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Going Virtual,



Mona Jensen, project administrator, and Greg Goldgogel, senior facilitator, often collaborate on project work at one or the other's home. "A casual setting makes work seem more enjoyable, even when we're on a tight deadline," says Mona. Greg agrees, adding, "We go wherever it makes the most sense to meet."

You Are What You Are

Glass, marble, a receptionist, art in the lobby: ARC had it all. But did the company really need it? For ARC, the trappings of power were more like traps. "Our speed and agility have increased 10 times now that we're not strapped into a big building," says chairman Mat Juechter. And the cost savings aren't bad either. ARC teams do most of their work in clients' offices or on the road. Between times, they plug in from home, surrounded by their pets and plants. They love the comfort, and a client can't tell whether they're wearing a dress suit or a swimsuit.

This is the story of one company's experience with going virtual. It's about forsaking traditional business organization, structure, and relationships in favor of something rooted in information and communication technologies. Outwardly, such a shift is viewed as a technological event. Managers typically know how to deal with those. They know the right questions to ask about platforms, infrastructures, architectures, competencies, capacities, and the like. But going virtual is really more of a human event, in which the significant issues reside at a deeper, experiential level.

Instinctively, we all know that. That's why a conversation about going virtual raises clouds of speculation, confusion, and doubt that can obscure the practical technology aspects. The paradox of such a technologically driven event is that it brings into stark relief the human experience of work (with its deep issues of identity, belonging, and meaning) and the underlying organizational culture (often unseen, unspoken, and unacknowledged).

In other words, on both an individual and a collective level, virtual operations challenge us to "get real"



The Pennsylvania office is often the site of project team meetings and brainstorming sessions. The space, which serves as a hub for administrative and production activities, is often filled with people, boxes, snacks, and laptop computers. Dennis Stratton, president and CEO, values the flexibility and responsiveness of his extended team: "We all know that getting the job done well is far more important than what the process may look like."

If you think that getting a company to go virtual is just about hooking up the right technology, get real. It's a decidedly human event, according to this insider.

Getting Real

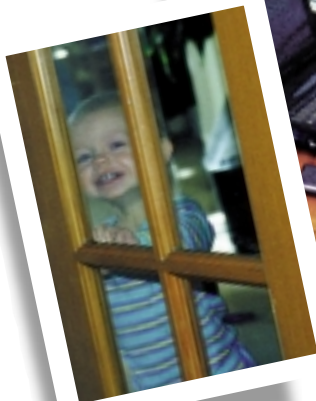
By Randall J. Alford

about the true nature of our business: who we really are, what we really create, how we really work together, and what we really expect of each other and ourselves.

ARC International's experience shows that the challenge of technology is applying it in such a way that preserves the integrity of the organization (wholeness and congruity) and the alignment of its people (commitment and ownership). Any organization considering this thing called "going virtual" should realize that what it pays attention to and invests energy in *does* make a difference.

The author has three phone lines, two computers, a laser printer, and a fax/copier office. His wife is amazed at how often I manages to find a way to put all of them at the same time. "Sometimes I think the biggest drawback," Alford says, "is the tangle of heavy wires and cords I have lying over the place. I'm sure there's a way to simplify, but when push comes to shove, it never seems to be a real priority."

Much as Robert Frost noted that good fences make good neighbors, the author's 17-month-old son, Xander, demonstrates the importance of having a good door for keeping distraction and agents of chaos (no matter how adorable) out of the mix, at least while Papa's working.



Mat Juechter, chairman, divides his time between home offices in Beaver Creek, Colorado, and Phoenix. "In a lot of ways, being virtual has freed me up to fully concentrate on those things I most like to do and which most directly contribute to ARC's business growth. And email makes it easy to stay in touch."



Virtual seeds

Since the late 1970s, ARC International has been in business to help people and organizations create the results they want. The letters in our name are an acronym for awareness, responsibility, and communication—the fundamental building blocks, we believe, of accelerated human accomplishment and growth.

For years, the company used an extensive network of consultants, trainers, facilitators, and practitioners to deliver products and services worldwide. Until recently, we maintained a corporate headquarters in Denver and coordinated client projects via team meetings, conference calls, faxed documents, and the heavy use of express delivery services. As computer technology evolved, we installed modems, issued laptops, and casually discussed the idea of a virtual office. Through it all, HQ served as the anchor of our efforts.

But what we widely regarded as a strength (a loosely knit network of diverse, flexible, and responsive resources) evolved into a weakness. In the mid-nineties, ARC went through what can only be characterized as an identity crisis. Various human, technological, methodological, and economic influences combined to erode the shared

sense of identity, belonging, and meaning that had characterized ARC for years and attracted many valued people.

During that period, we lost focus and got caught up in tangential conversations about processes, procedures, technologies, and methods. And the more we debated how best to demonstrate our value in the marketplace, the more we lost in that area. When the 1997 financial results came in, they were a real shock. ARC's owners acted quickly to identify a new leadership team to help the organization snap out of its self-absorbed inquiry, to remind people of fundamental convictions, and to make strategic decisions.

It was clear that ARC needed to change. What was less clear was how to do that best. In proceeding, we were careful to apply the same principles and techniques in our own change process that we would with a client. Specifically, ARC's leaders

- modeled their own commitment and invited people's commitment (based on information and personal choice)
- made a case for dramatic change in the purpose, mission, and values that had magnetized the team originally
- enlisted the efforts of everyone in the organization to examine alternative approaches

□ made a clear, personal commitment to implement whatever strategies emerged as ARC's best hope for revitalizing the business and its people

□ helped people translate strategies into action plans with identified outcomes, timeframes, and accountabilities

□ gave people the time to consider the experience of the change and its implications.

One of the boldest ideas was whether it made sense to go virtual and thus eliminate the need for a traditional corporate staff and HQ. Given the already far-flung nature of our business, such a change may have seemed logical and, perhaps, already in progress.

For all of the compelling budgetary, technical, and operational arguments, however, people were struck with the human implications of such a shift.

□ ARC's HQ had always been there—a dependable safe harbor where we could meet, relate, and find community.

□ Functions and relationships would have to be recalibrated radically. This meant that some people would leave—people we cared about. If *they* no longer belonged, what guarantee did any of us have?

□ The way we worked, individually and as teams, would have to be reevaluated and adapted. That would challenge each of us to step out of our comfort zones and up to new accountability levels.

The change felt exhilarating and threatening. What is striking, in hindsight, is how similar those experiences are to any major organizational change. If anything, the difference may be primarily one of magnitude. With the business reduced to relationships rather than facilities, people confront an immediate and direct change experience. People's natural tendency to externalize their work experience can be short-circuited when the usual external props are removed. That forces us to take responsibility for our own sense of identity, contribution, and meaning.

Shifting gears

It's critical to note that going virtual was never imposed on the organization; it was allowed to emerge as a matter of consensus and choice. Perhaps that was because of the particularly vulnerable state of the business. And perhaps it was due to ARC's leadership. The talents and experience of ARC's leaders—frequently directed toward client needs—were



Initially, Cliff Mattson, VP, service delivery, was reluctant to have pictures taken of his home office. "It's just a space I've carved out in our basement," he says. Like others at virtual ARC, he prefers working outside when he gets the chance. "We've got a great deck with a terrific view. Often, especially when we have team meetings, that's where the work gets done."

now brought to bear on ARC itself.

Once the change was initiated as a shared process, however, the entire character of leadership shifted: The new ARC would be owned fully by its creators. Just as we were being challenged to internalize all of the signs, symbols, and signals of identity and meaning that once resided in a physical place full of things, we also had to internalize a deep sense of leadership and accountability that used to reside unintentionally in the corner office.

That had implications for our leaders who had final accountability for organizational performance. Dennis Stratton, ARC's president and CEO, says, "In this dynamic, individual leaders are really required to let go. For different people, this can mean different things. But, at a minimum, they need to let go of the prestige of a very public office and all its trappings. This can be hard.

Stratton says, "They need to let go of the power of position and physical presence, by which they have traditionally monitored and influenced others. They need to let go of a certain level of decision making, as more and more judgment calls need to be made in the field. They are challenged, more than ever, to rely on the power of shared vision, agreement, and intention—to really trust others. They are challenged to make more innovative use of their personal resources to guide, support, and influence. They also need to be more disciplined and intentional in how they keep the organization informed and aligned."

Once Stratton and ARC's chairman, Mat Juechter, clearly stated their willingness to let go of established patterns and declared publicly their new needs and expectations, that set the model and tone for others. With surprising speed, everyone at ARC agreed that it made good business sense to shift to a virtual operation, including those who were likely to lose their jobs in the short term and most of us who were losing our sense of comfort and security in the long term.

The entire team proposed, amended, and ratified action steps, timelines, and accountabilities. The people whose roles were to be phased out led the transition involving their functions to ensure that the necessary information, knowledge, and capacity didn't disappear with their jobs.

Perhaps more than any event in ARC's history, the shift to virtual opera-

tions vested leadership in the entire organization. ARC's executives were freed from others' unreasonable expectations to serve as the company's caretakers, and they were able to direct their energies to cultivating capacity and developing market and client opportunities. With the removal of traditional structures and barriers, other people at ARC felt freer to interact with their leaders as resources and colleagues.

In essence, all of us at ARC learned (relearned) that real leadership is not something that's bestowed; it emerges from a responsible engagement with reality. Nobody drew up rules or a protocol by which ARC would be led. Everyone knew that, given individual strengths and responsibilities, each of us would be accountable for creating outcomes.

The formal titles remain to distinguish levels of accountability and to help clients and prospects understand how to relate to ARC as a vendor and a resource. But when the ARC team steps into a company meeting, titles are left at the door—they've become about as virtual as the rest of our operation.

As we went ahead with the plans to go virtual, initial wariness evolved into sadness. Though we all knew what was going to happen and why, the reality of the changes hit home as the office slowly emptied and people left. There was a feeling of loss. In some ways, our dramatic stake in a virtual future almost felt like a failure. "If we were really good," the tired voices in our heads said, "this wouldn't be necessary. We could have kept things just the way they were."

When our long-time receptionist left, those of us still at HQ felt a sharp pang of doubt and regret. For years, she had represented the very best of ARC's spirit in connecting instantly with, caring for, and supporting unconditionally whoever rang our phones or walked through our doors. For many of us, this was when the change became real. Catie was gone. From that point on, the final stages of closing the office couldn't happen soon enough. The hollow feeling of rattling around a large, vacated business space affected people who were already saddened. The spirit of ARC had vacated, and we weren't sure where (or if) it would reappear.



The casualness of team meetings lends itself to intense team collaboration as well as the occasional—and well-earned—power snooze.

The email spirit unbound

Before, people had only infrequently—even grudgingly—used email, but their messages began to take on a new earnestness and vitality. With minimal prompting, the members of the ARC community—distributed among home offices and other facilities—began using email to reflect on their experiences and to examine ARC's purpose, value, and beliefs. Fortunately, individual needs and shared technology began to fill the gaps. It seemed that people were more comfortable being reflective and vulnerable at a distance. In addition, there was a natural, yet unfamiliar, experience of aloneness. The absence of a shared office led many people to examine what it really meant to be a part of ARC, in this new reality.

Though some ARC managers might complain that email from the initial days of going virtual was "too squishy," in truth, people were reconstructing a sense of relationship and shared identity. In the short term, that may have seemed too philosophical. But in the long term,

The Email Connection

I'd like us all to celebrate this one—both individually and collectively. I just wish we could figure out how virtual organizations get virtually buzzed in celebration of success.

—a recent email from Scott Spann, VP/relationship manager, to everyone at ARC International

I also struggle with the idea of a virtual celebration! Perhaps we should all keep a bottle of champagne on ice so that anyone can call for a designated toast time, raise our glasses, and do a virtual clink in acknowledgment of each other. Oh, what the heck! I'm going to do it with a cold Bud this evening, 6:30 EST, and I welcome anyone who would like to join me.

—Cliff Mattson, vice president of service delivery

We are being driven to remember, through this change, that ARC is about human choice and commitment, not facilities and mechanisms.

—Dennis Stratton, ARC president and CEO, in a recent message to external resources

What pleases me most about it is we decided to do something; we took a sensible, long-term view of how we were going to accomplish it and are on the path.

—Mike New, CFO and director of MIS

I gotta say, these kinds of exchanges give me an energy boost for the day! Thanks.

—an ARC staffer

This forum [email] has taken some getting used to. I think we have a great opportunity if we learn to fully utilize it. But I agree... I would love to have these conversations face-to-face. Let's not lose sight of the value of that experience.

—Cliff Mattson

reflecting on the really big questions—(Who am I? Who are we? Do I belong? What do I contribute? What does it all mean?)—provided ARC's employees with a basis for building awareness, discovering significant resources in themselves and the new system, and articulating compelling messages for their markets.

In other words, we were forging a newly personal, newly relevant relationship with ARC's vision. It was not only appropriate, it was necessary. In its absence, we might have fallen victim to the physical distance that we had allowed technology to create.

Slowly at first, and then with increasing conviction, people began to believe

that ARC could perform as a virtual operation. We spent less time fixating on appearances and more time on substance. We relaxed into the routines of checking email and voice messages, and making do with periodic conference calls. For those who remained with the organization, it seemed as though a new energy emerged for creative inquiry and responsiveness.

At the same time, it became apparent how important it would be to gather in one place—as one team—to anchor our new virtual identity. For all of the enthusiasm and momentum of the shift, there remained questions and dynamics that, left unchecked, could easily result in fragmentation and isolation. We couldn't fund a full-fledged company

Here's a snapshot of ARC's experience, both positive and negative,

Shared Identity and Intent

- + We're forced to be more focused and intentional in our relationship with ARC and its purpose, mission, values, and strategies.
- + We've reinvigorated the dialogue concerning how to articulate and manifest ARC's purpose best.
- + No single individual (or group of individuals) is seen as keeper of the faith for the organization.
- + ARC is united, not by things that define us, but by our shared convictions.
- Without tangible evidence or direct experience of alignment and support, it's easy to feel disconnected and isolated.
- It's easy to let divergent perspectives and experiences lead to a feeling of fragmentation rather than unity.
- Individually, we are confronted with the gaps in our personal beliefs and convictions though that's healthy in the long run.
- We haven't yet defined new ways to represent and symbolize our shared identity.

Creativity and Responsiveness

- + A diversity of work settings can lead to a diversity of perspectives and trigger new ideas.
- + The virtual arrangement allows people to design and approach their work according to their personal strengths, preferences, and styles.
- + There are no limits imposed by time or distance.
- + People's outlooks are less entrenched and territorial, enabling us to respond more nimbly to opportunity.
- + Ideas flow quicker, with deeper thought and consideration.
- + We can contribute ideas and perspectives across projects, regardless of where we are and what we're doing.
- Brainstorming is more difficult without direct interaction with others.
- Spontaneous insight and impromptu experiments arise less frequently without regular, informal interaction.
- It can be frustrating trying to track down people quickly when you need a fast response.
- Because people's outlooks are less entrenched and territorial, it's hard to gauge their level of commitment.
- It's difficult to gauge people's level of interest in pursuing specific ideas over time.
- We're at the mercy of the performance of the electrical and communication networks that run our technologies.

meeting properly, but if we didn't find the resources to make it happen, people's confidence in the new virtual company and their commitment to the team would be hard to sustain.

That's where shared leadership clearly emerged. People from throughout the company sprang into action. They identified resources to make it happen. Within a few weeks, the entire company was able to meet in the inspiring setting of Beaver Creek, Colorado, for less than we had paid in the past for a couple of first-class air fares.

Breaking it down

As new technologies increasingly compel us to explore faster, cheaper, and

more efficient ways of conducting business, the human capacity for change remains a key to determining the feasibility and effectiveness of emerging alternatives. Though going virtual is possible theoretically in many organizations, its human implications should be examined and managed carefully.

Going virtual highlights and exacerbates an organization's strengths and weaknesses. Different operations in different industries will have different issues, but ARC's experience can serve as a model for an assessment of your organization's readiness.

One can assess the ARC experience in terms of the following distinct, yet related, categories (loosely adapted from

Dan Denison's model of organizational culture):

- shared identity and intent
- creativity and responsiveness
- involvement and development
- coordination and consistency.

ARC's organizational strengths, which had always been in the first two areas, were what attracted the people who work here and were fundamental to our marketplace value. But the last two areas have always been problematic at ARC, largely because of its strengths in the first two. The focus has always been on what we promise and deliver to our clients. Over time, that emphasis translated into a corresponding lack of attention to our internal processes. In the mid-1990s, a well-intentioned effort to refocus attention on our internal processes may well have triggered what I identified earlier as ARC's identity crisis. The paradoxical pairing of internal and external business imperatives turned into more of a push-pull situation, rather than a creative tension.

When ARC chose to go virtual, we interrupted the familiar intra-office activities. We confronted the strategic need to consolidate and leverage our externally focused strengths while improving internally focused weaknesses—not choosing one over the other but balancing both.

Our strengths encouraged us to make the virtual leap. Going virtual led us to apply those strengths—our shared identity and intent, and creativity and responsiveness—in new, self-serving ways. The notion of self-serving has typically elicited a negative response from the people drawn to our purpose and mission. That went to the heart of our dilemma: If we did not learn to value ourselves enough to serve ourselves, we would go out of business ultimately and be rendered unable to serve anyone else.

Once we were operating virtually, everyone experienced the inefficiencies and inadequacies of our cultural infrastructure. The good news is, with that heightened awareness, we were able to target and overcome them. Furthermore, we discovered that there were benefits to virtual operations that supported performance in our traditionally weak areas.

All four areas challenged us to develop the following new habits and disciplines:

- communicating news across the organization promptly and fully

in four areas.

Involvement and Development

- + People feel newly empowered to think and act as leaders of the new virtual organization.
- + There are fewer silos defined by structures and systems (promotes cross-functional and cross-project contribution).
- + Everyone is learning valuable new skills associated with new computer, network, and communication technologies.
- + We're more conscious of opportunities for engaging a variety of skilled resources early in planning and design phases.

- We don't have easy access to training or support to cultivate leadership skills.
- We don't currently have a plan for engaging people proactively in development roles and activities.
- With no onsite coaching and support, it can be frustrating to have to learn on the fly.
- There are times when people feel out of the loop and underused or overlooked as resources.

Coordination and Consistency

- + We've had to bring more rigor to all of our processes.
- + We're more careful to establish explicit agreements and accountabilities (in specific situations).
- + Our meetings are highly focused and productive.
- + People's assumptions surface quickly and are challenged more readily (less group think).

- Our systems and technologies are not yet mature or sophisticated.
- There are no clearly defined, generally applicable MIS procedures; a lot of information is just floating around.
- It can be more difficult to schedule meetings with full participation.
- There can be confusion over which iteration of an evolving design or document is most current.

- celebrating successes and failures, progress and barriers, and challenges and breakthroughs in meaningful ways
- sharing proposal and design documents across the organization, inviting feedback and sharing best practices
- anticipating and planning well in advance for information and resource needs
- checking with people to monitor engagement, activity, and satisfaction
- scheduling all-company conference calls every few weeks
- scheduling all-company meetings every few months
- making tools and resources available to support people's changing needs.

Everything flowed from a deep core of shared identity and purpose. Without that, such a dramatic move might frighten people to retreat to more familiar pastures. The change didn't necessarily

CAT Scan

Awareness is the springboard for responsibility and action. By asking the following (or similar) questions regularly, you can facilitate high levels of awareness at both the collective and individual levels in your virtual organization.

At the collective-organizational level

C: Culture

- *Are we operating as an informed, aligned, and responsive whole?*
- *Have we created opportunities for connecting, with adequate time and space for updates on our thoughts, feelings, and experiences—as well as our tasks, challenges, and opportunities?*
- *Are we paying as much attention to our internal systems as we are to those of our clients?*
- *Where are the sources of dullness or anxiety? Why? What can we do about it?*
- *Where are the sources of vitality and optimism? Why? How do we leverage them?*
- *What symbols, signs, and signals are we using consciously to reinforce the weave of our cultural fabric?*

A: Activity

- *Pragmatically, are we paying attention to how our resources (people, technologies, funds, and so forth) are being allocated and applied?*
- *Do people have enough to do? Too much?*
- *How might we distribute energy and attention better?*
- *Where are there bottlenecks?*
- *Where is there unused capacity?*
- *Are we focusing on the right things?*
- *Are we being as effective as we can, or are we coasting on old habits, familiar approaches, and comfortable routines? How do we know?*

T: Thinking

- *Are we slipping into patterns of unthinking responsiveness at the expense of thoughtful proactiveness?*
- *Are we mapping next steps and contingencies continuously even as we apply our best efforts in the moment?*
- *Have we stepped away from the fray enough to see the larger patterns and implications of what we are doing, what we are not doing, and how we're relating to ourselves, our clients, and possibilities?*
- *Are we accessing the best ideas from throughout the organization regularly?*
- *Where do we need to shake ourselves up a bit?*

At the individual level

C: Culture

- *Am I feeling engaged, valued, and empowered right now? If not, why not? What will I do about it?*
- *Who can I call on for support, feedback, and insight?*
- *Have I learned something about myself or my work that will be of value to others?*
- *Do I have a question or a need that I should posit for the whole organization or particular individuals?*
- *What can I contribute, right now, to the vitality of this organization?*

A: Activity

- *Do I feel fully utilized?*
- *Do I feel over-extended?*
- *Who or what do I believe is deciding my level of activity right now?*
- *What is the best way for me to cultivate and apply my internal resources?*
- *What is the right thing to be doing now?*
- *Am I applying my attention and energy in ways that create value for myself, my team, my client, and ARC as a whole?*
- *What do I avoid doing and why?*
- *What's really stopping me?*

T: Thinking

- *Am I being driven by others' expectations or by my own purpose?*
- *What assumptions, prejudices, and preferences are shaping my outlook?*
- *How am I limiting my sense of possibility for myself, my team, my client, and ARC overall?*
- *Is there any way in which I am currently withholding or falling into patterns of insulation? What are the consequences?*
- *Am I making assumptions without checking with others?*
- *If I need help in shifting something, who can I count on to be an active coach and advocate?*

Such scans help organizations keep aligned at all levels. A regular organizational scan without benefit of ongoing individual scans diminishes diagnostic accuracy and prescriptive efficacy significantly. Likewise, if individuals run their scans regularly without a corresponding organizational scan, there's no unifying context for individual awareness, and the value is lost to the organization and its members. Splintering organizational awareness leads ultimately to splintering organizational identity.

make our culture better or worse, just more apparent.

Basically, going virtual has to be done for the right reasons, and people have to be able to place those reasons squarely in the context of their organization's purpose, mission, and values.

Home alone

The same forces that created a new dependency on technological tools have been awakening us to human issues in the increasingly impersonal virtual world. Commitments and connections once taken for granted have acquired new significance and become a more tangible part of the daily work experience. They can create discomfort as people grapple with unfamiliar personal decisions and responsibilities.

An individual is, in many ways, a microcosm of the organizational system. Many of the same benefits and issues associated with going virtual appear on a personal level. With the traditional support systems gone, ARC's people are more challenged in these areas: awareness, responsibility, and communication. This has been exciting but daunting. We imagined how more effective we would be with our clients once we had each experienced a personal radical change and become open to new lessons and opportunities. That's easy to say, but hard to do.

We were challenged to develop new disciplines that would help us become learning leaders. We had to acknowledge our own limiting expectations, biases, fears, and preferences regarding technology, team interaction, and organizational support. We had to be honest about our past relationships, with the familiar trappings of status and success. Virtual operations bring into focus people's need to feel valued, and that challenges us to address that need in innovative ways. There are no offices to designate status or frequent meetings to support a face-to-face connection. There seems to be an impulse to compensate for such losses through the few tangible status symbols that remain at ARC—technological tools.

For example, at one point it was suggested that everyone involved in delivery get a digital PCS phone. People who didn't get one felt left out; those who did rationalized it. People wondered, "Will I qualify for a phone?" rather than ask, "Will it really provide value to ARC and



Annette Lingerfelt, project administrator, savors the opportunity to be close to home and her dog, Winston. "I enjoy making a cup of coffee and walking down to the basement to work each day. I'm more relaxed because I'm not facing the morning or afternoon rush hour. I don't feel in a hurry to complete my work right at 5 p.m. so that I can get through traffic and get home. I love the flexibility of being able to walk Winston during my lunch hour. I like going to the grocery store at 7:30 on a Monday morning when no one's there."

our clients for me to have such a phone?" Would everyone use the phone? Sure. Did everyone need one? Probably not. Would it make people feel valued and important? Absolutely! Not surprisingly, we began to notice the same reactions in later conversations about computers, software upgrades, and other technological investments.

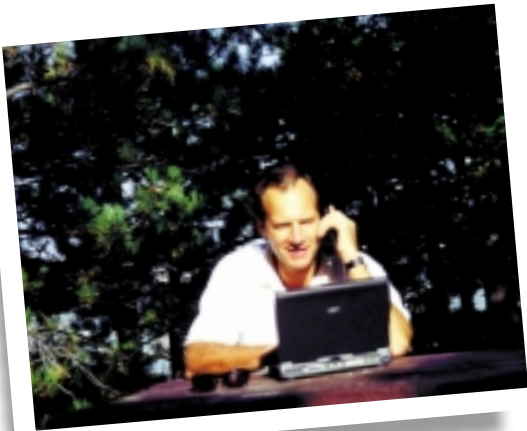
**"I'll never forget when I was having lunch with [a client executive] and she said to me, 'I get the feeling that ARC is just a P.O. box somewhere in Colorado.' She wasn't complaining. I just think it was so different from everything she's ever known, and she had a hard time seeing how we operate."
-Annette Lingerfelt, project administrator**

Not only did we catch ourselves being materialistic about technology decisions, but we also fell to the old pattern of waiting for someone else to make a decision. Once we stepped back to examine the issues, it was clear that everyone needed to take responsibility for defining their own needs, making requests, and making full use of their own resources. A one-size-fits-all approach was no more appropriate to our internal processes than it was to our external relationships and deliverables.

Another predictable issue in going virtual involves the challenge of working where you live. With an office in your home and the phone, fax, and modem lines always available, it can be hard to establish appropriate boundaries. Once traditional office boundaries disappear, you must create new ones, or someone else will create them for you.

As an independent contractor, I've worked from a home office most of my life. However, when I joined ARC, I determined that it was time to "grow up" and make a regular appearance at company headquarters. Little did I know that, four years later, there would be no HQ and I would return to working from my home.

The difference this time is that I'm not alone. I'm not the oddball freelancer or outsider; I'm part of a team. My two old-



Scott Spann, VP/relationship manager, points out that virtual workers actually have a variety of possible “offices” available to them. His favorite virtual office? “Most nice days I go to the top of Flagstaff Mountain in Boulder and sit at a picnic table with my laptop, my cell phone, a few snacks, and my favorite beverage. I often go the full day there. I’ve never felt better at the end of the day than when I work in this way—and I never miss a call.”

est children (Aubrey, 8, and Jesse, 12) had gotten used to me being away during the day and arriving home tired after a long drive from the office. It took a while for them to realize that even though I am visible—my office has windowed French doors—I’m not always available. My youngest child, 17-month-old Xander, hasn’t quite figured out what the boundaries are. When I’m not on the phone or involved in thinking or writing, I leave the office door open so he can toddle in, hand me some great treasure, and toddle back out again. When the door closes, he still gets upset but often finds comfort in pressing his hands or nose flat against the glass. Happily, so do I.

At ARC, the externally focused, service-oriented bias is still alive and well. Such bias can be a detriment to the internal, self-caring processes so important to sustaining a balanced system. Unbalanced, people tend to throw open all of the doors and hang a neon “Open All Night” sign to show their commitment. Unbalanced, there’s no boundary to protect people’s need to regenerate. Once again, we were reminded that, for virtual operations to work, people must be aware of their personal needs, be responsible for setting appropriate conditions and boundaries for their work, and communicate their resolution to others responsibly.

Home alone, people discover they must

develop and demonstrate skills that produce results in a virtual operation. If they need a class in spreadsheets, they have to find one. If they need high-level support for technical issues, they have to locate the right resources. That challenges the pattern to look to someone else to make decisions or fulfill needs. Though it’s reasonable (and desirable) for an organization to

have enough resources to provide counsel, funding, and facilitative support, people have to take responsibility for their own performance and needs.

The good news-bad news of ARC’s change is that it challenged us more than ever to model awareness, responsibility, and communication—not just for our clients but for ourselves and each other. It’s worth noting that, once you really look at them, the dynamics of going virtual are not so different from those experienced in traditional operations. They’re simply brought into the spotlight.

Meeting Expectations

When virtual technologies are implemented and used properly, it’s easier for in-person team meetings to focus on strategic and community-based outcomes. What is true for the periodic face-to-face meetings of a virtual operation is no less true than for organizational meetings in general. In either case, it’s important that meetings

are *not* about

- “reporting out” and updating
- looking or sounding good
- negotiating credit and blame for outcomes
- engaging in unconscious collusion and group think.

but *are* about

- inquiry, discovery, shared learning, affirmation, and celebration
- dialogue that is direct, candid, nonjudgmental, and results-focused
- negotiations to support each other in contributing to shared results
- challenges to limited assumptions and expectations, and the promotion of rigorous inquiry into the possibilities.

Based on ARC’s experience, here are several disciplines that promote team collaboration:

- Check email and voice messages frequently.
- Initiate periodic updates with people you haven’t communicated with in a while.
- Take personal responsibility for keeping your information well organized and available.
- Keep up with technology and skill upgrades.
- Monitor your habits and assumptions to make sure you don’t replace the old box of the physical office with new mental boxes.
- Make it a priority to invest time in maintaining a personal relationship during each interaction so that connections are not purely task-driven.

For several years, ARC used a weekly calendar to track the location and contact information for each team member. Once the organization went virtual, someone suggested that people use email and voice messaging to reach each other, rather than try to track and report locations. After a few weeks, however, some people advocated the calendar’s return, noting that it served more than a purely pragmatic purpose. One person said, “I began to realize that, for me, the calendar was a way to feel more aligned with others. I knew where they were and at least felt like I could find them if I needed to. The experience of leaving messages feels more like taking a shot in the dark.”

Smart assessing

It’s a mistake to let technology drive the decision to go virtual. “Because it’s there and we can” is not a reason to redefine your business operations. Similarly, it’s easy to let the confusion around the human experience of going virtual muddy the technical arguments in favor of it.

The basic challenge is two-fold. One is to assess your organization’s needs, make choices and decisions based on actual (virtual) operational needs, and implement only those tools and technologies with a solid business case. Two is to address people’s individual (or ego) needs directly. Humor can go a long way in the virtual world. Business and people considerations are balanced best in the context of a shared vision so that the human and the technical, and the individual and

the organizational, are placed in meaningful relationships with each other.

You must also deal with clients' perceptions. It's easy to fall into the trap of anticipating their reactions and letting them shape your choices, instead of you helping shape theirs. If going virtual erodes your personal comfort or conviction about your organization's ability to deliver, that uncertainty will shape others' ideas about you and the organization. It's essential to address any ambivalence, but it's not necessary to resolve all issues. People should, however, be clear and honest about the issues.

In the same way that the organization's leaders have to let go of certain tools of persuasion and influence, all team members must learn not to depend on outward appearances to convey confidence and credibility. Once again, it becomes important for people to take personal responsibility and to rely on their internal resources to manage others' perception of who they are and what and how they contribute. The virtual experience causes us to care more about substance than appearance and to deal more with reality than shared myth.

It's critical that you assess your organization's readiness for change realistically.

Ask these questions:

- Do you have a high degree of alignment and commitment to the fundamental purpose, mission, and values of the organization?
- Are people comfortable with high levels of independence, ambiguity, and accountability?
- Is there enough technical competence and capacity in the system?
- Are there adequate systems, procedures, and protocols in place to ensure effective coordination?

The last item is the least important because strength in the other three will ensure that, over time, the change will develop. Anticipating the need, however, can help the transition.

People in motion

The word *virtual* can be confusing, especially when a dictionary defines it as "not actual, but equivalent." I like the bumper sticker "Isn't all reality virtual?" In the same vein, we might ask, "Aren't all operations virtual?"

Indeed, business operations, no matter how they're configured, reflect all of the human and technical relationships

What About ROI?

Typically, financial factors are viewed, along with technology, as one of the key drivers of an organization's decision to go virtual. However, Mike New, who serves in a unique position as both CFO and director of MIS for ARC, doesn't see it that way.

He says, "In our business, the financial benefits aren't nearly as significant as the operational benefits. The savings we've experienced in terms of facility costs have been somewhat offset by increased communication expenses—phone, travel, and so forth—not to mention the technology upgrades needed to make things work smoothly.

"The key question: How does the shift affect our ability to do what we do efficiently and effectively? The benefits show up not so much in specific cost savings, but more in how well we are able to deliver our products and services."

Lynn Rich, who assists Mike with ARC's finances, concurs. She notes that there are savings in not leasing large office spaces. But with the elimination of most commutes, she says, "The time savings are immense. In addition, our work is often done more efficiently with fewer interruptions in a home office, compared to a large shared office, where distractions and interruptions are everywhere." This increase in personal productivity translates to improved organizational performance and capacity.

Another major payoff lies in the fact that ARC's people need to be flexible, responsive problem solvers who think and relate in unconventional, highly productive ways. ARC's culture has always reflected this need. Now, our virtual operations distinguish us further as an employer, attracting the kind of contributors we

need and supporting them fully in their aptitudes and skills.

When all is said and done, however, it's the perspective of the client that matters most in determining the value of going virtual. As Rich notes, "If they continue to view us as one company and not many little companies, going virtual has been successful. If the change has been transparent to our clients, that means our tools and procedures are adequate, and our people are using them well."

If going virtual will make it in any way harder or less possible to deliver your products and services to your customers, you had better think twice about making the change. If, however, going virtual will make it easier for your business to say yes to clients, customers, and opportunity—and to say it with new conviction levels, enthusiasm, and possibility—that can be the greatest payoff of all.

created to manage processes and create outcomes. Those relationships exist on several planes, including

- what people *intend* the relationships to be (based on their hopes, plans, and designs)
- what people *expect* them to be (based on their experience and assumptions)
- what people *perceive* them to be (based on their limiting perspectives and filters)
- what the relationships really *are* (based on objective observation and feedback).

In effect, we're almost always dealing with equivalencies rather than concrete reality. Having said that, the fact remains that we have defined real business operations traditionally as an office, a factory, a warehouse—a specific place where people congregate to work. So, anything other than that reality is virtual.

In ARC's experience, the shift to virtual operations is not so different from other organizational change. It must be driven by the people and relationships involved—not the technologies. Structures, systems, hardware, software, skill sets, and infrastructure are often featured as distinguishing attributes, but they should never be viewed as anything more than the mechanisms by which a greater, human purpose is served.

"What if we can begin to bring into this marketing conversation very real examples of current client opportunities and integrate these wonderful descriptions with real-life situations? I am just imagining the impact it would have."

**—Dennis Stratton,
president and CEO**

Obviously, technology plays a major role in creating the conditions for change and affecting the human experience of that change. What we often find is that, as change continues to accelerate, managers feel driven by a technological imperative, often at the expense of their feelings of greater purpose, personal volition, and human connection. There's a fear that failure to keep up technologically can translate into a failure to compete in the future. But within a strong organizational identity and vision, technology remains a means

to an end rather than an end itself.

Now, more than ever, ARC is less a place or thing than an expression of people in motion with a shared direction. It's as dynamic as the information and ideas that flow over the phone lines that now define (at least superficially) our boundaries. If we allow the channels of communication to go dry and flat, our organization will become dry and flat. If, on the other hand, we continue to pump in life and vitality, ARC will remain lively and vital. Moment to moment, our company is very much a product of individual and collective choices.

Often, the box that people seem to have such a hard time thinking outside of is defined by the concrete, wood, plaster, and glass walls of an office space. Once you remove those walls, people tend to create new boxes. But if they're made aware of that tendency and are conscious of other alternatives, going virtual can be a dramatic leap to a creative engagement with opportunity and possibility. □

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