

Meetings Around the World: The Impact of Collaboration on Business Performance

A Frost & Sullivan White Paper Sponsored by
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“Partnering with clients to create innovative growth strategies”

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INTRODUCTION

Collaboration Background and Definition

Advances in information and communications technologies have enabled businesses to become truly global in scope. Distributed development, production, sales, logistics, and management functions are typical of global organizations operating within the fast-moving and lucrative environment of the 21st century. Yet the opportunities in this complex environment that feed success can also compromise an individual employee's ability to effectively work with people in other offices, cities, and regions. Individuals are caught within a web of professional responsibilities to the organization, as well as personal demands on their time. As the pace of commerce increases, personal and organizational success will be driven by the ability to manage this complexity and turn it into an organizational and a personal competitive advantage.

These growing challenges have led to the development of collaboration solutions that can stimulate and enhance joint work. Collaboration solutions are tools, culture, and processes that allow people to work together. Collaboration can be beneficial when the technology is applied within the context of an enterprise culture that encourages sharing and open interactions between people. As individuals strive to strike a balance between their work and their personal lives, collaboration solutions can help busy people find time for both. If people can be effective at work, and still have time to enjoy their lives outside of work, then collaboration solutions can be a key ingredient of increased performance.

Frost & Sullivan, together with Verizon Business and Microsoft, undertook a research program to understand how global enterprises use collaboration in their business. Our findings are presented in this white paper, including enterprises' needs for, uses of, and perceived impacts of collaboration on their business performance. In our work on the collaboration market, we define the concept of collaboration as an interaction between technology and culture. There is an abundance of technology available today for collaboration. Instant messaging, Web conferencing, audio conferencing, presence, e-mail and even video conferencing can easily be launched from routinely used business applications or from a central unified portal allowing for collaborative sessions to be easily opened during the workday. However, a company's culture and processes that encourage people to share work in a productive manner for specific tasks are central to effective collaboration. This interaction between technology and culture is at the center of our research.

In this paper, we first introduce our study. Next, we discuss impacts of collaboration on business performance. These impacts are based on a Collaboration Index, which measures how collaborative businesses are, and illuminates the relationship between collaboration and business performance. Following that, we will explore the enterprise needs for joint work and how our respondents see collaboration meeting them. Finally, the paper outlines conclusions and implications about collaboration and how it can improve business performance.

The Study

In March 2006, we surveyed 946 decision makers within enterprises in three regions: **Europe**, including France, Germany and the United Kingdom, **Asia**, including Australia, Japan, and Hong Kong, and North America (the **United States**, Canada was not included in this survey). Decision makers were those individuals who held key positions in a Line-of-Business or in an Information Technology department, with titles such as President, Vice President, Director, or Manager. These decision makers were employees of enterprises in one of six vertical industries: Financial Services, Government, Healthcare, High Technology, Manufacturing, and Professional Services. The enterprises surveyed ranged in size from \$US 5 million to over \$US 10 billion in annual revenues. Based on annual revenues, the respondent companies include: under \$5 million to \$99 million - 493; \$100 million to \$499 million - 170; \$500 million to \$999 million - 65; \$1 billion to \$10 billion - 133; over \$10 billion - 85.

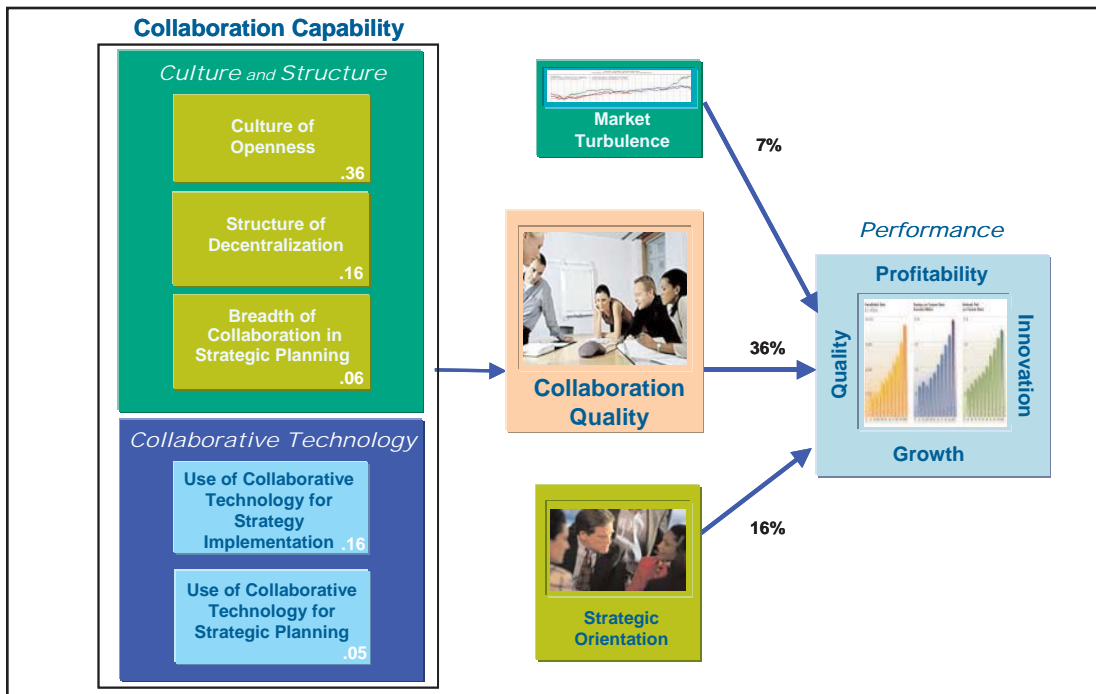
The survey was administered online, and consisted of closed- and open-ended questions in 7 areas related to business culture, collaboration behaviors, and collaboration technology and equipment. The survey took approximately 20 minutes to complete, and respondents received an incentive for completing the survey. The data was analyzed using a number of statistical tools, including factor analyses, regression analyses, and structural equation modeling.

INTRODUCTION TO THE COLLABORATION INDEX

The Collaboration Index

In order to measure how "collaborative" a given organization is, we developed the Collaboration Index. The underlying rationale for the Collaboration Index is to measure sustainable and competitive collaboration that impacts the performance of companies. We operationalized collaboration to include two components: Collaboration Capability and Collaboration Quality. In combination, collaboration capability and collaboration quality are necessary for effective collaboration, and they impact business performance. Business Performance is measured in our research along several quantitative dimensions, such as profitability, profit growth, sales growth, and labor productivity, as well as along qualitative dimensions such as product development, product quality, customer satisfaction, and innovation. The structure of the index is shown in Figure 1 below.

Figure 1: The Global Collaboration Index Model



Source: Frost & Sullivan

Collaboration Capability is a forward-looking construct that represents an organization's orientation and infrastructure to collaborate. It influences the ability to compete tomorrow. In our model, the culture and structure of an organization, and the degree of application of the collaboration infrastructure are prerequisites for effective collaboration. Each of these distinct components of collaboration capability plays a role in driving collaboration quality. As Figure 1 illustrates, collaborative capability is characterized by an open, entrepreneurial culture ("Culture of Openness") that is applied to a decentralized organizational structure ("Structure of Decentralization"), and is employed across a wide breadth of interactive strategic planning activities ("Breadth of Collaboration in Strategic Planning"), designated here as "Culture and Structure". In addition, collaboration capability encompasses a high degree of enterprise-wide adoption of collaborative technologies, which are used for high-value meaningful applications across the enterprise, such as strategy implementation, new product development, and corporate strategic planning ("Use of Collaborative Technology for Strategic Planning and for Strategy Implementation"). In practice, and demonstrated empirically by our structural equation modeling techniques, collaboration capability is a necessary component of collaboration quality. In this sense, it is predictive of the quality of collaboration in an organization.

Collaboration Quality, on the other hand, represents the nature and extent of collaboration within an organization. It is of course driven by the infrastructure, processes and culture (collaboration capability) inherent in the enterprise. However, collaboration quality also depends on how effectively these capabilities are employed. High quality collaboration is

characterized by a significant breadth of applied interaction including cross-functional work, as well as sharing with external partners. The collaborative experience tends to be deep, frequent, and intensive. Collaboration quality directly impacts business performance through four channels: the productivity of collaborative efforts to achieve a given task, the effectiveness of supporting business strategy, the recognition that collaboration is a sustainable, competitive advantage, and a coordinated team that is committed to driving collaboration as a process in the path to success.

As an outcome of culture/structure and available technology, collaboration quality is rooted in the present, and influences an organization's ability to compete today. In this sense, it is descriptive of how an organization uses its collaboration technology and processes to drive business performance.

Given that collaboration capability is the driver of collaboration quality, tests of this model show that a culture of openness, as a factor within capability, is the most important determinant of collaboration quality. A culture of openness is defined according to the ease of talking to anyone within the organization, the regularity of cooperation between units within the organization, and the accessibility of persons to those in other departments. A culture of openness is an asset that is difficult for competitors to detect or imitate, which makes it a strategic advantage over organizations that are not open. In our index, a culture of openness contributed 36% to collaboration quality, more than twice the impact of a structure of decentralization (16%) or the use of collaborative technology in strategy implementation (16%), more than five times the impact of the breadth of collaboration in strategic planning (6%), and more than seven times the impact of the use of collaboration technology for strategic planning (5%).

Our research is based on the notion that collaboration involves a complex interaction between the technology and tools that underlie collaboration, and organizational culture and processes that encourage collaboration. The ability to collaborate is rooted in an organization's fabric, and the impact of collaboration on an organization's performance is mediated by the collection of individuals within an organization that use the collaboration capabilities. Thus, there are needs that collaboration can fill on an individual level, as well as those that transcend the individuals to reach the enterprise level. The next section of this paper examines our findings on how collaboration meets the enterprise needs and drives performance. It also investigates how individuals see collaboration meeting their own needs, and explores regional and vertical differences in collaboration.

Collaboration is a Key Driver of Company Performance

The Collaboration Index model asserts that both the capability to collaborate, and the use of these capabilities for high quality collaboration, impact organizational performance. The enterprise-level factors of capability and the individual-level factors of quality must interact to produce the benefits that collaboration can bestow on the company's performance. Performance can be due to a number of other factors, including the degree of market turbulence (e.g., how dynamic the market environment is), and the strategic orientation of

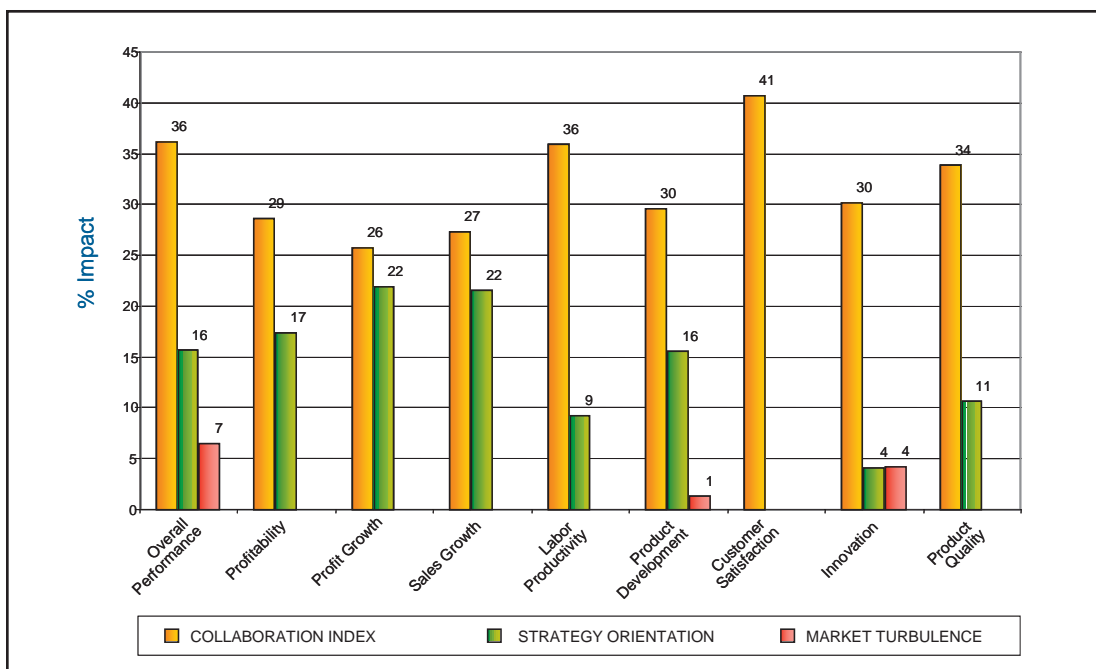
a company (e.g., how aggressively a company chooses to pursue new markets or new opportunities) in its environment. We chose to collect data on these three factors in order to test the relative extent of influence that collaboration, strategic orientation, and market turbulence have on company performance.

The Impact of Collaboration on Performance

The most striking finding of our research is that globally, collaboration is a key driver of performance. As Figure 1 illustrated, our model of collaboration implies that collaboration works in conjunction with strategic orientation and opportunities inherent in the market environment (market turbulence) to improve business performance. Based on analyses of our survey, we found that collaboration positively impacts an organization's business performance. Overall, 36% of a company's performance was due to its Collaboration Index. This is more than twice the impact of a company's strategic orientation (16%) and more than five times the impact of market and technological turbulence influences (7%). This is a key finding because it empirically demonstrates that increased high-quality collaboration can improve business performance.

Not only does collaboration positively impact overall performance, but also it impacts the various drivers of performance differentially. The relative contribution of collaboration, strategic orientation, and market turbulence on business performance are shown in Figure 2 below.

Figure 2: The Relative Impact of Collaboration on Business Performance



Source: Frost & Sullivan

Collaboration and Financial Performance: Profitability, Profit Growth, and Sales Growth

Looking at the quantitative measures of performance in Figure 2, it is clear that collaboration can generate positive returns. In our study, we found that collaboration significantly impacts profitability (29%), profit growth (26%), and sales growth (27%). It should be noted that the impact of strategic orientation is also a strong contributor to these performance dimensions. This validates, on a global basis, the positive influence of collaboration on the performance of companies. The impact not just on profitability per se but also on the growth of both profits and sales, demonstrates the potential of collaboration to enhance the performance levels of organizations. Collaboration can thus be an essential component of an effective growth strategy. Such significant impact on these bottom line indicators cements the business case for the consideration of collaboration within organizations, and the business value of the Collaboration Index, in particular.

Collaboration and Customer Satisfaction

The most significant impact of collaboration on a single measure of performance is in the attainment of customer satisfaction, where of the three factors measured it is the sole influencing factor, accounting for 41% of the forces driving customer satisfaction. Note that customer satisfaction may be due to a large number of factors, which were not measured in our study, but the evidence that collaboration is such strong driver of this component of business performance underscores the importance of collaboration to success. The effects of collaboration on customer satisfaction may be moderated by product quality and labor productivity, and these are examined below.

Collaboration and Labor Productivity

Labor productivity is also positively influenced (36%) by collaboration. This is consistent with the known synergistic effects of collaboration within the organization. The holistic approach to collaboration, as represented by the Collaboration Index, calls for both the utilization of collaborative technologies and the development of the company's absorptive capacity (i.e., how well a company is able to integrate new knowledge and technologies and use them to improve overall performance) to optimize the benefits of technology in the workplace. Such absorptive capacity is largely a function of corporate culture, structure, and decision processes.

Collaboration and Product Quality, Product Development, and Innovation

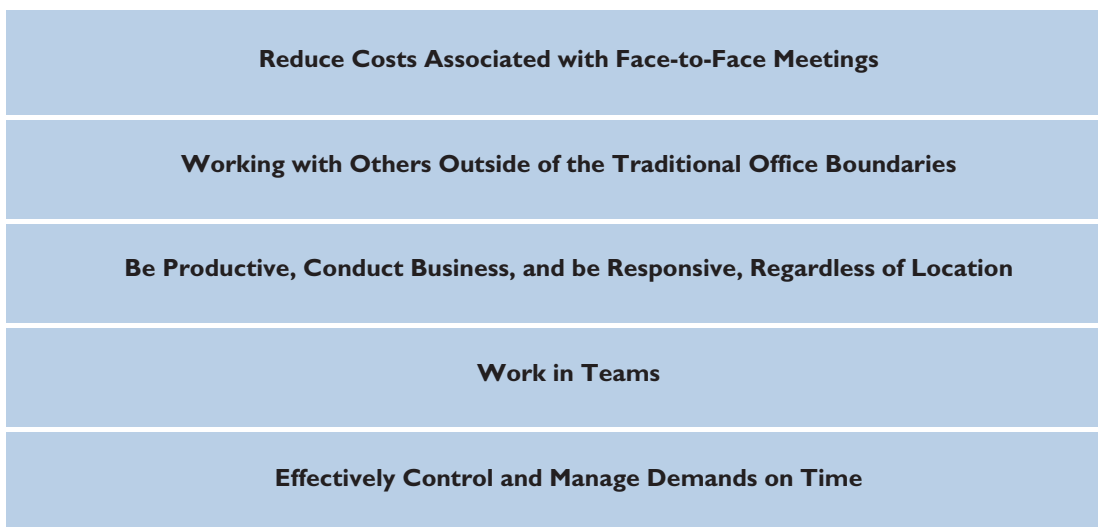
Product quality (34%) and product development (30%) are positively influenced by collaboration, as is innovation (30%). Innovation and product development are also influenced by the degree of market turbulence and strategy, as shown in Figure 2; their impact is relatively weaker than collaboration. In other words, a good strategy and market opportunities can impact product quality, development, and innovation, but when these activities are performed collaboratively, it is collaboration that is the stronger catalyst. This is quite logical, since changes in the tastes and needs of customers, and the possibilities offered by new technologies represent an opportunity to satisfy the customer through new and innovative products. Yet with the known benefits of concurrent and collaborative approaches to product development and innovation, collaboration is indeed a key ingredient to a successful product development and innovation strategy.

PERSONAL AND ENTERPRISE NEEDS FOR COLLABORATION

Collaboration is a Personal Competitive Advantage

Individuals are critical elements to an organization's performance, so the success of any enterprise will depend on how its individual employees' needs are met. Our study uncovered a set of vital global issues that reflect strong needs that collaboration can address. These needs cut across geography and vertical industry, and as such represent requirements that are manifest in all walks of business life. Figure 3 summarizes these needs.

Figure 3: Individual Needs Met by Collaboration



Source: Frost & Sullivan

Reduce Costs Associated with Face-to-Face Meetings

Even with concerns about higher airline travel costs and security dominating headlines in today's world, business travel is still a normal part of business. Not only did our survey find that the majority (54%) of business people in our global sample consider that business travel is an essential part of their business culture, but they also regard these face-to-face meetings as enabling them to be creative (57%). Certainly traveling to meet others is valuable, nonetheless executives are seeking ways to control costs associated with meetings: half of the decision makers in our survey claim that business travel is one of the first things that could be cut back in order to save money. To strike a balance between meetings and saving money, 60% of decision makers agree or strongly agree that conferencing and other communication technologies are reducing the need for business travel, compared to only 12% who disagree/strongly disagree. Clearly, collaboration can be an effective way to meet the need to reduce meetings costs.

Working with Others Outside of the Traditional Office Boundaries

The new age enterprise functions in a world where geography is becoming less relevant and business transcends boundaries. Reflecting the geographically dispersed, 24/7 character of modern business, decision makers realize that they need to work with others in new places and use new methods. Changing business patterns mean that some have to work from home. Indeed, 21% of our respondents telecommute at least once a week, and almost 40% at least once a month. In addition, multinational companies and multinational client bases mean that people need to work with others across the globe. In fact, 67% of our global sample indicates that their collaboration involves parties in different geographic locations.

Today's collaboration solutions can meet the need to work with others outside of the traditional office boundaries. A strong majority (76%) of our decision makers like the ability to work from any location, including home, an office, or even a hotel room. Web conferencing, videoconferencing, and presence technologies (e.g., instant messaging) enable individuals to work in ways that transcend the boundaries that restricted yesterday's business people.

Be Productive, Conduct Business, and be Responsive, Regardless of Location

Business success in a hyper-competitive environment means that individuals need to always be productive and be responsive to opportunities regardless of where they happen to be. This means that even though one should be connected to remain responsive, one also needs to be able to control his or her availability so that he or she is able to balance professional and personal demands. Our survey shows that half of the business people in our sample like to be reached wherever they are (50% agree/strongly agree), but they recognize that there are times when they do not want to be reached (71% agree/strongly agree). Collaboration technologies are being used to strike this delicate balance. Fully 70% of our decision makers believe that collaboration technologies allow them the freedom to control their time by being better connected with work, even while they are away from their desk. Moreover, these same technologies enable them to take advantage of opportunities as they arise, because they are able to take their connectedness wherever they go.

Work in Teams

Teamwork is a cornerstone of collaboration, and is essential to business in today's world. Despite the fact that collaborative work is often times necessary, many find it enjoyable. In our survey of global decision makers, we found that 70% genuinely like to work on projects in a team environment. Collaboration tools can enhance this experience, particularly in globally dispersed teams. In our sample, fully half believe that the ability to remote conference with their colleagues encourages more creativity during their project work.

Effectively Control and Manage Demands on Time

No one would argue that being busy is a definition of business today. Our global sample of decision makers firmly believes that they lead a busy professional life (70% versus only 5% who do not believe they are busy, and 25% who feel that they are only moderately busy). As we have already seen, collaboration technologies enable professionals to effectively control and manage demands on their time, and be productive, wherever they are located.

Conclusion: Collaboration Can Improve the Top and Bottom Line

Underlying all of the manifest needs we found in our global sample of decision makers, we understand that the collaboration solutions to meet them must be cost-effective. Gains in productivity must be tied to a real return on the investment in collaboration technologies. Whether it is done via cutting costs or generating greater revenues, any collaboration solution will need to show it can produce a positive return on investment (ROI). Replacing face-to-face meetings can improve the bottom line by cutting travel costs, but the real ROI for collaboration technologies must be demonstrated at the top line.

Global Variety in Collaboration

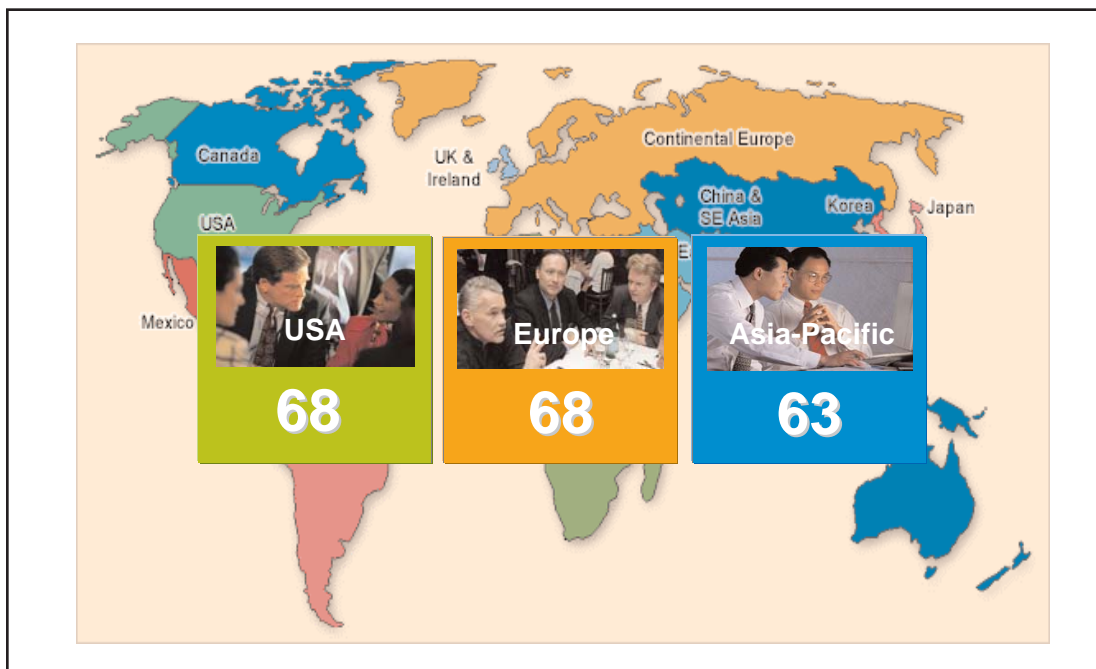
So far, we have been examining collaboration on a global basis. Now we will shift our focus to consider differences in how the Collaboration Index is expressed in companies in the USA, Europe, and Asia-Pacific.

The Relative Collaborativeness of USA, Europe and Asia-Pacific

The global Collaboration Index uses accepted benchmarking methods wherein a company is indexed against the company or companies that have achieved the highest score or best practice on the selected collaboration measurement scales. Thus, each company is measured against the best in our sample, rather than against the "best" in each region or vertical. This common reference point allows for cross-regional and cross-vertical comparisons, and other comparisons that may be deemed necessary. Each region's, or each group's, index is the mean of all the Collaboration Index scores of the companies within such region or group.

The Collaboration Index of each region is shown in Figure 4. This shows that companies in the USA and Europe have comparable levels of collaborativeness, which is significantly higher than their counterparts in Asia-Pacific.

Figure 4: Collaboration Around the World

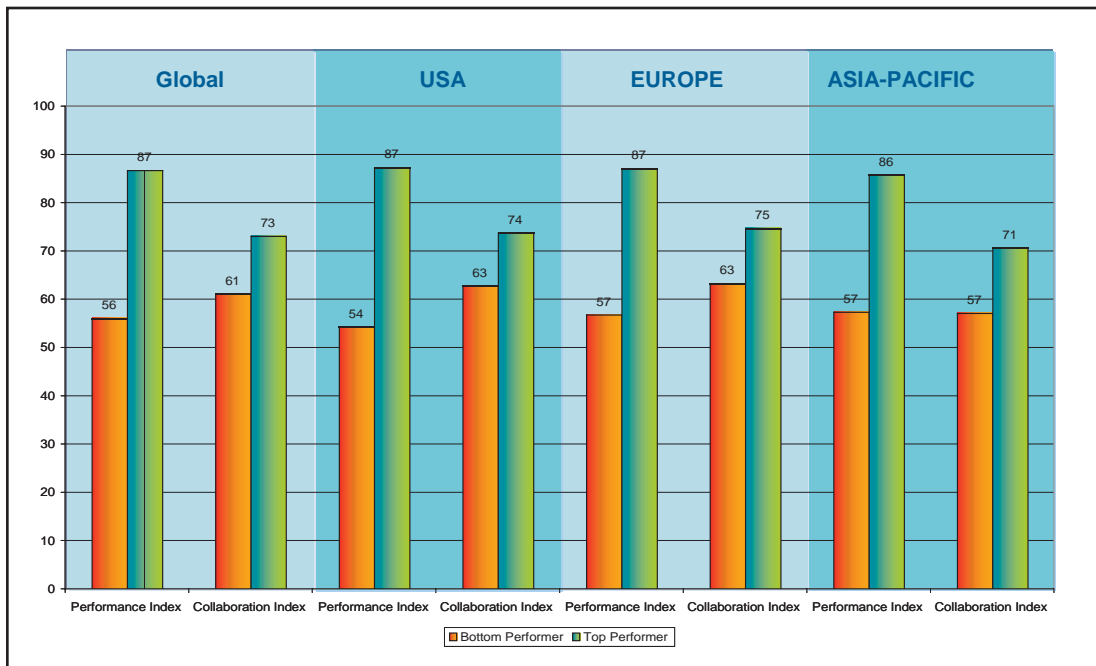


Source: Frost & Sullivan

The regional differences in the Collaboration Index, however, do not necessarily mean that all companies in a region will be high or low performers. Figure 5 below presents an analysis of the Performance Index, which is a composite measure of performance across several dimensions using factor scores that are scaled relative to the highest performance score. This shows that each region has similar proportions of companies in our survey that are classified as among the global top performers. (Top performers are determined through the Performance Index with a score of 76 and higher equating to Top Performance). It is clear that within each region, the Collaboration Indices for the top performing companies are significantly higher than for the rest of the companies in the region.

The implication of this data is that regardless of differences in regional business practices, the more collaborative organizations are, the better they perform. Conversely, the less collaborative they are, the worse their performance.

Figure 5: Top Performers Around the World and their Collaboration Index Scores



Source: Frost & Sullivan

We believe that the pattern of differences shown in Figure 4 is in part due to differences in each region's score on the factors that compose the Collaboration Index. Figure 6 presents the regional scores on Culture of Openness, Structure of Decentralization, Use of Technology Index (a composite of "Use of Collaborative Technology for Strategy Implementation", and "Use of Collaborative Technology for Strategic Planning"), and Breadth of Collaboration in Strategic Planning.

Figure 6: Regional Variations in Collaboration Sub-Indices

	USA	Europe	Asia-Pacific
Culture of Openness	70	70	63
Structure of Decentralization	53	53	50
Use of Technology	55	55	60
Breadth of Collaboration in Strategic Planning	56	56	61







Source: Frost & Sullivan

Our data in Figure 6 show that companies in the USA and Europe have significantly higher culture of openness scores (70) compared to Asia-Pacific companies (63). Interestingly, the Asian companies surveyed in our sample had significantly higher utilization of technology factor score (60) than either the USA or Europe (55), and they had a significantly higher breadth of planning collaboration index (61) than the USA or Europe (56) achieved. This suggests that having a collaboration technology infrastructure and mandating the use of these tools across an organization is not enough to generate high business performance down the line. An open culture, with technology and processes, is obviously critical to business success. It is important to note that individual enterprises in any region or country can have a very open or a very closed culture, and that degree of openness can change over time. Therefore, a company could very well score high on the Collaboration Index, even though it is in a region that scores low overall on the Index.

Vertical Differences in Collaboration

Just as we can examine the regional variations in collaboration, we can also measure differences in collaborativeness between vertical industries around the world. Figure 7 below presents a summary of the collaboration index scores derived from our survey of companies in various industries around the world.

Figure 7: Collaboration in Verticals Around the World

	 Financial Services	 Government	 Healthcare/Pharma	 High Technology	 Professional Services	 Manufacturing
GLOBAL	68	64	67	66	69	64
USA	68	64	69	68	70	66
EUROPE	69	64	69	69	70	68
ASIA-PACIFIC	66	64	64	59	66	58

Source: Frost & Sullivan

Looking at the Collaboration Index scores across the world first, we can see in Figure 7 that the Professional Services, Financial Services, and Healthcare industries are the most collaborative. High Technology companies are moderately collaborative, and Government and Manufacturing are the least collaborative of the verticals examined in our research. For these latter two verticals, the relative performance varies widely. Whereas the

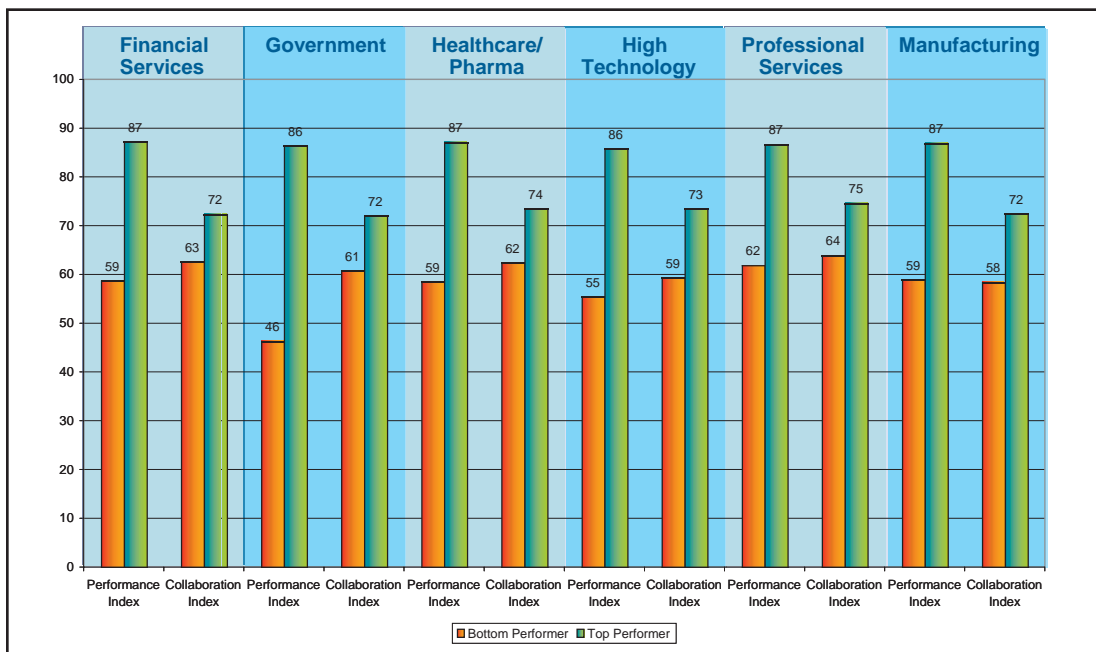
manufacturing vertical is still able to deliver performance that is still on par with other verticals in Europe and to a lesser extent in the USA, the relative performance of the government vertical is significantly lower than the other verticals. This means that on the industry level, there may be other factors that are driving the significant differences between the government and manufacturing verticals.

If we turn to examining differences in collaborativeness between verticals around the world, we find that interesting patterns emerge. Overall, Professional Services companies in the USA and in Europe have the highest relative Collaboration Index scores. High Tech companies and Manufacturing companies in Asia-Pacific exhibit the lowest scores. Moreover, with the exception of Government, Asia-Pacific companies in the verticals we surveyed score uniformly lower on the Collaboration Index than their US and European counterparts.

Recalling our discussion that a culture of openness is the strongest factor within the necessary Collaboration Capability construct, we should be able to partially explain this pattern according to how open companies in each region are. Although the Asian companies tend to adopt technology significantly more than European firms, or US and they apply it across a wider breadth of the organization for planning, the culture is less open. It may be that the traditional Asian business culture is less open than the culture of European firms and US. Because of the strength that this factor plays in overall business performance in our results, the lower Collaboration Index scores of Asia-Pacific companies in five verticals may be due to this aspect of business culture. It should be noted that we do not believe that this finding is necessarily set in stone. As companies around the world, including Asian ones, adopt best practices for corporate culture, we expect that this difference in Collaboration Index due to the Culture of Openness would shrink. Furthermore, these results may be heavily weighted by two countries with more traditional Asian business cultures (Hong Kong and Japan), against one with a more traditional Western culture (Australia), and analyses conducted on an individual country level basis may reveal a more differentiated pattern.

Despite the differences between verticals on a global basis, we found that the top performers in each vertical shared the characteristic of having high collaborativeness, whereas the bottom performers showed low collaborativeness. This provides further evidence that increased collaborativeness can lead to higher business performance. Figure 8 illustrates this pattern.

Figure 8: Top and Bottom Vertical Performers' Collaborativeness



Source: Frost & Sullivan

It is also interesting to consider the pattern of top and bottom verticals according to their collaborativeness within each region. Figure 9 presents this pattern of collaborativeness.

Figure 9: The Most and Least Collaborative Industries Across the World (with Index score)

	Asia-Pacific	Europe	USA
Most Collaborative	Financial Services (66) Professional Services (66)	Professional Services (70)	Professional Services (70)
	Government (64)	HighTech (69) Financial Services (69)	Healthcare/Pharma (69)
	Healthcare/Pharma (64)	Healthcare/Pharma (69)	HighTech (68) Financial Services (68)
Least Collaborative	Manufacturing (58)	Government (64)	Government (64)
	High Technology (59)	Manufacturing (68)	Manufacturing (66)

Source: Frost & Sullivan

As Figure 9 shows, the Services industries consistently score the highest in collaborativeness within regions, whereas Manufacturing has the lowest collaboration index scores.

CONCLUSIONS ABOUT COLLABORATION

Overall Strategic Implication

This study shows the strategic value of collaboration across the globe, as well as the need to achieve synergy through the proper mix of collaborative technologies, an organizational culture of openness, and a decentralized structure. It is this delicate blend of tacit resources and visible investments in technology that makes collaboration capability difficult to detect and imitate, thereby providing companies a source of sustainable competitive advantage. Our Collaboration Index model, however, demystifies to some extent this complex strategic competence by revealing some of the dynamics and relative magnitude of various factors in contributing to overall performance.

Our research on the collaboration behaviors of companies around the world shows that successful collaboration has a definite structure and direction in producing business performance. The Collaboration Index derived in this study is a key finding that challenges basic leadership models focused on how to create high performance. We found that global organizations that collaborate better perform better. Those that collaborate less, perform less. In a global setting, collaboration is twice as important as strategic orientation in driving high performance results. It presents a whole new model that applies equally across the globe, across regions (Asia-Pacific, Europe, and the United States), and across six key vertical industries.

Our results show a clear impact of collaboration on business performance. On quantitative measures, such as profitability and sales growth, collaboration is a key driver of success. This is strong evidence of a clear return from collaboration solutions in enterprises. The significant impact of collaboration on labor productivity, customer satisfaction, product development, innovation, and quality further implies that collaboration can also shape success that is more intangible. We believe that a program that acknowledges, directs, and measures the benefits of collaboration, and the related investments and resources for it, should be adopted by companies to help improve their business performance.

Implications on Collaborative Technology Investments

Our research also shows that collaborative technology investments will yield higher returns when the company's absorptive capacity, in terms of its culture, structure, and collaborative practices and processes, is configured in a manner that will contribute effectively to quality of collaboration. Indeed, when we analyzed how companies' use of specific collaboration technologies impacts business performance, we found that web conferencing, audio conferencing, and meeting scheduler tools were more commonly present in high performance than low performance companies. In our research, we found that 55% of high performance companies used web conferencing, whereas only 45% of low performance companies did. Similarly, audioconferencing (52%) and meeting schedulers (52%) were more common in high performance companies than in low performance companies (48% audioconferencing; 48% meeting schedulers). The relationship between state-of-art

collaborative technologies such as web conferencing and top performance implies that some criteria for prioritizing investments across the various types of technologies could be developed to guide technology investments.

Regional Implications

Although we found that companies in the USA and Europe are more collaborative than their Asia-Pacific counterparts, this finding cannot be broadly applied to all companies in the regions. Differences between regions may be partially rooted in differences in business cultures, and if companies with less open cultures become more open, then collaboration may contribute to greater teamwork and productivity for global teams. The more important finding is the realization that top performing companies across all regions demonstrate a significantly higher level of collaborativeness compared to bottom performers. This is indicative of the universal contribution of collaborativeness to company performance. Thus, there is an opportunity for companies in the USA, Europe, and Asia-Pacific to leverage their advantage in terms of overall collaborativeness when competing with other companies that are less collaborative.

Moreover, the results of this study imply that companies need to not only have a solid collaborative capability, but that these capabilities also need to be leveraged across many aspects of an organization. Effective collaboration has to encompass internal activities, such as strategic planning, and external activities, such as interacting with suppliers and customers. In this way, the benefits of collaboration can tie the enterprise closely together with other entities in the value web, which can ultimately drive higher performance.

Vertical Implications

There is an opportunity for companies in the Professional Services and Financial Services verticals to leverage their higher levels of collaboration to sustain their likewise higher levels of performance. Considering the universality of the contribution of collaborativeness to company performance across the six verticals, the relatively lower levels of collaboration in the other verticals represents an opportunity for those verticals to step-up to best practices in collaborative culture, structure, and technologies.

In short, the more collaborative enterprises are, the better they perform. With the proper application of collaboration capabilities and quality, high performance global organizations now have an interactive space that rivals the small meeting room down the hall. Forward-looking global organizations can create and enliven a collaborative culture in a space that can help contribute to the company's results and bottom line.

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