

By Robert W. MacDonald

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The Power of Parallel

In nature, there's an elementary law called the "power of parallel." This law dictates that when efforts and activities are aligned in parallel, they are more powerful and effective than those that are divergent or conflicting. Horses to a wagon or dogs to a sled are harnessed in parallel so their individual power can be coordinated as a team to move forward. The wheels of a car are aligned in parallel for efficient operation. When one wheel moves out of alignment, the car becomes difficult to control, if not dangerous. Astrologers always have advised their clients to take important actions "only when the stars are properly aligned."

While few argue with this natural law of parallel power, for some reason, many in business exhibit a belief that the law does not apply in business. They operate as if exploiting divergent interests and working in conflict is the way to achieve success. As a planned course of action, many corporate cultures pit the interests of employees against those of the company and seek to gain an advantage over customers. That is not the path to long-term success, because the power of parallel law does apply to business.

Think about it. How parallel were the interests of management and workers in the sweatshops of the early industrial revolution? Violent strikes and the rise of labor unions in the 1920s were the obvious result of conflicting, not parallel, interests. Were the problems of Enron, Tyco, WorldCom and other rogue companies the result of parallel or divergent interests? Can these problems be avoided? Of course they can—it's simple. Companies can achieve remarkable levels of growth and long-term success simply by making a conscious effort to align the interests of all stakeholders in parallel.

Achieving the power of parallel in the business environment requires constantly seeking to bring in line the interests of the customers with the interests of the company. Bear in mind, companies have many "customers"—employees, agents, policyholders and shareholders. Once the customer group is identified, companies must act consistently so that what is good for the company is good for the customer and vice versa. Anything other than this approach will lead to disappointment for the customer and failure for the company.

Conflicting interests cause customers to distrust companies. However, when a company develops a culture that consistently strives to align the interests of its customers with the interests of the company, then the power of parallel will engender a long-lasting relationship based on value and trust that is both satisfying for the customer and profitable for the company. We can develop this powerful philosophy for our company by constantly asking the question "Is this action in parallel with my customer?"

For example, life insurance is (or should be) a long-term business. Profits are achieved only when the product stays in force for many years. Yet, in the interests of the quick sale, companies will offer products designed to reward the short-term policyholder. This puts the best interests of the company in conflict with the interests of the customer and can only lead to disappointing results for both. If profit is generated only when the policies remain in force for the long term, then to comply with the natural law of parallel, products should be designed to reward the long-term policyholder. This tactic puts the company and the policyholder on the same page—in parallel.

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I know this is a straightforward, basic and maybe even a mundane philosophy, but it is not Pollyanna. It may be a simple philosophy, but it works. By creating parallel interests with all customer groups, the individual interests of many are powerfully aligned with the welfare of the whole. For example, if employee compensation plans are designed to allow those who add value to the company to share in the value added, it stands to reason they will be more inclined to become involved in the success of the company.

Those of us in the insurance industry face a new world today. The landscape is filled with fierce competition from all sectors of financial services, volatile regulatory issues, skeptical consumers and challenges for internal productivity and effective distribution. It may be a world full of conflict, but the path to success opens up when we put the power of parallel on our side. If the interests of those involved in the success of the company—all the customers—are aligned in parallel, then all will win. Victory comes to those organizations that recognize, respect and live by the concept of parallel interests and in understanding that the success of the customer will ultimately become the triumph of the company. **BR**

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