

## The Defining Features of a Megacommunity

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# The Defining Features of a Megacommunity

A primer for creating successful multipartite initiatives to solve critical problems that embraces the talents of government, business, and civil society.

by Chris Kelly, Mark Gerencser, Fernando Napolitano, and Reginald Van Lee

**T**oday, issues that significantly affect global and national security, economic well-being, and the health and safety of citizens around the world have become key challenges to decision makers in the public sector, private sector, and civil society. These are large-scale issues of unprecedented complexity: confronting global climate change, rebuilding urban infrastructure, combating water scarcity, preparing for pandemics, dealing with aging populations, preventing terrorist attack, and maintaining quality of life in the face of globalization. At first glance, these problems seem intractable. But in an era of expanding global networks and interdependence, they cannot be ignored.

Such problems cannot be solved by government, business, or civil society alone. It takes a megacommunity. Leaders of many organizations must work together toward common goals, without any one of them being in control of the whole system. A megacommunity initiative therefore combines focused conversation, deliberate development of leadership capabilities, and results-oriented action in an open-ended network of leaders from multiple organizations. During the last few years, conducting this kind of work in a variety of settings in Europe, North America, and Asia, we have identified five critical elements. Two of them, *three-sector engagement* and an *overlap of vital interests*, can be thought of as pre-

conditions. If they can be found in the social soil of an area, then a megacommunity can grow there.

The other three elements, *convergence*, *structure*, and *adaptability*, are critical features of the megacommunity design. An initiative that takes them into account has a far greater chance of success than an initiative that ignores them. These three features are not necessarily obvious; they require conscious attention. That's why it is so important to spell them out, as we do here.

**Three-sector engagement.** The megacommunity concept goes far beyond such well-meaning single-sector approaches as sustainable development or corporate social responsibility, both of which often represent an ongoing obligation or duty rather than a collective movement toward a mutual aim. Unlike public-private partnerships, which typically focus on relatively narrow purposes and tend toward limited alliances (in other words, they operate only as long as their formal agreements stay in effect), megacommunities take on much larger goals. They are ongoing and mutable over time, and they demand a highly engaged orientation from the leaders, and many of the members, of the various organizations involved.

Megacommunities are also different from public-private partnerships. Traditionally, such partnerships are struck between governments (or intergovern-

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mental organizations such as the U.N. or NATO) and companies. Although public-private partnerships work in certain circumscribed, contract-bound situations, their dual-sector nature is a common limitation. They rarely develop the capabilities needed, for example, to address the new, seemingly boundless, and ever-evolving issues of sustainable globalization.

Among other things, a megacommunity's triple-sector nature addresses the fact that civil society is often left out of the public-private equation. As shown by the case of Enel SpA described in "The Megacommunity Manifesto" (by Mark Gerencser, Fernando Napolitano, and Reginald Van Lee, *s+b*, Summer 2006) — in which a large utility company regained its legitimacy by engaging the citizens of the Veneto region of Italy — increased transparency and speed of information makes the civil society component ever more significant and vital to success. It becomes a bigger, stronger player.

But that's not the whole story. The three-sector approach also provides leverage for retention of local identity alongside creation of a viable middle class and competitiveness on the global playing field. It represents a movement in which contact with the outside world, instead of draining jobs and making a local system vulnerable, strengthens the quality of life, economic vitality, and community health so important to our global future.

Examples of the three-sector approach in practice range from planetwide systems, such as the community of corporations, governments, and NGOs concerned with rain forest management and conservation, to local enterprise-related environments, such as the Harlem Small Business Initiative (also described in "The Megacommunity Manifesto").

The Harlem Initiative example begins to clarify the

specific benefits that each sector brings to the table. Business — the private sector — brings a resource base, an action agenda, depth in problem solving, and capital. Government — the public sector — brings the rule of law, the promise of long-term stability, sovereignty, a tax base, and natural resources. The civil sector brings accountability, sensitivity to how the issues at play might affect the individual and the environment, and credibility in arenas where business and government fall short.

Involvement in a megacommunity allows any participating part of any sector to use the abilities, the understanding, and even the prejudices of the other sectors. When these sectors work together, there is the potential for a kind of "swarm intelligence" to emerge, one that allows community members to generate innovative ideas, create new energy around the topic, and identify different ways of approaching the issue. It also means that more participants are available to do what needs to be done.

At the same time, and on the most individual level, megacommunity participation keeps anyone from being shut out.

**An overlap of vital interests.** One of the surprising aspects of megacommunities is that, most likely, you are already part of one without realizing it. In fact, you may be part of several. Although formal megacommunities are consciously developed, they usually grow out of the latent megacommunities that surround us. Before the involvement of the William J. Clinton Foundation, for example, Harlem's small business environment was a latent megacommunity. Latent megacommunities almost always exist when the following features are present:

1. *A shared issue:* Members of a megacommunity do not necessarily need to have the same objectives, but

they must have a mutual concern, such as global warming or the threat of terrorism; a mutual resource in their care, such as oil, water, or the Amazon rain forest; or a mutual aspiration, such as education, health care, or enhanced business interaction. Everything starts with a shared issue — which is why we say that, given a common mission or interrelated operations, all organizations are de facto members of the megacommunities in which they are engaged. In fact, organizations cannot opt out of a megacommunity unless they change their mission. As long as you are engaged in fighting AIDS in Africa you are automatically part of that megacommunity, even if you don't participate directly in it. You will be drawn in through the network that connects all organizations engaged in that endeavor.

2. *A shared sense of local impact:* A megacommunity forms not only around a problem but also around those areas where the impact is felt, and that impact can come from the inside or outside. Some examples, such as Enel in Veneto and the Harlem Initiative, are geographically specific. But whereas the Harlem megacommunity grew around a preexisting need in the community at large, the Enel example demonstrates something different about the geographic dynamic. When a new business attempts to move into a new area, a latent megacommunity can be tapped for the benefit of all the stakeholders in the region.

Shared geography is not always a prerequisite for megacommunity impact. Because technology has allowed the instantaneous transfer of money, images, and ideas around the world, along with far higher levels of human mobility than in the past, “local” communities are neither constrained nor protected by age-old boundaries of geography and demography. A vendor in a remote village in Costa Rica or India is bound, through communication, trade, and an increasing number of common interests, to an urban resident of Paris or Hong Kong. Although Enel's effort in Veneto is a geographically specific case, Enel's effort in general can be seen as part of a much larger latent megacommunity — one focused on worldwide energy issues. Keeping this in mind, all latent megacommunities, no matter how global, can be perceived as having formed around issues that are “local” or have localized impact.

Together, shared issues and localized impact naturally result in an overlap of vital interests. The megacommunity approach seems to be the most powerful way to bring these interests into workable, sustainable align-

ment. But there is no guarantee that a megacommunity will be created. Even when the latent potential is there, a few more decisive features must be present.

**Convergence.** Before a formal megacommunity begins to coalesce, there must be more than an overlap of interests. There must be a convergence of commitment toward mutual action. It is as if, like a stone poised to roll down a hill, a latent megacommunity must convert its potential energy into kinetic motion.

This convergence may happen spontaneously, as in the case of a natural disaster, when need suddenly intensifies. But most likely, convergence will occur when each separate constituency affected by an issue realizes that its progression has achieved a plateau; that is, when additional efforts do not produce further improvement.

Whenever this convergence occurs, either spontaneously or through deliberate action, something shifts in the community's capabilities. Instead of continuing to fight each other or to cede authority to some governmental or quasi-governmental body, leaders come together as equals to develop a plan of action. One cannot participate in a megacommunity with the intent to disrupt or undermine the effort. The commitment toward mutual action must be genuine or the megacommunity will not work.

An individual organization may be able to jumpstart a megacommunity, but only when leaders of different organizations within the latent megacommunity consciously engage does a true megacommunity begin to take shape. In fact, as the Harlem Initiative shows, a latent megacommunity at first may not even contain all the members it needs. At this stage, the need to reach out for additional, different, and complementary support becomes evident. Although such factors as the Internet enable more convergence among the three sectors, the sectors will not necessarily come together on an active megacommunity level of their own accord. As a matter of fact, the inherent purpose of each sector is often at odds with that of the others, which precludes them from naturally coalescing. If active, complete megacommunities did spontaneously evolve, we would have many more today than we do. Their scarcity is a clear indication that they do not form naturally. They must be consciously made to converge.

**Structure.** For a megacommunity to operate effectively, there needs to be an explicit formative stage. There must be a set of protocols and organizing principles that bring a degree of order: typically a more

resilient, adaptable type of order than the structure one would find in a conventional hierarchical arrangement, or even in a joint venture or public–private partnership. There must be an agreement to use these protocols based on some sense of joint mission. And these protocols must allow for the best use of dynamic tension among the sectors.

Complex issues naturally draw people into networks. As a result, the structure of a megacommunity — based as it is on overlapping issues — exhibits many properties of a network. The shift from the dual-sector public–private partnership to the triple-sector nature of a megacommunity takes us automatically into a networked environment. Becoming part of a network is not only a natural outcome of three-sector engagement, it's also a welcome one, because the phenomenon of high-performing networks is a guaranteed way to truly galvanize productivity and get results.

The field of network studies has emerged in recent years to analyze and explore the phenomenon. A network, in organizational terms, is a set of connections among people allowing interactions and influences to flow among them over time. Network analyses of megacommunities typically capture the relationships among participants in terms of “nodes” and “connections.” These connections are not legally binding contractual relationships, as we would see in a service-level agreement with a service provider, or the kind of formal agreements that characterize public–private partnerships. Rather, these are relationships forged by the overlap of vital interests and hardened by the commitment toward mutual action. They are as compelling and concrete as the issues on which they are based.

As social scientists who have been examining social networks over the past three decades show us, communities that acknowledge and tap into differences are generally more successful than those that cling to homogeneity. The true value of a community, and of a megacommunity, is its diversity. Smaller, tighter networks are less useful to their members than networks with many loose connections — in this field referred to as “weak ties” — to individuals outside the main network. As the Harlem Initiative proved, the need to reach out for additional, different, and complementary support is essential, marking megacommunities, in network jargon, “scale-free” (that is, they can scale up at will, and they're unlimited). Typically, megacommunities will form “open” networks, with many weak ties and social

connections through which members are more likely to introduce new ideas and opportunities, as opposed to “closed” networks, with many redundant ties.

We believe that members of all three sectors must develop a better understanding of network forces, in addition to market forces, as they design megacommunity initiatives. Networked operating models continue to jump to the forefront as organizations seek to improve efficiency and effectiveness. Networks are being used to achieve radical new levels of organizational integration and performance. Understood as a network, a megacommunity can achieve the same result for a group of organizations.

**Adaptability.** Consider, on the one hand, the static nature of many public–private partnerships. When conflicts or new issues arise, such partnerships do not always allow for pathways along which the parties can respond. Their highly focused engagement has no dynamic dimension to it. The terms are set as part of the partnership. They are locked down.

Megacommunities, on the other hand, are much more dynamic. They are open to new members and entrants, continually poised for new activities, and deliberately open to change in their objectives and methods.

Over time, a healthy megacommunity becomes more effective in its purpose. It develops an increasingly common language that is used by people from all three sectors who belong to it. With sustained connections and continued interactions, participants in megacommunities develop bonds, intellectual pathways, enhanced linguistic abilities, and even a higher capacity for critical thinking and problem solving around the set of vital interests that caused the megacommunity to form in the first place.

Another important aspect of a megacommunity's adaptability is the fact that when changes occur, they do so without hierarchical decision making and external intervention. The megacommunity constantly evolves and learns, almost like a living entity. But this evolution is not guided by command and control. Instead, things happen through alignment, through the collective behavior of all members. The sum of those behaviors is the essence of the megacommunity.

In an electronic network, for example, when information packets coursing through a computer conflict with each other and overflow each other's buffers, causing overall performance to go down, an adaptive network management control capability kicks in and

adjudicates the problem. This is not some centralized decision-making system — it is a distributed capability operating as an integral part of the network's design. The concept of megacommunity introduces a similar sort of network management control mechanism in human systems, one that minimizes friction over time and improves the entire network's efficiency. With no central decision-making entity and no explicit leader of the megacommunity, this represents the only efficient and effective way to manage the network. Although everyone within a megacommunity has influence, no sector or sector chief is truly in charge. One might call it a “control-free zone.”

An observer might reasonably wonder why a comfortable chief executive or head of a government agency or NGO would be interested in operating in a control-free zone in the first place. But transcending the need for central control is a common situation in large, complex systems such as electrical power grids or environmental control systems. In fact, the newest network structures represent a shift from bounded networks, with central control, to unbounded networks. Unbounded, or, as we've termed them, scale-free, networks are characterized by distributed administrative control without central authority. They combine previously fragmented operations into more focused processes open to many organizational participants.

This network feature is clearly mirrored in megacommunity operations — which is not to say that megacommunities thrive on chaos, with no clear leadership. Indeed, in the initial stages, the megacommunity needs some person, group, or sector to precipitate, align, and catalyze the latent energies being raised. This will generally take the form of an “initiator,” or group of initiators, doing something explicit to put the elements in place. But those initiators must be prepared to cede this central leadership role as the megacommunity coalesces and grows, or they may be seen as co-opting local or other interests. Of course, each sector and organization involved continues to have its own leadership in place, and within organizations there are leaders or groups assigned to furthering and monitoring megacommunity interaction. Still, no one possesses the title of “megacommunity CEO.”

### Megacommunity Leadership

In the current operating environment, leaders — business executives as well as leaders in government and civil society — need to understand the significance of their

participation in systems larger than their own organizations. The megacommunity style of interdependence is more effective than conventional hierarchical forms of leadership precisely because it deliberately involves people at many levels in many forms of collaborative leadership. To succeed and sustain the system, it is better to adopt the most inclusive approach possible, and to specifically draw on the knowledge of the private, public, and civil sectors.

The recognition of the five megacommunity dynamics in this article represents a new starting point for mutual action on a local and global scale. As leaders are drawn into megacommunities, they will learn to raise new types of questions about the problems confronting them, and they will gain profoundly in their ability to successfully conceive and implement new answers. +

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### Resources

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