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MANAGING LONG-TERM ISSUES URGENTLY

by

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Overview

How can long-term issues be handled when all those involved are anxious to get it done urgently ? This was the challenge facing Pascal Jellimann in 1995 when writing his thesis at the *École polytechnique*. He had to prepare senior management of a French mutual insurance company for the issues and threats posed by the arrival of the Internet. The strategy he adopted consisted of artificially creating urgent situations to which the players involved had to react and for which they had to prepare. This led him to develop in his thesis an analysis of the elements of the "dramatisation" of management which can be seen in a number of companies.

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TALK : Pascal JELLMANN

Every organisation is confronted daily with a multitude of threats and opportunities. For the decision-makers, the time required to deal with these situations is limited : only the most urgent issues can be tackled. In this context where all those concerned want to deal with the most urgent matters first, it is essential to attract their attention to mobilise them for projects which one holds dear. How can one get them involved in issues which are not urgent at that moment in time but are nevertheless essential ?

This is what I had to try to achieve during three years of action-research in a French mutual insurance company, the ASSUR (name changed), which was faced with the development of the Internet. During this study, I developed a theory which I called '*the creation of urgency*' which can be applied in situations where an organisation is alerted to a potential threat or opportunity. These are merely hypothetical circumstances and are therefore not of primary importance since we do not know what might happen, whether this might be an important issue, and when it might arise.

The way in which events develop has to be analysed in order to overcome the effects of the lack of 'natural urgency', due to the unlikely and hypothetical nature of a threat or an opportunity. It is the development of an idea suggested by Daniel Fixari and Frédérique Pallez in *Comment traiter l'urgence ? (How to deal with urgency)* (*Gérer & Comprendre, 1992*), in which urgency can become a management tool.

From hope to wonder

At the beginning of 1995, we started talking about the Internet. The Chairman and Managing Director of ASSUR and his Communications Director debated the impact this new medium might have on the insurance market. They contacted the Management Research Centre at the *École polytechnique (CRG)*. From this contact, a study emerged which was to last three years. During this time, I was deeply involved on a daily basis with this insurance company. This involvement was a fundamental part of the research approach of the *CRG* and of the Scientific Management Centre of the *École des mines de Paris (CGS)*. It will become apparent how the method we adopted allowed us to measure the discrepancy which can exist between what is said and what is done, in terms of new information and communication technologies.

For nearly a year, I carried out investigations in relation to the changes within the sector in the United States and I regularly informed the various people involved at ASSUR about what seemed to be a real revolution : for example, the possibility that individuals could find out for themselves about different insurance products, compare them, ask for estimates, or even have access to sites which would direct them automatically towards the insurance company with the cheapest offer. However, much to my great displeasure, the personnel with whom I was working did not react at all to my presentation. At the most, they argued that the Internet would not apply significantly in the insurance sector since human contact and the expertise of the customer advisor could never be substituted. Therefore, nothing happened, whereas every day the situation appeared more and more serious to me.

After several frustrating months, a management meeting in April 1996 gave a sudden boost to the project. The Chairman wanted a website to be set up within two and a half months, in time for the General Meeting in June. A modernisation plan for the company was to be outlined to the delegates, and the website would be presented to the greatest effect. To top it all, I was put in charge of the project ! In view of the importance of what was at stake and the fact that it was impossible to postpone the deadline, those involved, who up until then had been indifferent or

even hostile to me, started working together and making concessions which would have been inconceivable before.

The General Meeting was organised as if it were an important event. It had to be a fun occasion for all present. Three hundred delegates had to make their own way from all over France without being reimbursed (in accordance with the statutes of mutual insurance companies). The Internet presentation of the strategic issues facing the group had to make an impact despite this sort of atmosphere. Therefore, it was strongly recommended that I make a presentation which was not *'too serious'* and that I should also *'play to the gallery'*. Therefore, on the day, my presentation started with the 'Playmate of the Month', moved on to the Louvre, and was then followed by the virtual reality casino in the Cayman Islands, before I launched into talking about the company's website ...

This ten-minute demonstration had the desired effect on the delegates. They were delighted to have had a pleasant time and were proud to represent a group which was at the forefront of technology. They passed numerous important resolutions in spite of a mass of technical and legal terms. Strategic directions were adopted following these resolutions.

From oblivion to winning back

A period of oblivion followed the frantic preparation for the General Meeting. The site was no longer updated and those involved became less interested in it. Its form and originality even tended to deteriorate after some people added images, so-called 'clip art', to the site, which had been copied from standard computer graphics. In order to win back the directors' interest, I organised a meeting with the help of the Communications Director to *increase our presence on the Internet*. However, a senior director announced at the last minute that he could not take part. His absence could risk precipitating other withdrawals which would have served to confirm that there was a division and a lack of motivation with regards to the Internet issues. What could I do ?

The Communications Director decided that it was better to cancel the meeting in order to show that the subject was sufficiently important and that the presence of all those concerned was necessary. A month later, all those involved, as well as the decision-makers, were present. Another meeting was scheduled three months later. For this one, some directors announced behind the scenes that they did not intend to be present since they thought that the issues were not important enough. The project wavered once again. Luckily, thanks to the President's New Year's ceremony with the employees of the ASSUR, I had an opportunity to inform them that the Assistant General Manager would be present at the planned meeting. The following day, everybody was present, and this enabled me to have the support I needed to keep going.

New items were quickly added to the ASSUR website including job offers on-line. The Director of Consumer Mass Markets started to believe in the use of the Internet for the group and put one of his team in charge of surveying rival developments on the Web. However, he remained reluctant about quoting estimates or selling products in his own area of expertise on-line. The way ahead seemed to be blocked.

Lift-off

The successful way forward proved to be by a different route. Having met, by chance, the Director of Health Products in a train and told him about the stalemate of the project on the Consumer Mass Markets, he suggested that I should put the health contracts on the website ! Once again, the service was prepared hastily, and this time with a view to making a publicity-grabbing move, namely to be the first company to offer such a product on the Web. To achieve

this, the site was modified and simplified, and the device for calculating the estimates was adapted to the constraints of the new medium. The service was launched. The publicity effect, however, was less than had been anticipated : ASSUR had been pipped at the post by a rival competitor.

This initiative put the Health sector in the spotlight. However, the Director in charge of the Car sector, which was the main area of ASSUR's business, did not want to be outdone and insisted that his products be put on the website. Here again, the company had the opportunity to enjoy good media coverage, since no other French company already offered such a service. The conception and development of the site had to be carried out urgently, just as it had been for the Health products, since there was an internal deadline : a prototype was to be presented to the directors at a meeting specially organised for this purpose. Those who had contributed would therefore have the chance to be recognised by their superiors. Such recognition constituted great motivation. However, the superiors put the date for the presentation back and thereby effectively delayed the project. In fact, I helped to create another deadline, which was instrumental in mobilising the troops. I issued a press release stating that "*As of December 20th 1997, ASSUR will be the first French insurance company to offer estimates for car insurance on-line, with a real-time reply*". We could not afford to be late for this deadline, since the journalists would certainly try out the site. This time, the company did not miss out on becoming the leader in this market, and the media coverage satisfied those in charge.

Following the launch of this service in 1998, the organisation entered a phase where the Internet fitted progressively into the existing structure. The departments which took part in the project were assigned funds to do so, and jobs were created for this purpose. When I left the company in July 1998, ASSUR's Internet activity was growing and ASSUR was the most advanced company in this field.

A theory of urgency

This story highlights the alternating phases of resistance and activity, and of dead calm and urgency. It is clear that those involved only moved themselves with regard to the Internet projects when it was urgent to do so. These moments were created by certain events (such as the General Meeting, the meeting of the directors and the press release). This gave me the idea to explore further this concept of making things happen as a result of urgency in my thesis.

In order to clarify the relationship between those involved and the matter of urgency, I first set out the following points :

- 1) Those concerned are constantly dealing with priorities in urgent matters ; therefore, they have to make choices all the time as to which urgent situation they should deal with first ;
- 2) A given problem is only treated as an urgency by a certain number of people (often very few) which proves the following point...
- 3) The urgency of a given situation depends on the observer. What may be perceived as really urgent to some may be seen as less important to others ;
- 4) Problems do not remain urgent for long periods of time ;
- 5) Urgency refers simultaneously to important issues (dramatisation) and to difficulties (lack of means).

I suggested the following definition of urgency : "*Urgency is a judgement which an individual or a group passes at any given moment on a situation which has dramatic consequences and the negative discrepancy between the time necessary and the time allotted, dependent on the means which he has at his disposal. The hope of success still remains. This last point is essential. If there is no hope of success, there is no longer urgency.*"

Sedentary and nomadic urgencies

Whoever wishes to mobilise people by urgency (the so-called 'creator of urgency') should give some thought to the way in which he can make his problem seem to be of primary importance to those concerned. The question is then to know how they prioritise between different urgencies.

I have identified different sorts of urgency according to the consequences they have on those involved :

- *sedentary urgency*, where the negative outcome threatens the performer in his acquired knowledge and his identity, whereas the positive outcome is not synonymous with an improvement ;
- *nomadic urgency*, where the positive outcome can be translated by a gain, whereas the negative outcome does not entail a loss ;
- *mixed urgency*, where the difference between the positive and negative outcomes is the greatest and likewise between an important gain and an identity crisis.

This distinction between nomadic and sedentary identities was introduced by Jean-Marc Oury and Claire Hocquard (*Vers une nouvelle économie de l'entreprise, (Towards a new economy in the company), Gérer & Comprendre, 1987*). As far as the participants are concerned, it seems that it is seen to be more important to mobilise oneself to protect one's acquired knowledge rather than look for potential gains. Therefore, by creating sedentary, or even mixed urgencies for those concerned, they will be more motivated.

One still has to enrol all the relevant participants for the project to succeed. This prompted me to introduce the concept of a *perimeter of urgency*, a boundary which encompasses at a given moment all those involved who share a feeling of urgency. The strategy of the 'creator of urgency' is therefore to make those concerned enter the perimeter of urgency. To achieve this, one method is to create events which clarify the efforts of each person and make them part of the success or failure of the project. We can identify two ways to create these events :

- the first consists of creating events out of nowhere in order to deal exclusively with the question posed by the 'creator of urgency' ;
- the second consists of using a ritual where the question posed by the 'creator of urgency' is part of a much wider scheme of events and preoccupations.

In the case of the ASSUR, it was a ritual - the General Meeting - which constituted the real starting point. Two other important events (the financial meeting in January 1997 with the assistant general manager, and the presentation of the estimates for the health products) were events created out of nowhere. The 'creator' uses up a huge amount of energy to make these events happen and there are major risks of regression (for example, the event could be cancelled at the last minute or the date could be deferred indefinitely). However, these events can instantly mobilise all those concerned. The creation of events from rituals has an undeniable advantage : less energy is used since the ritual takes place regardless and will bring together important participants. On the other hand, the participant can find himself overwhelmed by other events.

Therefore, the case of ASSUR shows that unique deadlines which are staged and created out of nowhere or, on the contrary, are periodic and linked to rituals, are the basis of situations of urgency and they help redefine and widen the perimeter of urgency. They thereby enable us to benefit from certain virtues of urgency. We can see that urgency which is created in all its forms, origins and effects can become a means of management in its own right.

DISCUSSION

Urgency and project management

Question : *I am head of a company specialising in event management. For you, an event is a meeting, putting several people together in the same place. However, the company is a group whose cohesion has to be pulled apart. It is the leader who will lead the group towards a common goal which produces an ideal outcome for all concerned. It is more important to bring people together, rather than to create an event.*

Pascal Jellimann : It was not during the meetings that things really progressed. It was before the meetings, so that everything was ready. It is the period which precedes the event which is of interest to the 'creator of urgency' since it is at that moment that the participants make themselves completely ready.

Q. : *You emphasise the need to have a sponsor. Should there not also be a graph which represents the participants in the company as well, with the main participants on one axis, and their impatience with regards to the project on the other ? The best sponsor of a project is the one who is where the co-ordinates intersect, in other words where the ability to make the organisation move forward and the impatience to do it meet.*

P. J. : That might be a criterion for choosing a good sponsor for a project. However, one should not forget that a project can only progress if it is pushed by a union of participants who themselves are sometimes taken over by the urgency.

Nomadic urgency and sedentary urgency

Q. : *Have you ever thought to create urgency within your project by basing it on the implementation of an internal communication system like Intranet ?*

P. J. : I did not latch on to the problems associated with Intranet because this would have created even more opposition from the IT side and called into question all its internal structure.

Q. : *It is interesting to note that the role of the person in charge is to transform the potential threat into a certain threat, in other words, his anger when there is not a demonstration. The work of Bernouilli on the theory of utility, that of Tversky on the psychology of choice, and James March's work all show that rational participants who on the face of it are rational, divide themselves up into a majority of sedentary participants and a minority of nomadic ones depending on whether they were lucky early or not. You say that the most pertinent way of making things change is to create urgencies which at the same time are both nomadic and sedentary, perhaps because this brings together nomadic and sedentary people whose priorities usually diverge.*

P. J. : At no point do I maintain that one group of participants is more sedentary or nomadic than another. It is on the basis of each individual participant that the distinction between nomadic and sedentary urgencies is made.

Michel Berry : *The hypothesis here is that the workers will first of all preserve their identity, their image with regard to others, and their place in the company. In the beginning, they will try to protect themselves before looking for hypothetical gains. At ASSUR, the employees were frightened and lost sleep because they were so caught up and involved that if the project failed, it would have been catastrophic for them.*

Q. : *Can we really put nomadic and sedentary urgencies on a parallel with external and internal threats to the company ? The 'creator of urgency' changes the exterior threats, which are relatively distant, into threats within the organisation, for example losing face in front of other employees, or risking failure in front of the director.*

P. J. : I subscribe to this analysis in the sense that the research tried to change external issues which were still very vague into tangible internal issues.

Q. : *One needs to see if Pascal Jellimann's theory holds water when applied to medical emergencies, where there needs to be a fast response (for example, the survival of a person who is in an accident). At ASSUR can this really be the case when the time scale is not the same, and when the place which Internet will occupy is still unsure ? Furthermore, there was continuous support from the senior management, which in itself created a sine qua non for success. Finally, there are projects which succeed years later and which depended on a single person, right up until the idea finds its market.*

I know the case of a person who worked for a funeral director who was the only one to believe in the future of cremation in his area. In the 1970's, he encouraged his company to take on the management of crematoria and then to buy them. The result today is that the company manages two-thirds of the crematoria and owns the remaining third.

P. J. : As far as the hospital sector is concerned, maybe the model does not fit completely. Having said that, a House Officer might come across people who are in situations of nomadic or sedentary urgency in the course of an operation. This will call for the care necessary and the injured to be prioritised...

Q. : *I recently took part in a capital risk meeting where an insurance website was presented. The structure of this site was 25 % cheaper than the rest of the market and ran the risk of killing off all potential competition. The rivals refused to develop such services because such a change would have meant sinking their own ship and necessitating massive job cuts. It is called the Titanic syndrome : you see the iceberg, but you can neither steer clear of it nor save what can still be saved.*

P. J. : I agree with what you are saying. However, those in charge seem to think that there is still enough time to launch themselves into the sector and they are not necessarily wrong.

Q. : *I have tried out the services offered by insurers on-line but I quickly found that there were limitations. On the one hand, the consultancy fees and handling costs are extra, and on the other, the contract can be broken by the insurer if there is an accident. Traditional insurance policies certainly still have a future.*

The dramatisation of management

M. B. : *In his thesis, Pascal Jellimann describes very well the reaction of the management who are confronted with the possibility of the Internet. Firstly it was a case of "The sky is going to fall in on top of us !", then it was "Is it really true ?". When you think of the number of catastrophic predictions which never materialised, you can understand these reactions. In addition, is this insurance on the Internet as worrying as the supporters of New Technologies in Information and Communications say it is ? There are so many things that are said about the Internet...*

In 1995, in any case, what they said about Internet was a bit woolly. Setting up a website for an insurance company means completely changing and altering relationships between those involved. It has to be decided who will manage it, who is going to allocate staff to the project, and whether the way in which the estimates are calculated will be revealed to rivals or not. I

should mention that ASSUR had also decided to launch an insurance subsidiary by telephone in order to try out a radically different way of organisation and customer relations.

Pascal Jellimann knew how to play on the weaknesses of the organisation, for example, by benefiting from the fact that the health sector was not as prestigious as the car and house insurance sector, in order to further his project. He played the role of the “virtuous manipulator”, which helped the project succeed by dramatising the issues, in other words by organising the performances (in the theatrical sense) during which the actors had to show that their production was excellent.

If we go even further in this theatrical analogy of the dramatisation of management, we can see that the management have actors’ roles to play of course (in the sociological sense) as well as playing the role of the audience. It is true that we organise many “performances” in companies in which the actors have to act, almost in the theatrical sense of the term. It is, therefore, important for the management to know how to play the role of an audience which is attentive and demanding, like the Chairman of ASSUR when he answered questions about the Internet. It is in this way that they encourage the employees to surpass themselves.

In a company where everything happens very quickly, the dramatisation of management is undoubtedly more effective than the bureaucratisation as a method of co-ordination.

Ever-present urgency...

M. B. : *As far as urgency is concerned, it is more precisely the date of the event which is decisive. How do you make the participants take it seriously ? In the United States you talk about deadlines, but the French translation (‘échéance’) does not give the idea of the existence of an intangible line. The organisation of an event sets the deadline and fixes the date. It is the same for a thesis : when will it be finished ? My personal experience as a thesis supervisor shows that it is only finished when the date for the viva is fixed, and even then there is panic.*

Q. : *We have known for a long time that artists only manage to create under pressure where there is a strict deadline. Take the example of Balzac : he wrote his novels in serial form and he had to produce a certain number of pages every week for a journal.*

M. B. : *On the École de Paris website, we have students who ask for résumés of talks always at the last minute, in order to write a paper, do their homework, write a report, prepare a presentation and so on. It is the pressure of the deadline which makes them read.*

...and good habits

More generally speaking, we can ask the question whether Pascal Jellimann’s theory of urgency can be applied to the École de Paris : when does it seem urgent in companies to read his texts ? Rarely, of course. Certainly when a big company is implicated by the European Commission in a case of abuse of position, the executives read up on the theories of economic regulation with fervour. Similarly, at a Renault board meeting, the CGT (French trade union) brandished one of the magazines of the Annales des Mines on automation : the Chairman and Managing Director were immediately interested in the magazine ! It can happen that work published by the École de Paris appears at precisely the time when it is needed urgently in a particular situation and the articles are then read and commented on.

However, we cannot always depend on this mechanism and we should find another means of containing urgency or urgent situations. This can be by the creation of habits or rituals. There is a key question which arises out of this : how does one create habits which miraculously make people attend meetings, or read thoughtful texts about management ? If you want to disseminate ideas, it is better to depend on habits which have been created patiently...

Presentation of the speaker :

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