

## Co-opetition rules. OK? OK.

If socialism and its extremes are anything to go by, too much cooperation can be a bad thing. Just ask Eastern Europe.

All life is a competition. Hitting the line on the tennis court. Getting promoted in the office. Edging for position at the bus stop. Beating your daughter to the bathroom door!! Competitiveness is in all of us. If Rousseau's perfect "noble savages" exist, I haven't encountered them yet.

At both the primal and social science level, this is about scarcity of resources. Planned economies have learnt the hard way. At some point in a scarce certainty, competition emerges to allocate resources. Suppression leads to starvation – and worse.

Problems start when competition excludes cooperation. They end with *Battle Royale* horrors like war and solitude. Fortunately, life is not a zero sum game where total gains and losses equal zero. The famous *prisoners' dilemma* is reality. Ask a torn family - or Michael Jackson for that matter. You can contest a legacy, cut a deal or imagine a solution. The longer the fight, the fatter the legal vultures get. The more you get along, the more pie you save and the more you can bake. This works on multiple levels, from production of a cell phone to global trade in sugar. Beggar thy neighbor and he (or his stronger mates) will beggar you back.

CEOs walk the high tensile wire between competition and collaboration every day. The great challenge is in how they go to work each day. How do they get together? What happens when they do?

First and last, business is the engine of human progress. Stifling competition with regulations, tariffs and so on is unhelpful. It takes the foot off the accelerator in a positive-sum economy that can float most boats. Governments have done an average job at making the world a better place. Some people call for a single global government. This would only make matters worse. Size matters, writes David Runciman at Cambridge University: "Supertankers, supermodels and even superpowers can be good. But super states are invariably bad."

I'm a business leader. I back the power of business to be a constellational force for good. Darwin gets his place on my team of light. The fittest companies change the world. Innovators like Steve Jobs. Disruptors like Jeff Bezos. Leaders like Procter &

Gamble's AG Lafley. Solvers like Google's Sergey Brin and Larry Page (try flying over Italy at <http://earth.google.com>). If a company can't make a difference to consumers' lives, it must sit on the bench. And then die.

The terrain is changing. The competition is more ferocious than ever, which is fantastic for progress. The sea change is in the value of cooperation. Put your head in the business literature, and you'll see hardwired cooperation was always part of business. Then companies got serious about the advantages of getting along. They shook the cage and moved from "Either / Or" (compete or cooperate) to "And / And" (compete and cooperate). Spanish Emperor Charles V had the vibe. He said "I speak Spanish to God, Italian to women, French to men and German to my horse." Important not to mix these up!

The term "co-opetition" (strategically cooperating with your competitor) emerged in the 90s. Companies in fast-moving converging industries began collaborating to develop new products and markets. Computer companies were early trailblazers. Since then, the value proposition of the 20th century has been tossed out the window. Commodification is making innovation the sum of granular specialties that demand greater collaborative and deeper emotional connections than ever before. Technology is handing collaborators exponential power.

But this isn't the breaking news. What's cool is that technology hasn't handed this power to the people who run businesses. It has handed it to you and me. Welcome to the Consumer Republic of 2005.

New York Times columnist Thomas Friedman covers the back-story in his recent book "The World is Flat". Friedman shows how people-to-people and application-to-application connectivity have produced six disruptive new ways businesses and individuals can cooperate and share ideas. He bundles them as Outsourcing, Offshoring, Open-Sourcing, In-Sourcing, Supply-Chaining, and Informing.

Examples of Inspirational consumers designing the future through cooperation are manifold. Skype sharing users' net connections to route others' calls. Weblogs knocking over CBS Anchorman Dan Rather. Procter & Gamble using open source innovation to lift profits (research and develop becomes "connect and develop"). Peer production through file sharing, open-source software like Linux, and collective judgments like on Amazon and

Google). Participatory journalism like OhmyNews in South Korea with 36,000 "citizen journalists" writing up to 200 stories a day.

You get the picture. Where does this leave us? Is the And / And of "Coopetition" a way forward? As the globe integrates, cooperation and competition are colliding more than ever. In commerce, a company's customers are its competitors (think US retail juggernaut Wal-mart); its partners are its competitors (think the holding company scenario); and its own people are competitors (think your next promotion!).

Contrary to a majority (including Giorgio Ruffolo recently in L'Espresso), I don't believe the answer is in balance. In fact, the opposite. Avoid moderation - nothing succeeds like excess. It's true folks, as a Pepsi CEO I machine-gunned a Coca-Cola machine ((O.K. they were blanks!!!). I'm with Francis Ford Coppola's manifesto of "spontaneous reckless". The important principle? "It's not a gamble unless you go all the way."

"And / And" has one personality problem. It buckles under pressure. To do justice to each term could be seen to mean balancing one off against the other. Compromising each to get the best possible outcome.

F Scott Fitzgerald said "The test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function." Robert Redford got closer: "We need contradiction to get to truth." The answers to great questions today lie in exploding contradictions so they enhance each other and take you to a place neither dreamed possible. Our future lies in unleashing the Power of Paradox.

Work with two opposing concepts in all their complexity with equal passion. Build them together to the highest possible level of performance. Refuse to make a choice. No tradeoffs, no balance, no compromise. Instead of the best of neither, you get a new solution, better than both.

There is a power in the world able to explode through paradox. Inspirational Players. They are the great hearts who get up off the human couch and get stuff done, the ones whose vision and courage inspire the best in others. They juxtapose people, ideas, chords and dialects into stunning harmony.

Bach is a signature example. He used the tension in counterpoint – the controlled use of consonance and dissonance - to create

musical beauty and depth. Dee Hock, the guy behind Visa's self-regulating association model is another. The maverick banker fused Lao Tse, Adam Smith and Thomas Jefferson to create a trillion dollar symphony.

There was the Gung Ho movement begun in 1937 in Shanghai by New Zealander Rewi Alley. Under the slogan 'Gung Ho', meaning 'work together', Chinese Industrial Cooperatives reformed China's industrial landscape. But Alley did more than build cooperation. He gave the people a 'just do it' attitude that kept individual uniqueness alive in the cooperatives.

I love the half billion-dollar Grand Challenge in Global Health launched in 2003 by the Gates Foundation. First, an invitation to medical scientists to collaborate on the web and find the 14 grand challenges for a healthier world. Next a cull of several thousand submissions to 14 challenges (everything from non-refrigerated vaccines to cures for latent infections).

Then a competition bid for proposals resulting in 43 winners announced June 28 2005. Now a race to meet milestones to avoid the funding being cut off. This is the way to go. Inspirational Players united in cooperation and locked in competition for a better world.

Inspirational Players follow a dream not a committee. And they don't give way. Studies of military, corporate and space flight crews suggest that looser ties between group members can be a strength if the team's individuals can generate collective emotion on call. With a shared purpose, loose ties are better than strong ones for avoiding conflicts.

There's history in that statement. Let's all get on the field of play and make a difference.

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*Websites: [www.lovemarks.com](http://www.lovemarks.com); [www.saatchikevin.com](http://www.saatchikevin.com)*

*Book: Lovemarks: the Future Beyond Brands (powerhouse Books)*