

STRATEGY: Space Matters

There's a variable with incredible power that managers don't pay enough attention to. One of the reasons it's powerful, in addition to the fact that it's powerful, is that people aren't watching and you can manipulate the variable kind of under the radar.

Now the variable is: messing around with space, messing around with configurations. Put the chief design officer next to the CEO, and suddenly everybody says, "Design is important." Well, let me give you a couple of other simple examples. Tom Allen at MIT did research years ago that I actually used in my first book. And it says this: "If my office is more than 100 feet from your office, I might as well be a 100 miles away or 1,000 miles away. If I live within 100 feet of you, in the course of a week, you and I will cross paths or go to the bathroom or whatever, and we'll talk with each other seven times, let's say. If you're more than 100 feet, I won't see you or I won't talk to you more than once a month." Whatever, it is, it's a shockingly powerful variable.

Same sense of the word, I was doing some work years ago that had to do with companies' success at finding oil, exploration in an oil company. And it was one company in the handful that I and some colleagues were looking at that did much better than the others. We only found one variable to explain that, and that is the company that found oil the best had put the geologist and the geophysicist in the same office. Just like all functional wars, geologists don't like geophysicists; geophysicists don't like geologists; geologists love rocks and hate computer printouts; geophysicists love computer printouts and hate rocks. But now we put them in the same office.

I'm a geologist, you're a geophysicist. At some stage of the game, you and I go to lunch. What do we find out? We both have 13-year-old daughters. They're both in the same school, and suddenly, you and I are good friends. We still look at the world in a different way, but we're able to talk with each other, hence, we find oil. Huge, dramatic, awesome differences as a function of just manipulating space a little bit. Geologists, geophysicists

in the same room, 100 feet or more is the same as a 100 miles, put the design officer next to the CEO. Powerful stuff. Please focus on it. Huge differences.