your tax is getting a little high." They hit their deadline, and went on to greater future success. She survived her crisis of confidence and trust and emerged a better manager.

NOT BUYING PEOPLE'S TIME

We've been talking about idiosyncratic key employees, "golden geese" if you like. But the point is even more general. Another of our business school colleagues, Dick Nolan, a former principal in what was then, before its sale to another company, the world's foremost independent IT strategy consulting firm (Nolan, Norton, & Co.), makes the more general point in a story about his interactions with a client designing a new building for its IT group.

When the architects delivered the building design, the IT managers revolted. The architects, it seems, had not sufficiently taken into account the managers' desires to be able to "oversee" the work being done by their people. The managers forced a redesign, a change to the building so that manager offices on a level above looked down upon the main working area, a sea of cubicles, through glass walls. These changes cost a lot. But when the building was finished and everyone moved in, the managers discovered something that Dick had tried to tell them and that should have been obvious from the beginning: watching people type from a vantage high above didn't really tell anyone very much about what or how well people were doing. The only information really available in looking down from offices was whether people were sitting at their desks. Managers were further disappointed to realize that this is also not what they cared about most.

In an earlier time, in an earlier economy, time spent at your "station," whether a desk or a position on an assembly line, meant more. You had to be there to do the work. The rate at which the work could be done was determined not by the individual's capabilities but by the overall process design—the speed of the line, for example. For a lot of work in the innovation economy, this is just not true anymore. You are, as Dick puts it, no longer buying people's time. You are, rather, buying their special skills, inclinations, talents; their resourcefulness, their smarts, their results. As a manager, your job has to be to tap those aspects of work that matter most. Often this will involve creating the conditions in which people can be most productive. And these conditions will not be the same for all the people on whom you depend to create business value.

You could think of the demand to accommodate special needs as a tax. But you should also accept that paying it is part of being a manager in the world into which we are headed. Maybe your especially talented worker has ASD, or maybe he's an aspiring musician who goes on the road, or a single parent who needs to leave early some days to pick up his children. Elton Mayo, the eminent Harvard behavioral researcher, established three-quarters of a century ago that there is a relationship between people's productivity (and morale) and the conditions in which they work. Since then, much nuance has been added to those initial findings, but the essential message to managers unsettled by a worker's special needs remains the same: get used to it. Or, better still, get good at it.

Perhaps there are many potentially golden geese among your employees—if you are a good enough manager. The management behaviors involved in working with Specialisterne might be some of the same behaviors you need to develop the capabilities of employees to their fullest. Working with this company is about looking at reality differently, about care, tolerance, respect, and also business value—it might even be a path to a vital education in the evolving nature of management.

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1. Fradd, A. and I. Joy (2007) "A Life Less Ordinary: People with autism, a guide form donors and funders," www.philanthropycapital.org, accessed September 24, 2007, p.11.
2. "Mountain Meltdown," Janunary 29, 2008, The Economist, http://www.economist.com/business/displaystory.cfm?story_id=10596943
3. "Specialisterne: Sense & Details," Robert D. Austin, Jonathan Wareham, and Javier Busquets, HBS Case # 608-109, Boston: Harvard Business School Publishing, 2008.
4. Personal e-mail communication with Robert D. Austin, February 6, 2008.
5. Adapted from "Specialisterne: Sense & Details Teaching Note," Robert D. Austin, Jonathan Wareham, and Javier Busquets, HBS Case # 608-110, Boston: Harvard Business School Publishing, 2008.
6. Streaming video of this session is available on the web; see "The Organizational Dilemma of Stewards and Creators," University of Washington Television, http://www.uwtv.org/programs/displayevent.aspx?rID=4858.
7. Tom DeMarco and Tim Lister, *Peopleware: Productive Projects and Teams*, New York: Dorset House, 1999 (2nd edition).
8. We refer to Mr. Bossidy's book with Ram Charan, called *Execution: The Discipline of Getting* Things Done, NY: Crown Business, 2002.
9. "Paul Robertson and the Medici String Quartet," Robert D. Austin, Shannon O'Donnell, Harvard Business School Case # 607-083, Boston: Harvard Business School Publishing, 2007.