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Putting People in Place

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Putting People in Place

Abstract
When Tom Furey finished spinning his dream of hope and glory for us that day in the cafeteria, the cavernous room didn’t spontaneously erupt into a rally. Its walls didn’t ring with cheering and chanting. There wasn’t even any applause.

Disciplines
Business | Business Administration, Management, and Operations | Business and Corporate Communications | Business Intelligence | Labor Relations | Marketing | Organizational Behavior and Theory | Technology and Innovation
PUTTING PEOPLE IN PLACE

This isn't working. We're completely unfocused.

— TOM FUREY, Director, IBM Rochester Development Laboratory

When Tom Furey finished spinning his dream of hope and glory for us that day in the cafeteria, the cavernous room didn't spontaneously erupt into a rally. Its walls didn't ring with cheering and chanting. There wasn't even any applause. In our polite Midwestern way, we listened attentively to Furey's call for us to create a trend-setting computer, to become the global leader of the mid-range computer market, and to resurrect ourselves into the market-driven model of transformation for IBM. We remained prototypically reserved. But our American Gothic stoicism actually betrayed our real reaction. When we left, went back to our offices, and started discussing it among ourselves, one thing became clear: We weren't buying any of it.

As far as we were concerned, Furey was suffering from
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delusions of grandeur. Sure, we knew we were capable of knocking out Silverlake; maybe we could even get it out in half the time it normally took. But industry and company stardom? Who was he kidding? Perhaps it hadn’t sunk in yet, but Furey needed to realize he was out in the boondocks now. He was talking about weaving a Saville Row suit out of corn tassels. To us, his exhortations amounted to nothing more than one of those vacuous corporate attempts at cheerleading people into working more for less.

In addition to widespread skepticism, some quarters of IBM Rochester responded with out-and-out resistance. The programmers and engineers in the System/36 shop saw Silverlake as an idea just as misguided as Fort Knox. As conceived by Pete Hansen’s skunk works, the Silverlake was to be based on the same technology embodied in the more advanced—and expensive—System/38. But at the time we had a mere 20,000 System/38 customers. We had 200,000, or ten times as many, System/36 customers. To the System/36 group’s way of thinking, looking to the Silverlake as a viable replacement to the System/36 was tantamount to foisting a Mercedes on people who really needed—and could only afford—a pickup. In so doing, we’d essentially be ceding away the lion’s share of our market.

Our planners went into tacit rebellion too. Flustered by Furey’s constant hounding for answers to questions they never before addressed, they saw him as an interloper—a short-timer trying to change the way they’d always done things. The way they figured it, IBM Rochester was just a stopover for Furey; he’d be gone in two years—and things would get back to normal. So their attitude was, we’ll just wait the SOB out.

Furey picked up on these currents. He knew enough about the Fort Knox failure to realize how crucial it was to get people to buy in to the Silverlake Project. So he launched an effort to overcome the resistance. He began hosting a series of “roundtables,” usually a luncheon in his newly redecorated conference room with a dozen or so rank-
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and-file lab members. But Furey didn’t resort to the hard sell. He didn’t give pep talks and didn’t lecture. He took a far more subtle approach—he listened.

Although Tom Furey isn’t exactly a paragon of personal warmth—he’s not one to clamp his arm around you—he quickly began establishing himself during these roundtables as a manager who wouldn’t seek retribution even when put to piercing questions. Not only did he field loaded questions with equanimity, but he responded with a disarming candor. He wasn’t afraid to accept blame or own up to mistakes. “You’re right, we screwed up,” he’d declare. When his guests saw they could open up without risking repudiation, the roundtables flourished, blooming into substantive exchanges. Furey drew people out even more with his own talent for asking probing but well-meaning questions; people seemed captivated—if not flattered—by his intellectual curiosity and his sincere interest in what they had to say.

As time went on, his roundtables helped Furey do two things. First, by answering questions, Furey not only began to communicate his vision in detail to us but he started to win our hearts over to it. And, second, by asking as many questions as he did—simply by listening—he was able to refine it as he went on. Both helped us to overcome the problems many executives and their companies have when it comes to the “vision thing.”

It’s hard enough to beget a vision, harder still to articulate it, but hardest of all to get people to make it their own. For employees to embrace a vision, it has to embrace them—that is, they have to know they count toward achieving it, that it really can’t be done without them, that it’s for them, and that it’s just not some manager’s ambition they’re being asked to fulfill. And it has to seem doable; though it may call for them to go far beyond what they ever thought capable, it still has to stand as realistically possible. By hearing us, by letting us vent, by giving us the freedom to make our own intellectual contributions toward creating and shaping a dream that was going to take us,
Furey sidestepped the difficulties so many other leaders have in taking a vision to a point where it becomes concrete enough and begins to make a difference.

Even at that, Furey realized that communicating and selling alone—no matter how genuinely and artfully done—could not bring our vision to fruition. And herein lies the main lesson to be learned by any organization.

Ever so rarely, a leader comes along who is charismatic enough to reshape an organization by sheer force of personality. But too often the organization that rests its future on a single figure finds itself off on a road of shifting sands. Inevitably, any leader, even those who somehow seem bigger than life, will succumb to the same vagaries of mortality as everyone else. They get tired or distracted. They fail to adapt. They get old. They die. Even the great Lee Iacocca, who raised Chrysler from the ashes, publicly came to wonder whether he had it in him to save a troubled Chrysler a second time. Sadly, he made this concession after his best and most likely successors, frustrated by Iacocca’s reluctance to relinquish his crown, went off to make their marks elsewhere.

As with so many other things, time is the true test of leadership. The best leaders leave enduring legacies. They build organizations that somehow manage to carry on even after they’re long gone. To do that, they institutionalize their values, their visions, even their accomplishments. To provide for their enterprises beyond their own inevitable departure, decline, or demise, they create organizations that exist apart from themselves. They do this by creating organizational structures, yes. But they realize that it takes more than that.

Too many managers see company reorganizations as a be-all and end-all. But all too often such reorganizations really amount to nothing more than reshuffling the deck chairs on the Titanic. True leaders realize that, in the end, it really comes down to people. The problems most companies face have less to do with the organizational chart and more with the names and missions that occupy the boxes in those charts. So true leaders don’t just build organization
structures or merely reorder them. They create infrastructures, which consist of the right organizational structures, the right missions, and the right people, with people matched to the right mission.

Six months into his tenure, Tom Furey started to do just that. He began by creating the right infrastructure, one in keeping with his vision and with Drucker's dictum—that leaders not only have to deal in today's problems but prepare for tomorrow's possibilities.

Along with all the other hurdles that stood between our vision and its fruition, Furey faced several "structural" impediments at IBM Rochester. His foremost organizational problem was that the development lab was divided into two camps: 1,800 engineers and programmers working on the System/36 in one and 600 working on the System/38 in the other.

Although they couldn't be called warring clans, neither were they brothers in arms. They were first separated by the strong and emotional ties to their respective machines—with all the resulting biases. The System/38 group saw their machine as a Corvette, a sleek, high-performance model. They looked down on the System/36 as a Chevette, an inexpensive little runabout. To the System/36 group, their machine may have been prosaic but it was prolific; it sold like corn dogs at the county fair. Those from either group couldn't be faulted for thinking as they did. Each had built machines for distinctly different markets. The System/38 group made advanced machines for sophisticated users who could afford to pay for them, usually bigger companies that put them into departments, branch offices, and other remote locations. The System/36 group made more simple, inexpensive machines for small and medium-sized businesses. It was only natural that the markets they served would shape their mindsets.

The practical reality, however, was that both groups had to come together to work on Silverlake. Even though the Silverlake would be based on the same inner workings—the same architecture—of the System/38, the smaller System/38 group simply wasn't big enough to take on the job of cre-
ating the Silverlake on its own. Silverlake was also a computer meant for the users of both machines. Since the System/36 accounted for 90 percent of our customer base, Silverlake had to embody System/36 characteristics, especially those that would make it easy to use.

This wasn’t the only division at IBM Rochester. Another was manifest in its bifurcated organizational structure. IBM Rochester actually consisted of two distinct entities—the development lab and the manufacturing operation. Furey presided over the lab. But he had a co-equal, Larry Osterwise, the “site general manager” in charge of manufacturing and who, like the superintendent of an apartment building, was also responsible for all services at the site—the cafeteria, administrative services, maintenance, and so on. Both had equal standing. So no single person was in charge. Instead, they both reported to Steve Schwartz in White Plains, New York, where the IBM mid-range computer group that we were part of made its headquarters.

These two peers simply had different missions and priorities, which naturally caused occasional tensions. It also made for a certain amount of organizational gamesmanship. Furey, for example, never attended the site manager’s regular Monday morning meetings. Claiming he had more important matters to deal with, he sent a deputy instead.

The biggest problem about the structure, however, was that we were part of a business, not the business itself. We simply saw ourselves as functional entities—working parts of a larger whole. We designed computers. Or we engineered hardware. Or we manufactured machines. Because we didn’t own the business ourselves—because we didn’t see ourselves as a unit accountable to the market—we gave little thought to the strategic factors so critical to the success of a business entity. We paid scant attention, say, to our channels of distribution or to the independent software vendors who created so much of the applications software to be run on our machines. We didn’t pay enough heed to our customers either. It was someone else’s job—sales and marketing—to worry about that.
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The pitfalls of our "functional" mentality became pointedly apparent when it came to planning. We did long-range planning at IBM Rochester. But we didn't do strategic planning. Strategic planning has a long-range component to it, of course, but there's more to it. Strategic planning entails understanding the environment in which a business operates. It takes into account all the forces and factors that make the players in a market behave in a certain way. It looks at options and opportunities. Our planning never gave enough credence to these other elements.

To our product planners, those responsible for translating customer needs into product specifications, you could say, "I want a computer that costs $65,000 and does these three things." They would come back and tell you, "We can give you one for $75,000 that does four things." But when you asked them to strategically justify the additional capability, they would shrug. If they offered a rationale, it was tantamount to saying, "We should do this because we can."

That's not good enough. There has to be a compelling market-based reason behind everything a business does. If the engineers at General Motors put their minds to it, they could probably make a station-wagon version of the Corvette. But why?

Seeing ourselves as a functional entity led to a serious form of self-underestimation. Part of the reason we met Furey's vision with so much skepticism is that we didn't think we had as much potential as Furey figured we did. We viewed ourselves strictly within the narrow confines of our separate functions. We had a certain job to do, we did it, went home at night, and came back the next day. Someone else could put it all together—and take all the glory.

Furey knew that a new structure was in order. He probably had in mind the outlines for the reorganization he wanted. But he wasn't about to come down from the mount with it. In what was another mark of his leadership abilities, Furey would offer guidance and broad direction, but he wanted people to reach their own conclusions. As Silverlake proceeded, many of us often found ourselves sitting in our
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offices agonizing over this problem or that. We'd eventually march into Furey’s office with a solution only to discover he’d come to the very same answer, and far sooner.

He handled things this way because of ownership. Furey knew that if people were going to get behind Silverlake, they had to feel as though the project belonged to them. If ideas came from their heads, not his, then he could count on them to take the credit—and with credit comes possession. This was another way of involving people as active contributors to Furey’s vision; it was yet another way that his vision became our vision.

Furey decided to let us reorganize the lab. He appointed a task force to come up with the new organizational structure. It was a cross-functional team consisting of 10 people from various parts of the lab. As he sent this task force off to its work, he made one thing absolutely clear: It was to assume nothing about who would do what within the new structure. No one, but no one, was assured of having a particular job. The structure was to be created in accordance to our vision and our mission, not to accommodate individuals.

After three months of research, analysis, and deliberation, the task force devised a new structure for the development lab, and it consisted of four distinct groups, each with its own very specific mission.

- The first one would handle our lineup of current products—the existing System/36 and System/38 machines. Its mission would be to deliver upgrades by 1987 that we had already promised our customers.

- The second group was to do nothing but work on Silverlake. Engineers and programmers from both the System/36 and System/38 camps would be brought together. Their mission was daunting but straightforward: Create Silverlake, a machine that would wow the market, and do it less than half the normal time.

- The third group would be charged with formulating a strategic plan. It was to lay out a blueprint not only for
Silverlake but for IBM Rochester as a whole—a map not just for the two or so years it would take to create Silverlake but for the five years or more after it came out. It was also to identify emerging technologies and assess their applicability to Silverlake and succeeding generations of the machine. All its work was to be done in accordance with the market-driven model we would embrace.

The fourth and final group was to handle the human resources function for the lab. Its main task was to help the lab people foster and enhance their skills. It would see that they had the support and resources to do their jobs. And, most of all, it was to develop new processes that could be defined, quantified, and repeated to enhance productivity and make sure we got Silverlake done on time. It would also oversee the day-to-day administration of the lab, a role that would allow Furey to concern himself more with overarching, long-term issues.

Every facet of this structure reflected our vision and mission. It took care of getting Silverlake out and making IBM Rochester an industry leader and an IBM model. It did all that by providing a focus of mission, thus fulfilling Furey’s expanded version of Drucker’s dictum by addressing the three time frames: It upgraded current products, it provided for Silverlake’s creation by 1988, and it addressed our future beyond Silverlake. The structure also did something else. It satisfied three of the most important facets of any organization—focus, focus, and focus. And this organizational structure gave us focus; each group had a distinct area of concentration. For example, the group working on Silverlake wouldn’t be distracted by worrying about current products. The one doing strategic plans needn’t concern itself with too many administrative or personnel issues that were meant to be handled by the human resources group.

Now that he had a structure in hand, Furey was ready to staff it with key people. For his team he tapped some
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longtime Rochester insiders. He recruited some outsiders, including a few who had worked for him elsewhere. Most notably, however, Furey didn't hesitate to pick people who had been organizational outcasts, some of them for standing up to the folly of Fort Knox.

That Furey would call on these "black sheep" reflected another of his other most salient leadership traits. He had a certain open-mindedness about people. He was willing to accept you—with all your weaknesses—in order to get your strengths. He wasn't bothered by someone who was eccentric or difficult if they had the talent or skills that made them right for a particular job. Furey also recognized that, often, no one works harder or more loyalty than the outcasts who feel compelled to prove themselves.

Once Furey picked you for a job, he gave you full rein. In fact, if you deferred to him for a decision on a matter within the sweep of your own brief, he simply refused. "That's your job," he would snap. "You decide."

Not that Furey was afraid to make a decision himself. Another one of his maxims was, "I'd rather be wrong than indecisive." He made no secret of the fact he drank of the same waters as did another Massachusetts native, General Electric Chairman Jack Welch, one of the crisper decision-makers in business. Like Welch, Furey wasn't one to waffle; he made it clear where he stood. And by articulating his vision and positions this sharply, he didn't force you to do any executive mind-reading, an endeavor that has sent many a corporate foot soldier into a stomach-churning state of equivocation. With Furey, tough decisions still had to be made, but somehow they just weren't as ulcerating to make as under other managers. He would set certain benchmarks for organizational behavior, and establish clear-cut objectives. He'd thus create the boundaries in which you could work. But within those boundaries you had the leeway to act according to your own best judgment—without any fear of being second-guessed.

To head the group that would focus on making the upgrades to the existing System/36 and System/38, Furey appointed Jeff Robertson, an IBM Rochester veteran who
Figure 1. Organizational structure
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had long been involved with the System/36 and its widespread success.

Furey made three key appointments to the second group, the one that would concentrate on producing the Silverlake. They were Jim Coraza, Dave Schleicher, and Jim Flynn.

Coraza, an IBM veteran who'd been the quality control executive attached to the Fort Knox project, became Silverlake's "system manager." He made sure that the two distinct development tasks involved in Silverlake—the software and hardware—meshed into a smooth-working computer "system." Coraza's background made him a keen choice. He had previous experiences with projects of a grand scale, and Silverlake was nothing if not grand. His quality control background also meant that he brought an interdisciplinary mentality to the job. Quality in any product is the sum of all its aspects—design, engineering, manufacturing, marketing, and sales. As a quality manager, Coraza was accustomed to dealing with various and disparate functions. If Silverlake was going to be a success, everything would have to come together just so. Coraza's job was to see that it did.

Coraza's role as grand coordinator was extremely crucial. Because so many of our existing customers were overseas, the Silverlake, from its inception, was meant to be a global product. In the past, we'd always made our computers available for shipment in the United States first and then to Europe and elsewhere six months or more later. But Furey intended to give the Silverlake a worldwide launch, seeing that it would simultaneously be available to customers in the 120 countries where we did business. Consequently, Silverlake would be one of IBM's most complex undertakings. It would be manufactured on three continents—with components supplied by 37 different IBM locations throughout the world. Silverlake's software not only had to be created quickly, it also needed to be translated into 27 different languages and dialects. Field engineers and sales representatives would have to be trained all over the globe.

It was mind-boggling. But one of the most notable traits about Coraza was that he just didn't boggle—there was no
more imperturbable character. If Coraza was angry or anxious, you never knew it from his demeanor. And if something as complicated as the Silverlake project was going to come off, a cool head, like Coraza’s, had to prevail.

Schleicher was tapped to head the 1,200 programmers who would crank out Silverlake’s software. He grew up on a farm in southeastern Minnesota and had come to work at IBM Rochester in 1971 as a programmer. He rose through the ranks to manage the entire programming side of the lab, a job he’d held about five years before Furey’s arrival. There was very little in software development, at any level, that he did not have a strong expertise in.

Software programming is a bit like writing a novel. It’s a creative process; certainly it’s at least as much art as science. But artistic types can be notoriously undisciplined, given to awaiting the muse to move them. One of Schleicher’s most notable achievements as director of software development was to institute certain tools and measures that brought discipline to writing software code, one that would eventually see the Silverlake Project through some of its toughest moments. It was also this discipline that made IBM Rochester the most productive software development center in IBM. From the beginning we estimated that the Silverlake would require some 7 million lines of software code, three times more than any of our machines. And if we wanted to churn out that much code in half the time, we needed discipline more than anything else.

If a temperamental opposite to Coraza existed, it was Jim Flynn, a chain-smoking, coffee-chugging engineer. Flynn was picked to oversee the creation of Silverlake’s hardware. His job was to engineer the processors of varying power for each of the six different models of the Silverlake we planned to offer at system prices of between $15,000 and $1 million. High-strung and driven, Flynn wasn’t afraid to make waves if it involved something important. It was nothing for him to pepper the E-mail system with memos all the way up IBM’s executive chain of command if that’s what was needed to drive home a point.
Flynn cared a lot about the Silverlake Project and saw it as the way to rehabilitation. He'd been among those who openly opposed Fort Knox and had gotten into hot water. As a result, he took on his Silverlake assignment with a zeal of one obsessed with settling an old score.

To head the third group, the one with the mission to create the strategy for the Silverlake Project and beyond, Furey reached to an association from his past. He recruited Vic Tang. The son of an ambassador, Tang had lived among several different cultures and spoke four languages. A mathematician and engineer by education, he had a track record as an IBM software and hardware development manager and spent time out in the field, among customers, in systems engineering. From the field he was picked for a series of headquarters assignments. There, finding himself challenged by broad business issues, he decided to concentrate on strategic planning. To add substance to aspiration, Tang earned an advanced degree in business.

He originally hooked up with Furey at IBM's Kingston, New York, development lab, where, as a strategic planning manager, he helped conceive the niche strategy that made a go of the large computer screen venture Furey had managed. Tang, who was at once a methodical and restless man, brought a conceptual bent to his job. And because of his multi-functional experience, he brought an integrative perspective as well. He was equally comfortable with marketing, technology, and finance. And perhaps because he'd been exposed to so many places and cultures, he had a way of thinking that was global. He was also known, when the chips were down, as a manager who would deliver the goods.

At first, Tang demurred at Furey's offer to move to Minnesota; he and his family hardly relished the thought of leaving the metropolitan diversity of New York. But, because the Mayo Clinic and IBM draw expertise from around the world, Rochester happens to have an active international community. It even publishes its own Chinese language newsletter, and Furey saw to it that Tang and his family started getting it at home in White Plains. The
gambit worked, and within weeks after turning Furey down, they were packing for life on the prairie.

To head the fourth group, the one to oversee the human resources and day-to-day operations of the lab, Furey turned to another longtime IBM Rochester employee, Roy Bauer. Bauer was a mechanical engineer by education. He joined IBM Rochester in 1967 and, for all but a two-year stint in a corporate staff job as manager of manufacturing engineering out East, he remained true to his roots and committed himself to staying in Minnesota. Bauer moved up to eventually lead the hard disk manufacturing business at Rochester, an “intrapreneurial” enterprise that made drives not only for IBM computers but for sale in the open market (something IBM had never done before). In his spare time, he wrote personal computer programs, many for small businesses, which offered him a unique perspective—one that helped him see things from the user’s point of view.

A year before Furey came along, Bauer was promoted into a job that put him in charge of IBM Rochester’s 1,000-person site operations organization, supervising everything from the information-processing systems, other administrative services, and security to maintenance—no small challenge for a place with as much square footage as 75 football fields, eight miles of corridors, and one of the largest computer centers in IBM.

Over the years, Bauer had proven himself a good general manager. But, more than anything, he was known as a consummate “people” person. In IBM’s annual employee surveys, Bauer rated higher than almost anyone else on measures of employee approval and interpersonal skills. In fact, when Furey and Bauer first met—at a get-acquainted gathering Furey held with all key managers—they got to perusing those survey results. Furey saw Bauer’s ratings and asked, “Why don’t you come over and work some of that magic on the lab?” With morale down, Furey certainly needed a wizard. Bauer declined. But when Furey made a second pass, Bauer accepted. He’d always been intrigued by the lab, and this would give him the chance finally to be
part of something involving the earmarks of a complete business. Bauer took charge of nurturing the skill base and processes of the lab. And when Furey was absent, Bauer, as overseer of the daily doings, ran the group by proxy.

After reorganizing and restaffing, other managers probably would have viewed their work as done. Not Furey. He knew it would take an enormous amount of coordination to get the Silverlake out on time. Everyone—in the lab and outside—at IBM Rochester had to be on the same wavelength; consensus was absolutely crucial. Furey also needed some way to get his arms around the parts of IBM Rochester—manufacturing, for example—over which he asserted no direct control.

He addressed the issues of communication, consensus, and control by borrowing an organizational idea from the corporation's upper councils, a group called the Corporate Management Board. It consists of the chairman, executive vice presidents, and the heads of all major IBM business units. Board members meet frequently to review major issues and create a forum in which major decisions can be discussed, if not reached.

Furey decided to create an analogue of the Corporate Management Board at IBM Rochester. He called it, unsurprisingly enough, the Rochester Management Board, or the RMB for short. It consisted of the 18 top decision-makers at IBM Rochester—Furey, along with Coraza, Schleicher, Flynn, Tang, Bauer, and a few of their chief lieutenants, as well as Site General Manager Larry Osterwise and the heads of manufacturing, finance, sales, and marketing. The RMB met every other Thursday, from 8 a.m. to noon. Its members were free to bring up or take on any issue and debate was encouraged. Just by getting all those people in one room on a regular basis, the RMB also became a conduit for keeping everyone at IBM Rochester fully apprised of all pertinent issues involving the Silverlake.

Not long after its creation, the RMB faced its first test. IBM Europe, which had great success in selling the System/36, came to us with a special request: They wanted us to build an extra-small version of the System/36, one
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priced at about $11,000 or $5,000 below the smallest existing System/36 model. Europe wanted the new machine for two reasons. First, they saw a need for it in businesses too big to depend on a personal computer and too small to afford a full-blown System/36. Second, they regarded it as a defensive move—a way to keep as many customers as possible in the fold until we could hit the market with the Silverlake.

The request became the focus of a huge controversy—the development lab, finance, and even U.S. marketing fervently opposed it. They argued that the effort would consume precious resources at a time when we needed to marshal everything toward the Silverlake. Besides, they said, the new machine would steal potential customers away from the smaller Silverlake models planned. Furey let everyone have their say. In fact, his practice was to point to each member of the RMB gathered around the long table in his conference room and ask, “What’s your position on this?”

Views remained evenly split. We debated, sometimes heatedly, for weeks. Furey, who maintained a rather Solomonic presence, wasn’t satisfied with the arguments on either side. So he ordered Tang to make a full-blown strategic study of the proposal. After three months of research and modeling, Tang and his team recommended that we produce the little machine and presented a detailed analysis in support of this position. With the analysis before them and satisfied that they’d been able to vent their views, opponents quickly relented. Everyone signed on. The result: We got the new computer out in a mere 12 months. In the year after that, we racked up sales of the small computer to the tune of 50,000 units. Our decision to build it paid off, in spades.

While the RMB helped us cope with our own organizational dynamics, we faced what may have been an even more daunting challenge in dealing with the prodigious corporate hierarchy beyond our walls. To get the Silverlake out, we knew we “had to make the elephant tap dance.” It wouldn’t be easy, and not only because the beast was so big. Sheer distance played a role too. We were 1,500 miles away
from our group’s White Plains headquarters and all those miles put us at a disadvantage. Other key IBM operational sites are only an hour’s drive from the nerve centers of White Plains and Armonk. If one of our counterparts had a vested interest in some matter being considered by the upper councils, they could just zip over and represent themselves. Their proximity also meant they could more readily stay atop the dynamics of headquarters personalities and politics that often affect the fates of those out in the field.

We had no such luxury. We couldn’t schmooze on a routine basis with the powers-that-be. If something came up affecting our interests, we couldn’t be there to represent ourselves at the drop of a hat. Distance made it infinitely more difficult to use the grappling hook of personal influence that would make the elephant step, let alone do a jig.

To overcome these disadvantages, Furey made an innovative and unusual organizational move. He did for IBM Rochester what corporations routinely do when dealing with government capitols—he employed what was, in effect, a lobbyist. But instead of representing us before some distant legislature, Furey’s lobbyist was to oversee our interests within the higher circles of IBM. In doing this, Furey did not resort to pretense. IBM routinely sends people on temporary assignment to sites all around the world. At IBM Rochester, people were always going off to Armonk, Japan, or other far-flung parts of the company. Furey just put someone on “assignment” in White Plains.

Our emissary was Jack Bell, a friend and former colleague of Furey’s from his days in White Plains. If there was ever a person to deal with IBM’s bureaucracy for us, Bell was perfect. A big man, and a native New Yorker, Bell struck you with his Queens-bred, street-savvy presence, which gave him a certain charm. But instead of the streets, Bell’s smarts were for the inner workings of IBM. A career spent around and in the upper echelons of the company as a sales and marketing executive equipped him with incredible connections. He knew everyone who was anyone at IBM —on a first-name basis. He could work the organization like an old ward heeler.
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From his post in White Plains, Bell would act on key business decisions without our being there. More important, he became an invaluable source of intelligence. If IBM had cranked out an important marketing study, Bell would make certain we got a copy. More than once, we used such studies to defend a strategic decision we made. Bell also sat in on Schwartz’s staff meetings and kept us apprised of significant developments. He would even report to Furey on the subtle dynamics of these meetings—to the extent that he would report the reactions, right down to body language, that people had to certain matters.

Bell’s presence was not covert. Schwartz knew about the arrangement, and he approved—probably because it served Schwartz as well. After all, Schwartz probably saw Bell as a way to keep tabs on us to the same extent that Bell helped us keep tabs on the doings in White Plains.

During these early phases of the Silverlake project, Furey created one other organizational structure. At the time, many of us thought him off the wall because what he did was so premature. Furey established a cross-functional customer satisfaction team. He did this because we had real trouble dealing with customers when something went wrong—no one at IBM Rochester “owned” the customer’s problem. If the field engineers or sales representatives couldn’t resolve a problem, they referred it to sales and marketing higher-ups in Rochester. If sales and marketing couldn’t fix it, they kicked the complaint to manufacturing. If manufacturing didn’t know what went awry, they threw it over to programming, and so on. The complaint just bounced around, until the customer blew up. Only then were we galvanized to get something done—and by then it was usually too late to rescue our relationship with the customer.

Furey intended to rectify this situation through the customer satisfaction group. It consisted of eight people from marketing, planning, manufacturing, engineering, and service. He put another of those Rochester bulldogs in charge: Jim Harens, the type of person who simply wouldn’t be called off a problem once it was in his jaws. If something
came up, it went to Harens' group. In the team Furey established accountability. He could hold them accountable and they, by extension, could hold us accountable as well. In meetings of the RMB—where the customer satisfaction team gave regular reports—Furey could turn to Harens and say, "Okay, how exactly are you going to deal with this?" The customer satisfaction team did something else too. By tracing problems back to their root cause, we could deal with them at their source, where we could fix them once and for all.

Since Silverlake was still on the drawing boards, the customer satisfaction group was ostensibly formed to deal with problems involving the System/36 and System/38. Yet Furey had the group reporting to Coraza, with overall system responsibility for the Silverlake. Furey had his reasons, of course. He wanted to raise the whole notion of customer satisfaction to a much higher profile in our minds by connecting it to the project that would become the centerpiece of our lives and survival. Right from the beginning of our efforts, Furey wanted to instill in us the customer satisfaction ethic. After all, customer satisfaction is the hallmark of a market-driven enterprise. Customers are the market.

By the fall of 1986, we had the framework in place to fulfill his vision. And even if the fates had somehow interceded to take Furey away from us, we were in a position to carry on. His vision had become our vision, and we had an organization and people in place to bring it to reality.

If there's an object lesson for others in what we did it's that reorganizing alone isn't enough. Too many managers think they can solve all their problems by remapping the organization charts. Not so; much more is needed. Of course, an element of architecture is involved. Ad hoc groups, like our own Rochester Management Board, can go a long way toward fostering communication and cooperation. The structure of an enterprise should reflect its vision and, certainly, its business objectives in a focused way. The real key, however, is picking the right people and making sure a match exists between those people—their
skills, experience, and strengths—and a well-defined mission. Once those people are in the right place and given an appropriate mission, they must be allowed their rein, trusted to do what needs to be done. This is the most certain way leaders can institutionalize their legacies.

Within months after the Silverlake Project was underway we had the structures and people in place to bring our new machine to life—and to fulfill our vision of transforming IBM Rochester into a model for all of IBM. Dreams are nice. But now we had to get down to the nitty-gritty work involved in making dreams come true. And we had to start with basics. When we did, we found out we couldn’t adequately answer some very fundamental questions: Who bought our machines and why. Without those answers, the Silverlake Project, along with all our dreams, would almost certainly remain that—a dream.