




# Using Self-Organizing Activities in Proposal Development:



What Harvester Ants, Urban Pedestrians,  
Enthusiastic Audiences, and the Ford  
Motor Company can teach us about  
getting the most out of proposal teams

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One of the most exciting new research fields in the last decade has been the study of self-organizing behavior, which is characteristic of bottom-up systems that use indirect control to grow smarter over time. What is self-organizing behavior? And how can it be incorporated into proposal development to make proposal teams more effective?

## CONSIDER THE LOWLY ANT

Every summer, Deborah Gordon and her Stamford University students visit the Chiricahua National Monument in southeastern Arizona. Their five-week work schedule involves getting up at 4:30 a.m., going into a desert canyon about 15 miles from the research station until about 11 a.m., and then returning for lunch and a couple of hours of laboratory work in the afternoons.

Their task is to study the behavior of harvester ants. A typical ant colony has a life cycle of about 15 years before it expires. But the individual ants in the colony live only about one year. How does the ant colony survive from year to year with such short individual life spans?

As she explains, “the basic mystery about ant colonies is that there is no management. There is no central control. No insect issues commands to another or instructs it to do things in a certain way. No individual is aware of what must be done to complete any colony task.”

In a typical ant colony, ants carry out five different functions. There is the queen, who lays all the colony’s eggs. Some ants do nest maintenance. Others are in charge of collecting and disposing of garbage. There are foragers who bring food to the colony, and finally there are patrol ants that protect the colony.

Although most of us may think that the queen ant controls the colony, this is incorrect. As Gordon explains, “the queen is not an authority figure. She lays eggs and is fed and cared for by the workers. In a harvester ant colony, many feet of intricate tunnels and chambers, and thousands of ants separate the queen, surrounded by interior workers, from the ants working outside the nest and using only chambers near the surface. It would be physically impossible for the queen to direct every worker’s decision about which tasks to perform and when.”

As Gordon argues in her informative book,

*Ants at Work: How an Insect Society is Organized* (1999), ants use chemical compounds of pheromones to communicate simple information (“There’s food over there,” “Run away!”) that enables them to accurately assess

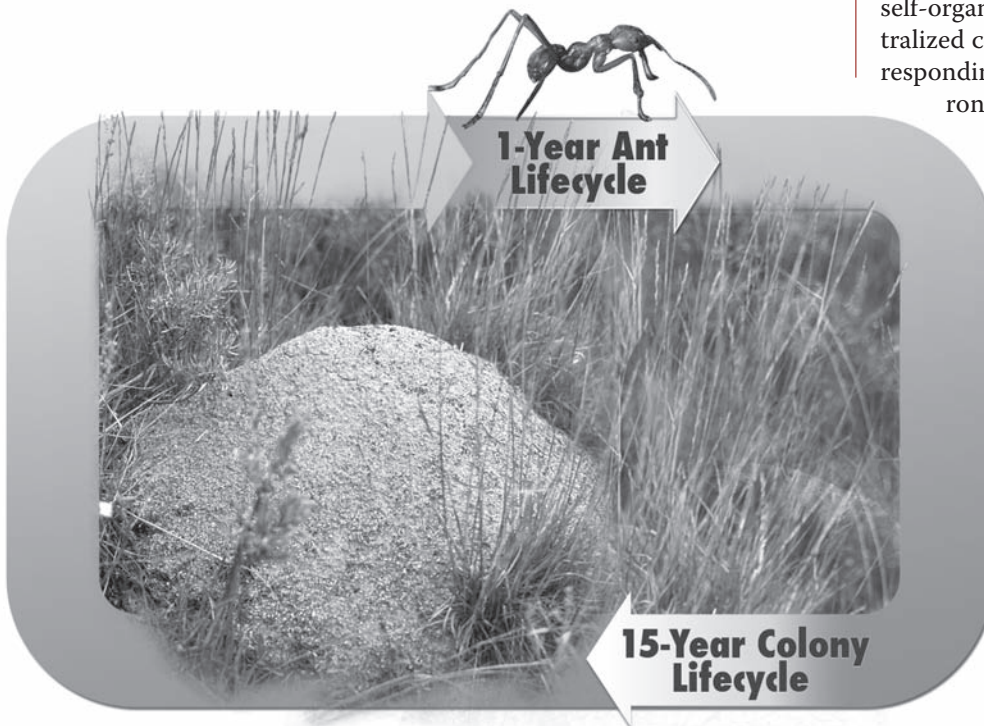
local situations. By frequently interacting with each other, ants are able to solve problems, regulate their colonies, and survive with just ten to twenty basic chemical signals.

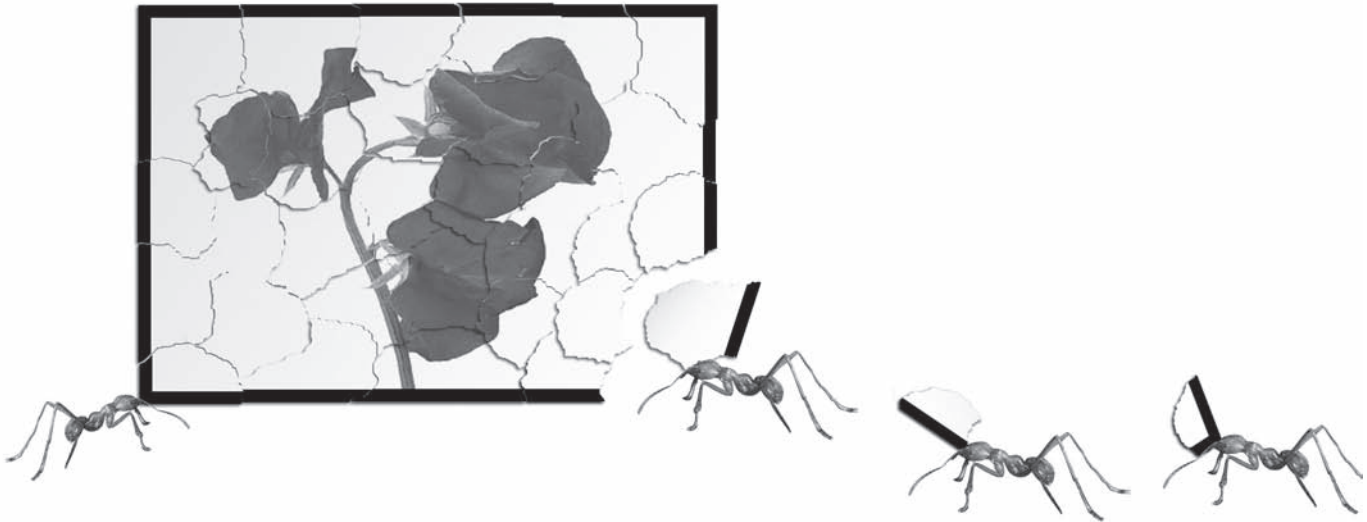
Harvester ants are an outstanding example of self-organizing behavior. Living in highly decentralized colonies, they grow smarter over time by responding to the changing needs of their environment with higher-level behaviors. Gordon does not think that people should emulate ants (“A person with the moral qualities of an ant would be terrifyingly empty”), but she admires them because their colonies function effectively without any direction from above.

*A person with the moral qualities of an ant would be terrifyingly empty.*

## SELF-ORGANIZING BEHAVIOR

At the heart of the universe is a steady, insistent beat: natural organisms are constantly self-organizing, which is a process whereby the components of a system spontaneously communicate and cooperate with





each other to form new and more complex forms of order. It pervades nature at every scale, from ant colonies and slime molds to human behavior.

Sometimes called emergence by scientists, self-organizing behavior involves the development of complex adaptive systems. As scientist John H. Holland has defined it, self-organizing behavior is “much coming from little,” and it has the following characteristics:

- Self-organization occurs in systems with relatively small numbers of components that obey simple laws.
- The interactions between the parts are nonlinear. The whole is more than the sum of its parts.
- Interactions between the parts provide growing adaptability. The more interactions, the more possible responses.

Among humans, self-organization is the spontaneous development of groups around specific issues that creates new ideas and patterns of behavior. It is usually in conflict with the official hierarchy, and it is provoked by differences and conflict.

Despite their astonishing variety, self-organizing behaviors share certain features. They draw upon relatively simple rules. They are bottom-up rather than top-down systems that do not depend on executive direction to guide them. Their intelligence comes from below, not above. And their core principles are local interaction, positive feedback, nonlinear behavior, and indirect control.

Nonlinear behavior and positive feedback loops are keys to self-organizing behavior. According to Cornell University mathematician Steve Strogatz, linear behavior describes “simple, idealized situations” where causes and effects are proportional and predictable. But “life depends on nonlinearity. In any situation where the whole is not equal to the sum of its parts, when things are cooperating or competing, not just adding up their separate contributions, you can be sure that nonlinearity is present.”

Any group of people working together constitutes a feedback system. As they work and learn, feedback can take a negative or positive form. In negative feedback, information is fed back to dampen certain kinds of ideas or behavior. In positive feedback, information is fed back to produce new ideas and forms of behavior.

Negative feedback helps produce stability. Positive feedback systems are usually nonlinear and they disturb or modify established ways of doing things, leading to innovation.

Because this discussion of emergence, self-organizing behavior, feedback loops, and nonlinear behavior may seem rather abstract, I will illustrate how human self-organization actually works with three miniature case studies: applause; urban pedestrians; and the resurgence of the Ford Motor Company. My case study of Ford is not an endorsement of Ford cars, products, or Ford’s devotion to depleting the earth’s ozone layer. It simply is an example of how self-organizing behavior at Ford Motor Company helped turn around a troubled firm.

**Self-organizing Behavior:** A process whereby the components of a system spontaneously communicate and cooperate with each other to form new and more complex forms of order. In human organizations, self-organization is the spontaneous formation of groups around specific issues.

## APPLAUSE

When Albert-László Barabási attended a studio theater in Budapest, he was as fascinated by the audience's applause pattern as by the theatrical performance. A renowned European scientist and a chaired professor of physics at Notre Dame University, he decided to study the science of this rich aesthetic experience. "Suddenly everyone around me burst into tumultuous applause, which was echoed and amplified by the black walls. In no time the chaotic thunder gave way to unison clapping. Our palms came together at precisely the same moment, united by a mysterious force that urged us to clap in phase, as if following the baton of an invisible conductor."

According to Barabási, "synchronized clapping offers a wonderful example of self-organization following strict laws extensively researched by physicists and mathematicians." After Barabási and Strogatz investigated applause, they concluded that it remains disorderly and random until it begins following a mathematical model known as coupled oscillations. When two or more oscillating systems – like people clapping – allow motion energy to be exchanged between them, coupled oscillations occur.

Based on studies of concert halls in Romania and Hungary, they concluded that clapping has two modes – fast, which occurs immediately at the conclusion of a performance, and slow, as audiences cut the frequency of their clapping almost in half.

When audiences clap rapidly, synchronization is impossible, but when audiences slow down, they are able to rapidly synchronize their applause. As Strogatz said, "It's been recognized for 40 to 50 years that there's a mathematical unity to these phenomena. It's a beautiful part of mathematics." While rhythmic applause has a

physical basis, an audience's ability to move from disorderly rapid clapping to slower synchronized applause is self-organization in action.

## URBAN PEDESTRIANS

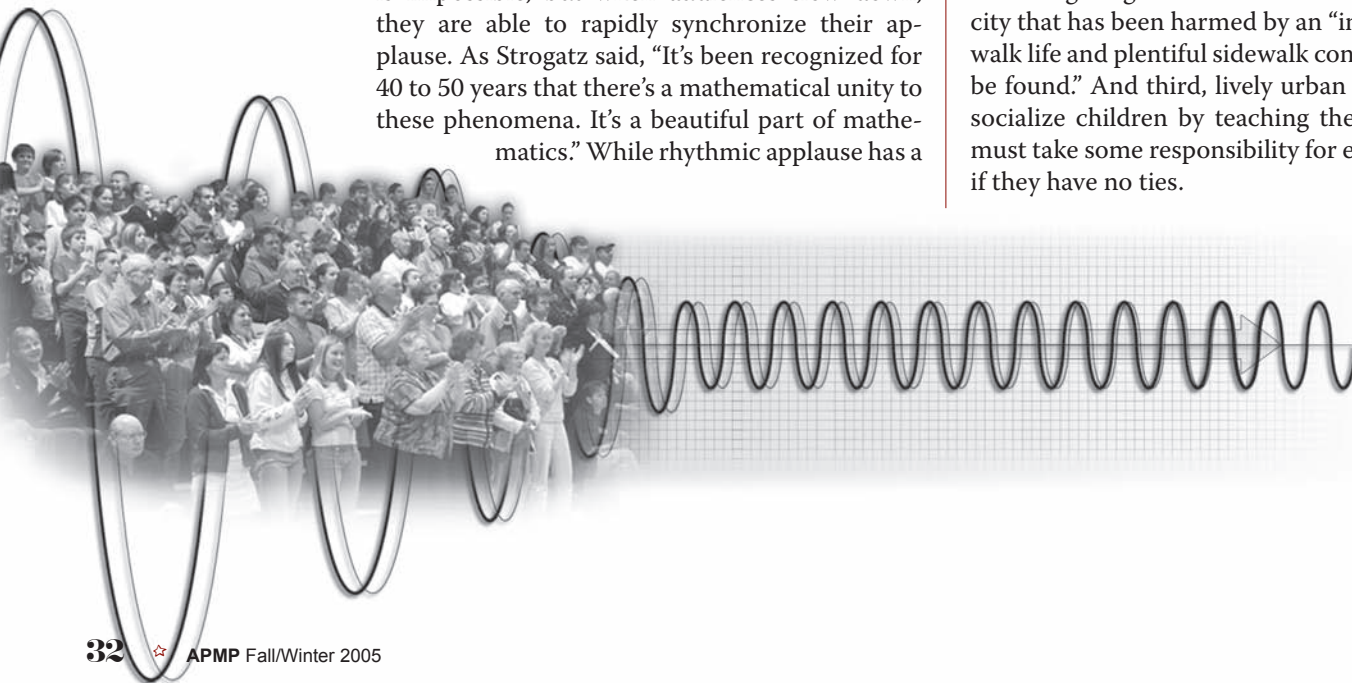
In 1961, Jane Jacobs and her lower Manhattan neighbors successfully fought the New York City Planning Commission's proposal to raze much of the historic West Village. Out of this experience and her own keen observations about urban life came one of the most important books written after World War II – *The Death and Life of American Cities* (1961), which has been continuously in print since its publication.

Jacobs argues that "under the seeming disorder of the old city, wherever the old city is working successfully, is a marvelous order for maintaining the safety of the streets and the freedom of the city. It is a complex order. Its essence is intimacy of sidewalk use, bringing with it a constant succession of eyes." In other words, successful cities are great examples of self-organizing behavior.

For Jacobs, urban sidewalks serve three critically important purposes. First, peace in cities is not kept primarily by the police but by "an intricate, almost unconscious, network of voluntary controls and standards among the people themselves." When pedestrians feel safe and secure, the city's streets are "tolerably safe from barbarism and fear."

Second, contact on city streets is important because it provided an informal and highly effective means of surveillance. For her, empty streets discourage togetherness. According to Jacobs, a city that has been harmed by an "interesting sidewalk life and plentiful sidewalk contacts has yet to be found." And third, lively urban sidewalks help socialize children by teaching them that people must take some responsibility for each other even if they have no ties.

*Synchronized clapping offers a wonderful example of self-organization following strict laws extensively researched by physicists and mathematicians.*



Attacking the “Great Blight of Dullness” that settled over American cities in the early 1960s, Jacobs suggests that diverse, innovative cities have four basic characteristics, which all began with their sidewalks:

- Neighborhoods serve more than one primary function, and preferably more than two
- Urban blocks are short with ample streets and opportunities to turn corners
- Neighborhoods mingle buildings that vary in age, condition, and economic uses
- There are dense concentrations of people, even in residential areas, because they want to live there.

As Jacobs rhetorically asks at the end of her book, “Does anyone suppose that, in real life, answers to any of the great questions that worry us today are going to come out of homogeneous settlements?” Dreary, inert cities appall Jacobs. She wants to see “lively, diverse, intense cities” with the energy to contribute to the greater good of humanity, as successful cities always have done.

What happens when people avoid sidewalks was dramatically illustrated by the great Chicago heat wave of 1995. In July of that year, more than 700 people died of heatstroke, dehydration, heat exhaustion, renal failure, and electrolytic imbalances as the heat index climbed above 120 degrees Fahrenheit. But as sociologist Eric Klinenberg argued, these deaths were not random.

The victims were primarily elderly. About 75 percent were over 65 years of age. Chicago’s African Americans had the highest proportional death rates of any ethnic or racial group, and Hispanics, who constituted about one-quarter of the city’s population, represented only two percent of heat wave deaths.

When Klinenberg investigated this pattern, he found that African Americans disproportionately lived in segregated neighborhoods with high levels of abandoned houses, empty lots, few stores and businesses, bad sidewalks, parks, and streets, and weak social services. Violent crime and street drug markets kept people off the sidewalks and discouraged neighbors from caring about each other. This is why so many elderly African Americans died in July 1995. They lived in isolation and fear, and thus they had no one to help them when disaster struck.

In the city’s Hispanic neighborhoods, in contrast, there was plenty of poverty but also an active street life. Stores, street vendors, churches, social clubs, and pedestrians of all ages crowded the sidewalks, making them safe and friendly. As a result, older residents walked, shopped, and socialized. They knew their neighbors and had support networks. When the heat wave struck, individuals and businesses quickly responded by taking care of their most vulnerable residents.

Klinenberg’s case study is a powerful example of Jacobs’s thesis that lively, dense sidewalks are a city’s life blood, promoting neighborliness and the kinds of self-organizing behavior that can solve problems. Sidewalks are superb conduits of information among city residents; stifle communication, and urban order breaks down.

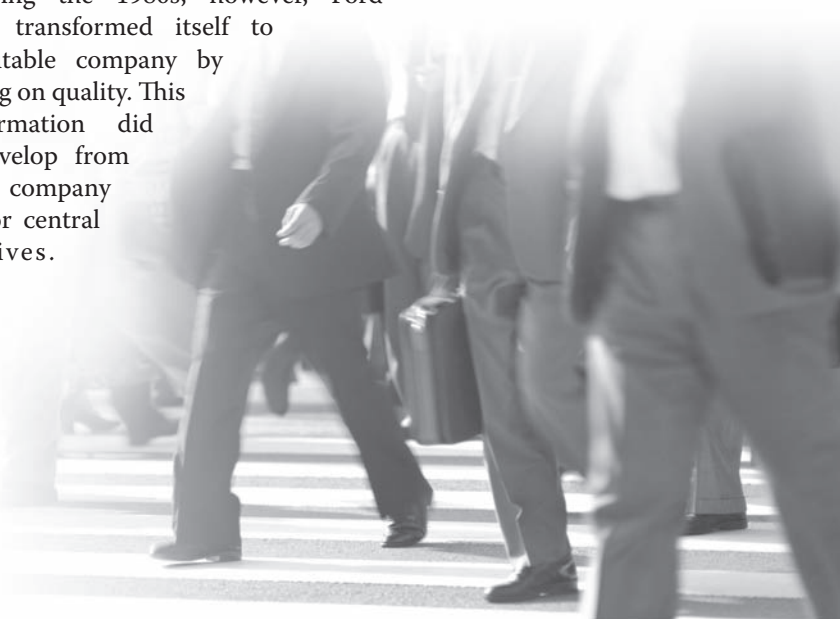
## FORD MOTOR COMPANY

By the late 1970s, the Ford Motor Company was in serious financial trouble. Like other major American automobile firms, Ford was fixated on volume. Under the autocratic leadership of Henry Ford II and Lee Iacocca, cars varied little in design. They were medium to large, had plenty of horsepower for rapid acceleration,

and consumed vast quantities of gasoline. As a result, during the energy crisis of the 1970s Ford could offer no small cars to the American public that rivaled the mid-sized Mustang and Thunderbird in popularity. In just two years – from 1978 to 1980 – Ford lost six percent of its market share to rival automakers.

During the 1980s, however, Ford quietly transformed itself to a profitable company by focusing on quality. This transformation did not develop from new company plans or central directives.

*Lively, dense sidewalks are a city’s life blood, promoting neighborliness and the kinds of self-organizing behavior that can solve problems.*



Instead, it appeared as a set of initiatives that flowed together and became mutually self-enforcing.

Until 1980, Ford employees worked in a highly controlled environment that stifled independent thinking or action. As one senior executive lamented, “We’d solve problems by issuing a new rule – which only solved the problem on paper. There wasn’t any dialogue. It was bureaucratic gridlock. The edicts used to come from on high. You had to be nuts to argue anything.” This changed in the 1980s as Ford used a variety of seemingly unrelated activities – employee participation, multi-discipline teams to design the new Taurus, task forces to break down barriers and promote cooperation, blue collar and executive training and development programs, and more cooperative relations with the United Auto Workers union – to redesign the company without disrupting it.

Traditionally, Ford’s divisions were semi-independent fiefdoms. At Ford headquarters in Dearborn, Michigan, the Design and Engineering Departments occupied adjacent buildings but officially communicated only by memos. Ford responded by creating cross-functional teams. As one Taurus team member observed, it took 18 months for members to believe that they could really cooperate. With Team Taurus leading the way, Ford employees gradually learned to work together. The 1986 Taurus was designed in just four years, and it had half the weight and twice the miles per gallon as the previously designed Ford car. It also ranked as one of the highest quality American cars.

Another example of Ford’s new approach was its improved relations with the powerful United Auto Workers that had often been acrimonious and adversarial since the mid-1930s. In 1982, Ford negotiated a profit-sharing program. In 1987, Ford paid a whopping \$630 million in bonuses, the biggest in American corporate history at that time with an average employee bonus of \$3,700.

With profit-sharing, Ford workers became advocates of maximizing production. In 1978, Ford employed about a half-million people worldwide and produced almost 7 million vehicles. By 1990, Ford had closed eight plants in the United States, reduced its staff by about 130,000, reduced the number of outside vendors from 7,000 to 3,000,

and yet produced almost a half-million more cars than in previous years.

During the 1980s, Ford successfully confronted instability and crisis within itself and in the U.S. auto market. Ford became a profitable and quality-driven operation not through new executive leadership or a brilliant master plan, but through a number of modest, nonlinear, independent, and self-reinforcing initiatives that led to more adaptive and innovative modes of organizational behavior.

## MANAGEMENT AND SELF-ORGANIZING BEHAVIOR

Ralph D. Stacey is one of the most innovative contemporary thinkers in strategic business management, although he is better known on the other side of the Atlantic. He has worked as an economist for the British Steel Corporation, as a financial investment strategist in the securities industry, and as a corporate planning manager for one of the United Kingdom’s major construction companies. Today, he is a management consultant to executive teams in major companies and teaches strategic management at the Business School of the University of Hertfordshire in Hertford, England.

Of his many books on business dynamics, *Strategic Management & Organizational Dynamics* (2<sup>nd</sup> edition, 1996) is a rarity for proposal professionals: while it provides a masterful summation of the contemporary literature on strategic management, it proposes a very provocative view of the business world that may change the way you think about managing your next proposal.

In this book, Stacey attacks conventional business wisdom by proposing a wide variety of alternative approaches to strategic management. I have chosen to focus on his analysis of self-business organizing behavior for two reasons. First, it finds compelling echoes in the works of thinkers such as Jacobs, Strogatz, and Barabási, among the many people who have written so powerfully about emergence and self-organizing behavior.

And second, my own experience on proposal teams in companies, nonprofit organizations, and the District of Columbia government has convinced me that proposal efforts would benefit from the deliberate cultivation of self-organizing behavior. Consequently, the remainder of this article will be based on three simple but essential premises:

*We’d solve problems by issuing a new rule – which only solved the problem on paper. There wasn’t any dialogue. It was bureaucratic gridlock.*

Self-organization	Self-managed Teams
<ul style="list-style-type: none"> <li>• Fluid, temporary, informal teams</li> <li>• Not controlled by managers</li> <li>• Participants decide who gets involved</li> <li>• Participants empower themselves</li> <li>• Characterized by differences and conflict</li> </ul>	<ul style="list-style-type: none"> <li>• Established as part of the official hierarchy</li> <li>• Controlled by managers</li> <li>• Management decides who gets involved</li> <li>• Management empowers the team</li> <li>• Characterized by a strongly shared culture</li> </ul>

Figure 1. Major differences between self-organization and self-managed teams.

- Self-organizing behavior occurs naturally in proposal development.
- Self-organizing behavior can be suppressed, but only at the cost of stifling the emergence of new ideas and new ways of adapting.
- Proposal managers can create an environment where self-organizing behavior occurs so that their teams can grow smarter over time by using positive feedback loops (problems lead to new ideas and solutions).

First, however, we must understand the role of self-organizing behavior in business environments. According to Stacey, the conventional wisdom about strategic management is rather straightforward: its purpose is to “reduce the level of surprise, to increase the level of predictability, and thereby improve the ability of those at the top to control the long-term destiny of their organizations.” This approach is based on the premise that businesses succeed when they operate in a “state of stability and harmony to adapt intentionally to their environments.”

Stacey argues, however, that the real-world life of managers is very different from the conventional wisdom. Managers are needed because “organizational life is inevitably full of ambiguities, uncertainties and surprises.” In other words, managing, like life in general, is messy and frequently unpredictable. He calls this extraordinary management, in contrast to ordinary management.

Although messiness is hardly a positive word, our previous examples of self-organizing behavior demonstrate that mess is the condition from which life, creativity, and new solutions to problems emerge. Urban sidewalks are messy and ant colonies are messy, and yet out of these disparate environments emerges order.

Consequently, the really important task of managers is not to maintain stability but to use unpredictability, conflict, clashing cultures, and inconsistency to develop new perspectives, new forms of behavior, and continual learning. This is self-organizing behavior, which differs from

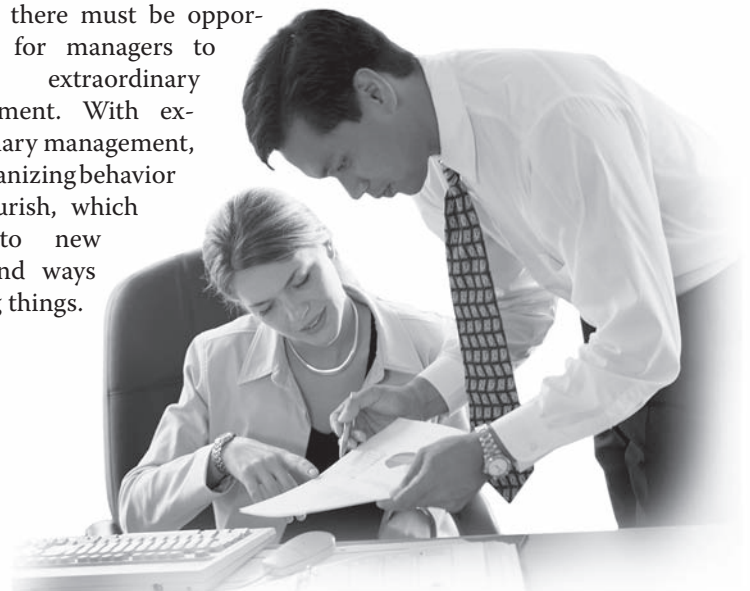
self-managed teams created by management (see Figure 1).

In the business world, ordinary management – what we would label classical bureaucratic behavior – is likely to be successful when people face closed, constrained, and predictable situations. Work tomorrow will be much like the work today and yesterday. Because they do not usually need to question the assumptions upon which they work, managers can make a reasonably accurate forecast of what lies ahead.

Ordinary management enables large numbers of people to take efficient actions on a day-to-day basis to accomplish the organization’s primary tasks. Ordinary management usually operates with a negative feedback loop – certain activities are dampened or suppressed because they do not conform to the organization’s paradigm. This is how many successful companies operate (see Figure 2 on next page).

The key to ordinary management is dividing up tasks in a predetermined way and ensuring that they are performed to a predetermined standard. This approach works very well in stable settings, but not in conditions of uncertainty, like the Ford Motor Company found itself in the 1970s.

Paradoxically, for ordinary management to succeed there must be opportunities for managers to practice extraordinary management. With extraordinary management, self-organizing behavior will flourish, which leads to new ideas and ways of doing things.



<i>Ordinary Management</i>	<i>Extraordinary Management</i>
<ul style="list-style-type: none"> <li>• Based on blueprints and master plans formulated at the top</li> </ul>	<ul style="list-style-type: none"> <li>• Ideas appear from many sources and are pursued in different ways</li> </ul>
<ul style="list-style-type: none"> <li>• Instructions for implementation are passed down the hierarchy for implementation according to bureaucratic rules</li> </ul>	<ul style="list-style-type: none"> <li>• New ideas, policies, and procedures appear at many different points and are tested on an experimental basis before they become codified as company policy</li> </ul>
<ul style="list-style-type: none"> <li>• Outcomes derive from the realization of the intentions of those highest in the hierarchy</li> </ul>	<ul style="list-style-type: none"> <li>• Outcomes emerge without prior or widely shared intentions and are later codified as the new organizational policy</li> </ul>
<ul style="list-style-type: none"> <li>• Those in charge are in control, or at least everyone thinks they are in control</li> </ul>	<ul style="list-style-type: none"> <li>• Those in charge create an environment where new ideas, policies, and procedures can emerge</li> </ul>
<ul style="list-style-type: none"> <li>• Relationships are contractual</li> </ul>	<ul style="list-style-type: none"> <li>• Relationships are based on trust, friendship, honor, the fear of failing, or letting the group down, etc.</li> </ul>
<ul style="list-style-type: none"> <li>• In principle the principle between policy and implementation is not problematic. The blueprint establishes a roadmap for everyone to follow</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertainty, ambiguity, disagreement, complexity, and the sheer messiness of organizational life make it impossible to start with an intentional, organization-wide policy. The local behavior of an organization's members will create ideas, policies, and procedures that later will become legitimized</li> </ul>
<ul style="list-style-type: none"> <li>• Failure to reach predicted outcomes is considered disastrous</li> </ul>	<ul style="list-style-type: none"> <li>• Some of the organization's ideas, policies, and procedures will succeed while others will fail. Positive feedback systems are built into the organization's learning process</li> </ul>
<ul style="list-style-type: none"> <li>• Sustains stability and the <i>status quo</i></li> </ul>	<ul style="list-style-type: none"> <li>• Operates in tension with the reigning system and provokes changes in that system</li> </ul>

Figure 2. Ordinary and Extraordinary Management.

## SELF-ORGANIZING BEHAVIOR IN PROPOSAL TEAMS

Self-organizing activities are likely to spontaneously appear in conditions of uncertainty during proposal efforts. Whether a bid opportunity is old or new, there are certain aspects of the proposal development life cycle where ordinary management works superbly well. There are predictable tasks that will not vary regardless of the RFP.

But suppose that the bid opportunity represents a departure for your business, nonprofit organization, or government agency? Suppose you know that your organization must develop a new solution to the RFP? As a proposal manager, how will you develop it and how will you identify gaps or potentially adverse situations that may compromise your solution?

Here is where self-organizing behavior is likely to appear as a nonlinear feedback system that amplifies small changes to modify existing patterns of thinking and behavior. Of course, it can appear only if proposal managers allow it

***The Paradox of Ordinary Management:*** Ordinary management enables large numbers of people to take coherent and efficient actions on a day-to-day basis to accomplish the organization's primary tasks. Paradoxically, however, in order for ordinary management to succeed, there must be opportunities for managers to allow self-organizing behavior to flourish, which leads to new ideas and new ways of doing things.

### **Major Organizational Challenges Faced by Proposal Managers**

- All proposal teams are webs of nonlinear feedback systems connected to other people and organizations.
- All proposal teams have a paradoxical organization. On the one hand, they are pulled toward stability by the forces of camaraderie, shared purposes, bureaucratic control, adaptation to their wider organizational environment, and the human desire for security and certainty. On the other hand, they are pulled toward instability by differing perspectives, clashing personalities, partial isolation from their wider organizational environment, and the human desire for excitement, learning, and innovation.
- If a proposal team becomes too stable, it becomes ossified and has difficulty responding to new challenges. If it becomes too unstable, it may disintegrate or produce a poor proposal. Success lies in sustaining the proposal team on the borders between stability and instability.
- Proposal teams cannot easily anticipate long-term developments because the future is unclear and proposal development, like all long-term processes, is subject to change.

because they have the capacity to stifle new ideas and certain kinds of activities. The basic process of self-organizing behavior (*see Figure 3 on next page*) contains seven basic steps :

- **Step 1:** Detecting and selecting open-ended issues to address.
- **Step 2:** Gaining attention and building an agenda around an issue.
- **Step 3:** Interpreting and handling the issue.
- **Step 4:** Clarifying preferences and objectives.
- **Step 5:** Taking experimental action and getting feedback.
- **Step 6:** Gaining legitimacy and support.
- **Step 7:** Incorporating the outcome into the organization's behavior and memory.

#### **STEP 1: DETECTING AND SELECTING OPEN-ENDED ISSUES TO ADDRESS.**

When a proposal team is confronted with open-ended change, the key challenge becomes identifying the most important issues, problems, and opportunities. Under these conditions of uncertainty, some individuals on the team may choose to pursue some issue that intrigues them.

Through discussion over lunch, the water cooler, and the gym, they may convince others with similar interests to join an informal network. This is a self-organized group because it has emerged from the spontaneous interactions of selected members of the proposal team. Its norms are created by the group, not by the parent organization or the proposal manager. Personal influence, not hierarchical power or authority, will be the group basis for making decisions.

This group is neither officially sanctioned by the parent organization nor formally empowered by the proposal manager. It has a fluid and informal character. In fact, its members may vehemently disagree about everything except the importance of the issue they are tackling.

#### **STEP 2: GAINING ATTENTION AND BUILDING AN AGENDA AROUND AN ISSUE.**

Once the group finishes examining an issue, it lobbies the entire proposal team and the proposal manager to address the issue. Nobody is centrally coordinating this quasi-political activity as the group tries to build coalitions and support.

If the group is unsuccessful in convincing the proposal manager that their issue should become part of the proposal team's strategic agenda, it will dissolve. However, other groups may spontaneously develop around different issues, if they do not already exist.

#### **STEP 3: INTERPRETING AND HANDLING THE ISSUE.**

When self-organizing groups succeed in getting their issue placed on the strategic agenda, they are performing a potentially destabilizing function. New ways of resolving issues may change the content of the Technical and Management Volumes. Once an issue is on the strategic agenda, there is likely to be plenty of discussion, disagreement, and even conflict, which may result in changed perceptions. As in all self-organizing forms of behavior, instability and uncertainty actually are opportunities because they help shatter old patterns and create new ones.

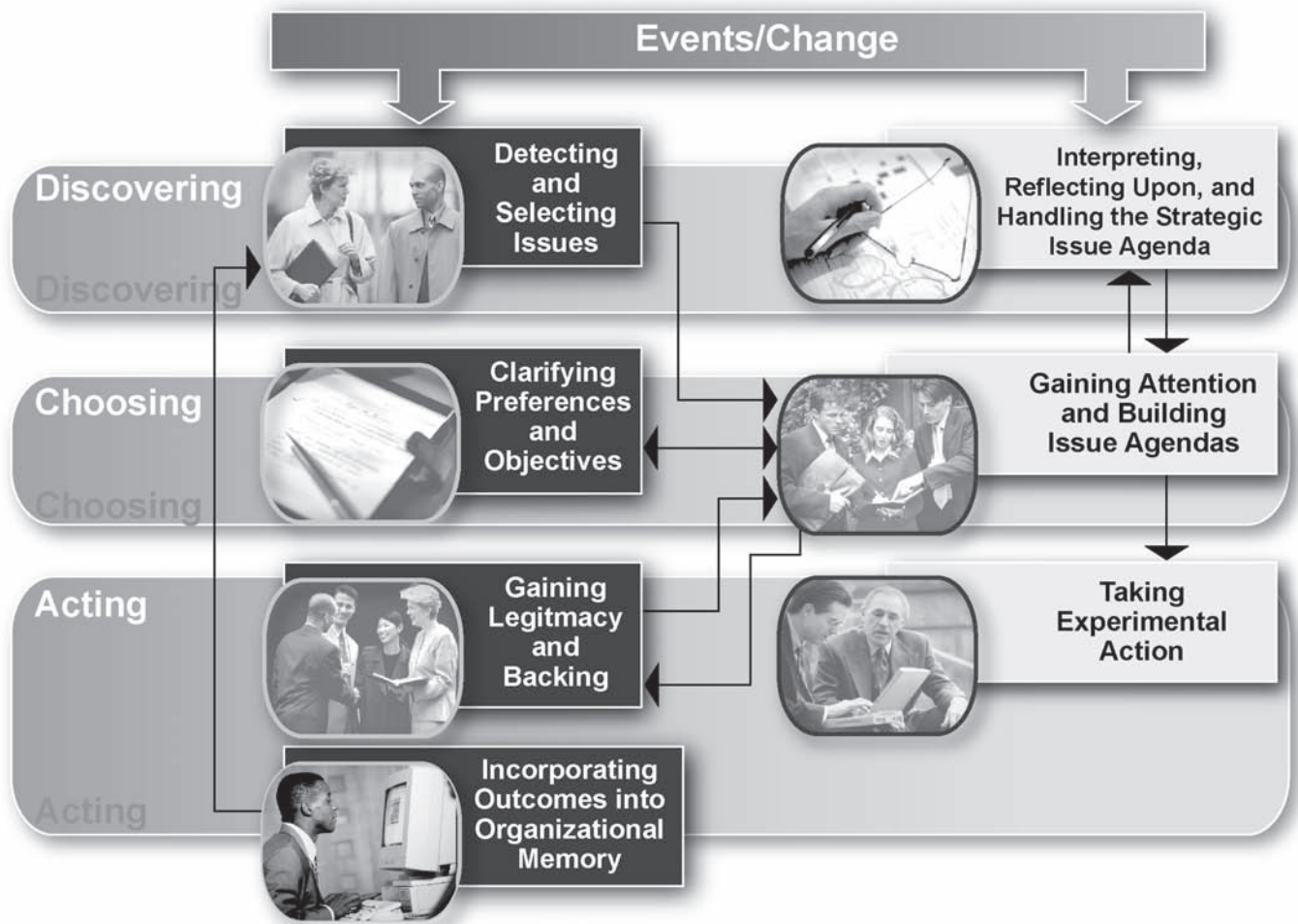


Figure 3. Political and learning process: self-organizing control.

#### STEP 4: CLARIFYING PREFERENCES AND OBJECTIVES.

The way these agenda issues are resolved is inherently unpredictable because resolution depends on a constellation of nonlinear factors – power, personality, group dynamics, the disposition of the proposal manager, and the thrust of the parent organization, to name but a few. Now the proposal team must decide how to address the new issue on the strategic agenda.

#### STEP 5: TAKING EXPERIMENTAL ACTION AND GETTING FEEDBACK.

If the proposal team decides to address the issue, experiments may occur. For example, if a group has successfully advocated an alternative technical solution, it will have to be reviewed and perhaps tested. The results will provide the self-organized group and the proposal team with another opportunity to learn more about the issues in the RFP.

#### STEP 6: GAINING LEGITIMACY AND SUPPORT.

Building support for issues on the strategic agenda is highly informal and usually proceeds outside the formal hierarchal structure. Formal decision-making personnel, however, are critically important in this process for three reasons. First, ultimately they have to legitimize the issues advocated by the group if changes are to occur. Second, they provide boundaries within which the group operates. And third, as once opened issues are identified, clarified, discussed, and acted upon, the proposal manager plays an increasingly important role in their implementation. New ideas, strategies, and ways of doing things will emerge only if ordinary management blesses the group's efforts and provides them with the resources to succeed.

## STEP 7: INCORPORATING THE OUTCOME INTO THE ORGANIZATION'S BEHAVIOR AND MEMORY.

Once ordinary management decides to legitimate, support, and institutionalizes new ways of thinking and behaving, it becomes part of the proposal team's culture and collective memory.

Because the proposal team is working in an unstable environment, this new stasis is only temporary. New issues, problems, and disagreements will appear. In fact, the process of change through self-organized behavior may be as important as the kind of changes that are made. Once a self-organized group is successful, others groups will spontaneously appear around other issues.

What has occurred in this seven-stage process is something that may seem odd to us because it goes against the principles of ordinary management. Out of the seemingly disorder and conflict of the self-organizing process will emerge new norms, new ideas, and new boundaries and constraints. With the right organizational context, the seven phases will modify existing structures and perspectives and at the same time produce new forms of order that will benefit the proposal team.

## HOW PROPOSAL MANAGERS CAN ENCOURAGE SELF-ORGANIZING BEHAVIOR

There is only one reason for proposal managers to provide a supportive environment for self-organizing behavior: it leads to innovation and more successful ways of developing proposals. Despite this obvious benefit, however, self-organizing behavior probably is not widespread in proposal development.

The reasons for its absence are rather obvious. Proposal teams and their parent organizations are almost always top-down organizations. Despite the camaraderie, business casual dress, and male sports patter, they are bureaucratic and based on ordinary management. Among proposal teams, the most important communications usually are two-way, between the proposal manager or his or her designated representative and a member of the team. Teams members may work and talk among themselves, but they gaze upward. Even at allegedly open-ended team meetings, the pro-

posal manager usually dominates the discussion. The proposal team is a network with just one important node.

In this kind of environment, self-organizing initiatives often are discouraged or suppressed because they do not emanate from upper management, they are seen as a threat to the authority of those in power, or because they are not considered part of the organization's culture. Under ordinary management, defense, deference, and avoidance are used to survive and prosper. Self-organizing behavior cannot emerge in this bunker mentality.

There is another problem. Managers must be willing to take the informal group's issues seriously and reflect upon them, for ultimately managers set the boundaries for group behavior. If managers approach new ideas from others as a challenge to their authority, negative rather than positive feedback will be the result.

As Stacey points out, most students of organizational behavior ignore the spontaneous appearance of self-organized groups. Those who recognize its existence and value to organizations usually advocate one of two responses: (1) organizations should formally

install a more flexible bureaucracy to replace the calcified one; or (2) organizations should create an environment where self-organizing groups can function successfully.

*There must be tension and discord for learning and organizational growth to occur.*



Many individuals have attacked the principles of bureaucracy because they believe it creates unnecessary frustration and rigidity. In its place, they have advocated installing more flexible structures that foster motivation and self-initiative. Probably the most popular advocate of this position has been the organizational guru Tom Peters.

However, attempts to institutionalize informality have by and large failed, especially in large organizations. There are several reasons for this. First, bureaucracy and ordinary management do many tasks superbly well, especially under conditions of certainty. Second, flexible structures may weaken the hierarchy that makes ordinary management successful. And third, creating more flexibility may lessen the necessary and productive tension between elasticity and control that encourages the appearance of self-organized behavior.

It is the clash of two cultures – self-organizing groups and the bureaucracy – that provides the impetus for change and creativity. Without this clash, new ideas and paradigms cannot appear. There must be tension and discord for learning and organizational growth to occur. This may not be apparent to most managers, but it is a truism nonetheless. In what kind of academic setting would you learn more – in a class where everyone agreed with each other, or where there were a wide variety of stimulating perspectives and ideas percolating around you? Proposal teams are no different.

The creation of new knowledge cannot be centrally designed or controlled because no one knows what can be created until it appears. Before knowledge becomes explicit, it must be bandied about from one person to the next, discussed, argued about, and modified. This will occur in self-organized groups.

Thus proposal managers should have two tasks. First, they must use the proven techniques of ordinary management to handle those aspects of proposal development that are repetitive and predictable, like Red Team reviews. And second, in conditions of uncertainty they

can create an environment where self-organizing behavior can emerge. Below are seven ways to accomplish this task, all of which have been suggested by Stacey.

## 1. DEVELOP A NEW MINDSET

Proposal managers rightly believe that with tight deadlines, plenty of evening and weekend work, and many milestones, team members do not have the luxury of doing whatever they like in the hopes that it will improve the proposal. But proposal managers establish boundaries for the work of self-organizing groups. They are still in charge, and they must create the context for self-organized behavior.

## 2. USE POWER WISELY

How power is wielded will determine if self-organizing behavior succeeds or fails. If proposal managers concentrate power solely among themselves and bludgeon team members into performing, the proposal team will be so stable that little new learning will take place because the boundaries are too tight. On the other hand, if proposal managers widely distribute power and fail to exercise their authority, anarchy will occur because boundaries no longer exist.

But if power is distributed according to the circumstances, proposal managers can create highly flexible boundaries that enable self-organizing activities to appear. You do not want a

*Team members do not have the luxury of doing whatever they like in the hopes that it will improve the proposal.*



self-organizing group proposing a new technical solution the day before the Red Team review, but you might give them a week to develop one early in the development process.

### 3. ESTABLISH SELF-ORGANIZING GROUPS

This sounds like a real paradox. If proposal managers cannot create new ideas and paradigms by fiat, how can they create self-organizing groups to address important issues during the proposal development process? Proposal managers can encourage groups to form around issues if they meet the following criteria:

- They have the freedom to operate according to their own rules.
- They must develop their own goals and objectives.
- They must be composed of team members from different arenas – technical, management, and finance. By drawing on a wide variety of perspectives, proposal managers can ensure that there will be plenty of perspectives, disagreement, and even conflict, which is how new knowledge emerges.

*If everyone on the proposal team shares the same perspective, innovations will not occur.*

### 4. FOSTER MULTIPLE CULTURES

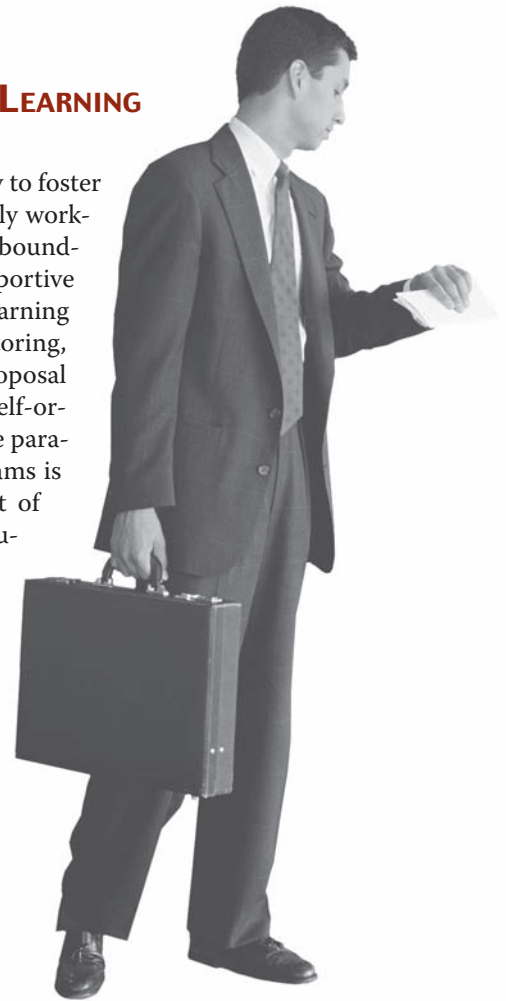
If everyone on the proposal team shares the same perspective, innovations will not occur. Proposal managers must mix disparate kinds of people and functional responsibilities for self-organization to succeed. Using consultants from outside the organization also may foster diversity.

### 5. PRESENT CHALLENGES, TAKE RISKS, SET BOUNDARIES

If the proposal team has a common culture, work will run smoothly, but new solutions are unlikely. Proposal managers should treat challenges and risks as a two-way street. They should challenge team members to address important issues, and they should be open to challenges from those around them. Taking chances and discovering new things are closely interrelated. Proposal managers have the power to set challenges; they also have the power to set boundaries on their resolution.

### 6. IMPROVE GROUP LEARNING SKILLS

There is one simple way to foster group learning – by actually working in groups with clear boundaries. By creating a supportive environment for group learning through coaching, mentoring, and actual group work, proposal managers can encourage self-organizing efforts. One of the paradoxes of most proposal teams is that members spend most of their time working individually on proposals. There is plenty of cooperation, but little collaboration. Perhaps it is time to put the word “team” back into proposal teams.



### 7. PROVIDE NEEDED RESOURCES

Self-organizing teams need time and resources to succeed. For example, if team members are expected to work 10 hours a day, they will have neither the time nor the energy for self-organizing activities. Proposal managers must use their power to invest in self-organizing groups by freeing them from enough day-to-day work to address new issues and problems.

## THE DUAL CHALLENGE OF PROPOSAL MANAGERS

Over the past couple of decades, business organizations have been inundated with managerial quick fixes, from T-groups to the one-minute manager to management by walking around. Self-organizing behavior is not one of these quick fixes. It is a mindset and a practical, applied approach to dealing with change and uncertainty. And it works because successful self-organized behavior occurs around us, every day.

Proposal managers face a dual challenge. On the one hand, as ordinary managers they must practice skilled bureaucratic behavior to promote, order, stability, and the execution of predictable tasks. On the other hand, proposal managers must learn to practice extraordinary management skills in an atmosphere of uncertainty and instability.

The dual challenge of proposal management is a paradoxical one. On some occasions, proposal managers must use their power to make the bureaucracy run well. On other occasions, however, they must encourage self-organizing behavior, which challenges the bureaucracy and allows innovations to appear. Bureaucracies have difficulty changing, and that is why proposal managers need to carve out the time, space, and resources for team members to spontaneously form groups to address and resolve problems.

If a proposal team becomes too stable, it runs the risk of becoming inflexible and unimaginative. If it becomes too unstable, then team members will flounder and not perform well. An adept proposal manager will position his or her team in between the borders of stability and instability to create the conditions for adaptation and change.

Ordinary management is about knowing how to achieve known objectives. Extraordinary management is about challenging and changing existing paradigms, and it flows naturally from the inherent limitations of bureaucratic behavior because it is based on conflict and a lack of consensus. As the English poet William Blake once wrote, without contraries there is no progression.

Self-organization is not just for harvester ants and urban pedestrians. We need more self-organizing behavior on proposal teams if we are to remain fresh, stimulated, and motivated, and if we are to do our best work.

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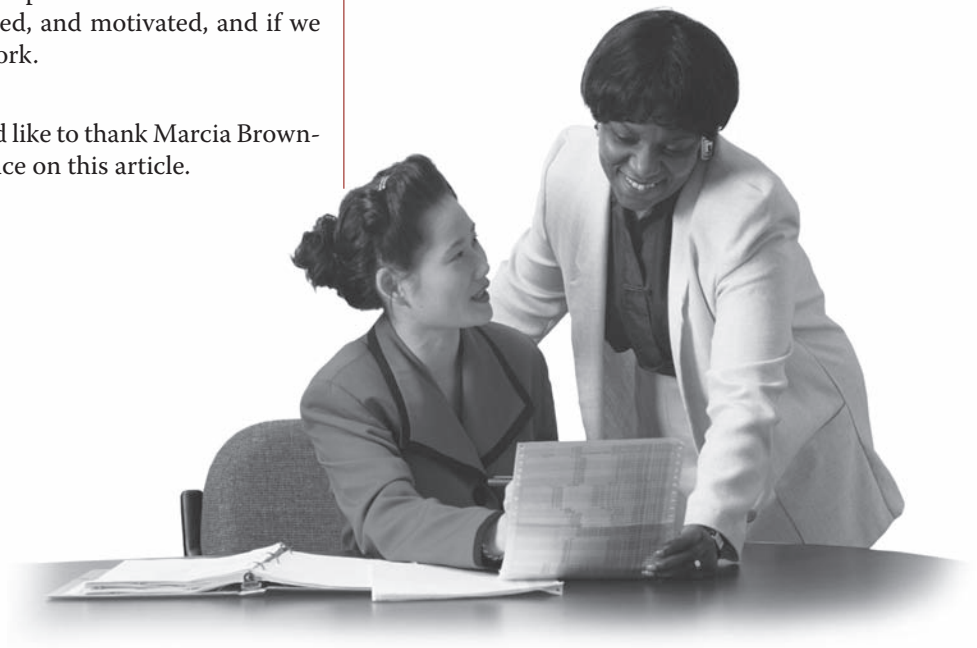
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## 17TH ANNUAL CONFERENCE (MAY 23–26, 2006) UPDATE

### “LESSONS LEARNED FROM LAGNIAPPE: PROPOSING EXTRA VALUE TO GAIN AND KEEP CUSTOMERS.”

Next year the Annual APMP Conference returns to New Orleans and promises to offer many benefits for its attendees. The conference focus on benefits is reflected in its theme: “Lessons Learned from Lagniappe: Proposing Extra Value to Gain and Keep Customers.”

So what’s “lagniappe” (pronounced “lan-YAP”) and what does it have to do with proposal development? In short, lagniappe is a Creole (Louisiana French) term for providing the customer with a little extra benefit, unexpected and at no charge.

Our conference lagniappe theme celebrates the Creole culture of new Orleans and highlights our conference goal to provide attendees with the following features and benefits:

- Presentations, mini-workshops, and vendor exhibits to help you develop proposals that showcase the benefits of your product/service to prospective (and current) customers.
- Networking opportunities to meet (and learn from) others in the proposal development profession.
- Your networking might help you find bid partners for future proposals or prospective customers for your future proposals.
- Entertainment and tourist activities when not attending conference events.

We hope you will make plans to attend the conference and even give a presentation while you’re there. More details about the 2006 conference will be provided as conference planning develops.

*from Perspective Summer 2005*

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