

works with authorities to focus on the source, working with law enforcement agencies to conduct raids on suspected counterfeit factories. The organization also works with customs agencies to prevent counterfeit products from leaving the country.

"China is one of the only customs agencies that inspects outgoing product as well as incoming product, so that's a big deal for us," Lynch says. Since 2008, more than 3 million counterfeit bearing products have been seized before leaving China.

WBA recently expanded into India, where counterfeit activity has picked up.

The problem for distributors is that there is no single thing that they can do alone to combat the problem, even though their reputations are as much at risk as the brand owner's, Polinski says. But they don't have to sit idly by either.

One key step is strengthening the partner-

ships between distributors and manufacturers, Grace says. If a distributor is contacted by a suspect supplier, report it to the manufacturer. The manufacturer may not be able to respond to everything, but "information from the marketplace is how I get from point A to point B to combat the counterfeit problem," he says.

Distributors and manufacturers can also work together to make sure that excess and obsolete products have an authorized channel to meet the existing demand, Lathrop says. They should also ensure there is a process in place to control returns to ensure those products don't re-enter the channel.

And distributors can take a lead role in educating the end-user on using only authorized distributors for the products they are buying. In the end, Polinski says, more transparency and traceability in the supply chain will lower the risk of counterfeits.

#### ■ MDM Interview

## Building a Collaborative Culture

*'Command-and-control' techniques are no longer as effective as they once were*

*Evan Rosen's latest book, The Bounty Effect: 7 Steps to the Culture of Collaboration, addresses how companies can build an internal culture of collaboration, moving away from the traditional command-and-control setup to a collaborative approach to effectively compete in rapidly changing market.*

*In this interview, Rosen talks about some of the challenges distributors might face in building a culture of collaboration in their companies, but why it is critical to change how they think about the structure of their work force.*

*Rosen writes The Culture of Collaboration blog at [www.thecultureofcollaboration.com](http://www.thecultureofcollaboration.com).*

**MDM:** What is the Bounty Effect described in the title of your book?

**Evan Rosen:** The book gets its name from the mutiny that occurred on the H.M.S. Bounty in 1789. Before the mutiny, Captain William Bligh used a well-worn management technique: command-and-control. The mutiny forced the structure and culture to change as Bligh became a collaborative leader and his loyalists participated in decisions as they struggled for survival aboard a small boat.

The Bounty Effect happens when exigent

circumstances compel companies, governments and organizations to change their structures from command-and-control to collaborative. Today most businesses face all kinds of exigent circumstances including disruptive market forces, new competitors, regional slowdowns, natural disasters and boom-and-bust cycles. The Bounty Effect provides an opportunity to replace obsolete organizational structures and cultures designed for the Industrial Age with infinitely more valuable Information Age organizational structures based on collaboration.

**MDM:** What is the command-and-control culture, and why do leaders tend to forget to tap the expertise of those on the front lines?

**Rosen:** The structure of most organizations is much the same as it was during the Industrial Age. During the Industrial Age, command-and-control made more sense because barriers of time and distance were significant. It was more efficient to send down orders from headquarters and pay a few people to think and pay everybody else to carry out orders. Now we're in the Information Age, and technology has made time and distance barriers far less significant.

We have the technological ability to engage one another spontaneously regardless of level,

role or region. We can create far greater value by coming together in concert than by sending work down the line or sending requests for decision up the line. Yet the structure of most organizations still reinforces command-and-control. People internally compete. They hoard ideas and information. The person with the biggest title runs meetings and makes decisions. So leaders forget to tap the expertise and insights of front-line people because getting broad input into decisions and spontaneously engaging people regardless of level, role or region is not yet part of the organizational structure and culture.

**MDM:** How can distribution companies, where much of the organization is centered around an outside sales force that is largely autonomous, move from command-and-control to more collaborative?

**Rosen:** I've worked with many organizations in which salespeople feel they have little in common with people in other functions and that they're autonomous. Autonomy basically means self-government, which hinders collaboration. The reason salespeople are autonomous is that they often work solo, and the organization cares little about their input but cares a lot about whether they make their numbers. Even though salespeople have incredible insights about customer requirements and products, they have no effective way to contribute this input.

As an organization adopts a collaborative structure, people across functions, levels and regions become more interdependent. So a salesperson can participate in product and service development to ensure that products and services reflect customer requirements. The salesperson benefits, because he or she is now selling something more in line with what customers want. Product development and marketing people benefit, because they're creating products that resonate with the marketplace. And the company benefits, because everybody is working in concert to achieve common goals and create greater value.

**MDM:** You have talked about how technology is one of these external factors that may force companies to change from a command-and-control atmosphere to one that's more collaborative. What are your thoughts on the effect of technology – such as the rise of Amazon and other successful e-commerce platforms – on companies' willingness to change?

**Rosen:** Technology extends and enhances col-

laborative organizational structure and culture, but technology will not create collaboration. Often the technology is more advanced than the organizational structure and culture.

The challenge for many companies is to ensure that the structure and culture keep pace with technology. Amazon has streamlined e-commerce, but distributors have greater intimacy with customers and suppliers. The challenge for distributors is to enhance that intimacy with more advanced e-commerce while adopting a collaborative structure internally and with business partners.

**MDM:** Another technology tool that many distributors are showing increased interest in is customer relationship management, or CRM. You mention in your book that CRM systems may be in need of a "collaborative retooling." How can companies effectively use CRM to collaborate and communicate for better results?

**Rosen:** Part of changing the organizational structure is making collaboration part of workflow through processes. In my book, I outline five standard processes that are ripe for collaboration. One of these is customer development and retention. This is the primary sales process, and it's supported by the CRM system. A key benefit of retooling this process with collaboration is shortening the sales cycle. By getting broader input into sales situations and harnessing more organizational resources to close deals, sales happen more effectively and faster. Also, internal leads can come from service technicians, public relations people, accounts receivable people and others. And salespeople can bring back valuable insight to the organization.

Salespeople often possess untapped knowledge about customers and products that finance people, merchandising people and others can use. Integrating collaboration into customer development and retention makes it easier for salespeople to share their knowledge across functions.

Integrating unified communications with the CRM system lets team members in sales, marketing, customer service and other functions launch instant messaging, voice, web conferencing and video conferencing directly from the CRM application. So a salesperson working in the CRM system can get immediate input from people in other functions by seeing if they're available, connecting with them spontaneously and then working with them in the CRM system. The collaborative capability becomes integrated into how salespeople work.

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Read MDM's December 2012 interview with Rosen on collaborating with competing or complementary businesses at [www.mdm.com/rosen1](http://www.mdm.com/rosen1).