

# The Open Enterprise Manifesto

## Introduction

The Open Enterprise is a new organizational design. Unlike organizations using traditional management structures, Open Enterprises replace the command and control hierarchy with a meritocracy based on collaboration and open participation.

Organizations that adopt this new organizational structure can make decisions faster and respond quicker to their markets. They look more like living dynamic networks, and less like pyramids. People working in these organizations will have (and feel) more ownership. They're more engaged in their work, and have the freedom to work on what they want, when they want to. Most importantly this model enables people to once again bring their full humanity - values, beliefs and passions - to the workplace, removing disconnect between organizational and personal values.

## This new organizational designs addresses two central issues:

**First:** The disengagement of employees from their work. 85% of people are disengaged from their work, 2 of the top reasons given are management and misalignment of values. Our organizations are failing to engage us, and provide a place where our purpose comes alive. The Internet provides us with tools to connect and work together, but the management system we're using cannot keep up; it's over 100 years old and is designed after old military thinking.

**Second:** The lack of proper support and resources for entrepreneurs to succeed in their endeavors: 70% of Americans have a startup idea but only 4% follow through with their dreams.

## We need a new management technology.

Leading business thinkers such as Gary Hamel and Margaret Wheatley see the change in organizational design coming, and are advising companies today to embrace more self-organizing structures.

The Open Enterprise model builds on their theories and research, and provides a new way for people to work together that governs all major aspects of managing a business, including capital allocation, strategic decision-making, compensation, and human resource management.

The various aspects of the Open Enterprise Model have been used successfully by other organizations including Visa, Goretex, Apache Software, Wikipedia, Linux, Spain's

Mondragón Corporación Cooperitva and many others. While such companies have pioneered these concepts with excellent results, BetterMeans is revolutionary in bringing these various techniques together in a single, cohesive model and building the tools to make it widely available and adoptable by both new entrepreneurs and existing organizations.

## The Problem: A 17th Century Business Model

### Collapse of the Corporate Model in the Age of Open Source

Simply put, today's corporate organizational structure is outdated. The conventional business model is broken.

**It's broken because 67% of American workers are actively unhappy with their jobs.** In fact, job dissatisfaction has increased steadily by a whopping 16% over the past 20 years. And this trend shows no sign of slowing. Notably, the most dissatisfied portion of the work force is the upcoming Generation Y—those under the age of 25.

**It's broken because the current organizational structure cannot adapt as fast as the world is changing.** Today's business model originated before plumbing and electricity—long before a global marketplace, multi-national competitors, and rapid technological change. The pace is quickening. In 2008 the number of patent applications received was over twice the number of applications in 1998, just 10 years prior. The current top-down model makes it impossible for a single leader or small team of decision-makers to discover, research, implement and dictate new protocols as fast the global landscape is demanding adaptation.

"For thousands of years, markets and hierarchies were the only alternatives when it came to aggregating human effort. Now there's a third option: real-time, distributed networks."

- Gary Hamel, Voted #1 Business Thinker by the Wall Street Journal

**It's broken because in a top-down system, innovation is being smothered.** The top must dictate behavior by creating endless manuals covering corporate procedures, protocols and policies. Threatened with punitive actions or loss of paycheck, workers throw away common sense in favor of a rigid adherence to the rules... leaving entire organizations nearly bereft of clear-minded decision makers, and stamping out intelligent risk-taking and the innovations that would follow.

"For me, this is a familiar image - people in the organization ready and willing to do good work, wanting to contribute their ideas, ready to take responsibility, and leaders holding them back, insisting that they wait for decisions or instructions."

- *Margarate J. Wheatley*

**It's broken because mistrust between the general public and corporate entities is at an all-time high.** U.S. law entitles corporate entities the same legal rights as human citizens-- at the same time it lacks a clear means to hold these corporate citizens accountable. The result is power without responsibility, and we have only to look to Enron, Halliburton, or the recent housing crisis to understand the ill effects of this lopsided agreement.

**It's broken because today's corporations would knowingly endanger the health of the planet, the lives of their customers and the general public in exchange for profit.** Because Merck gladly released the pain-relieving drug Vioxx to an unwitting public—even though their own research showed it caused a 3-to-4-fold increase in the risk of heart attack. Because 16 years after the Exxon Valdez oil spill, Exxon still didn't have a single double-hulled oil tanker, which could have drastically reduced the environmental damage caused by such disasters.

"A business that makes nothing but money is a poor kind of business."

- *Henry Ford*

**It's broken because a workforce driven, coerced, and manipulated by a system of punishments and rewards, leaves very little room for ingenuity, cooperation, honesty, or respect. That is, our humanity.** It creates a culture that sees people (both customers and coworkers) as objects to be manipulated for profit. It rewards office politics and unethical behavior—often at the expense of the company's true goals. The result is resentment from both employees and customers alike—and resentment erodes profits.

**It's broken because the current business model focuses on goals, and thus acts as if the ends can justify the means.** In such an organization, the *what to do* is never lost. Only the *why it is being done*. And when the why gets lost, Merck ends up selling poison in the name of "healing the sick"... Monsanto keeps a strangle-hold on the world's supply of seeds and uses profoundly unethical and illegal practices to ruin traditional farmers in the name of "feeding the hungry"... And Nike uses sweatshop labor, abuses workers, and pays

well below 3rd world minimum wages—even circumventing local laws to do so... all in the name of "inspiring today's youth to reach their highest potential."

"Ethics is the new competitive environment."

Peter Robinson, CEO Mountain Equipment Co-op

## A New Generation is Exposing an Old Irony

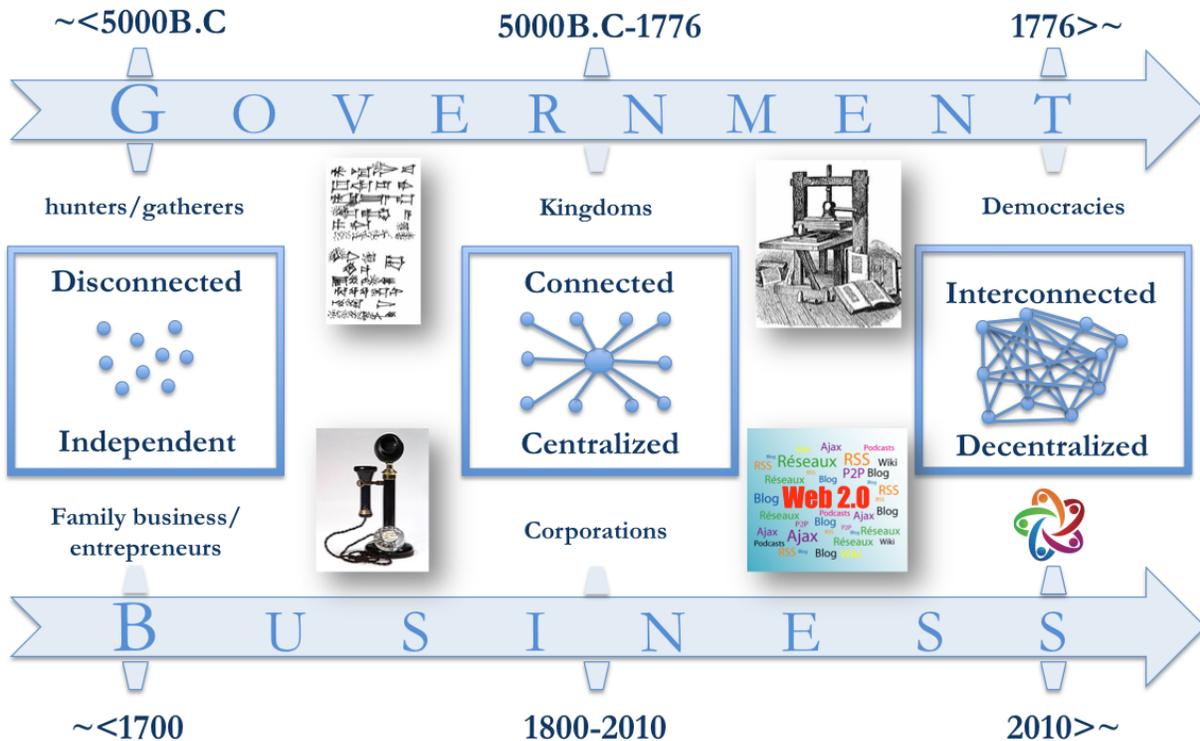
Since the American revolution, the United States has voluntarily participated in a quiet, yet profound irony. We made our government democratic, and our corporations everything but. Free will, personal expression, autonomy—these democratic principles are routinely checked at the office door. To earn a living, we have surrendered even some of our most basic freedoms. Corporations frequently dictate to employees what they are allowed to say, the types of clothes they can wear—even when they can eat or use the bathroom. We succumb to this sublimation of our human spirit because we have assumed there is no other way to work.

Generation Y, on the other hand, is a strong-willed and technically savvy infusion into our workforce. And they are rejecting the status quo. The Millineals value their relationships, their freedom of expression, and the environment more than their paychecks. Business as usual has almost nothing to offer this stubborn crowd.

"In the age of hand-crafting, the dominant forms of organization were the all-powerful churches, kingdoms, and hand-craftsmen guilds. Just as the age of machine-crafting led the emergence of today's organizations, ending the dominance of guilds, kingdoms, and churches, so too will the age of mind-crafting give rise to new, more chaotic concepts of organization that will end the dominance of today's organizational structures."

- Dee Hock, CEO and Founder of VISA

This is not, however, simply a generational shift. It's a change that has been on its way for a few hundred years. Look at human governance. Societies went from tribes, to kingdoms and empires, to self-governance. Each one paved the way for the next level of complexity.



The same is also true of business. Mom and Pop shops and individual entrepreneurs gave way to companies and corporations. These in turn, are giving way to something new. Strong, successful companies and organizations have already emerged using radically new organizational models. Visa, Goretex, Mondragón, Wikipedia, Linux, and dozens of open-source software ventures, to name a few.

Few would disagree that as humanity rounds the corner of the 21st Century, change is happening with increasing speed. The old corporate model of top-down management, as stated earlier, is not well-equipped for rapidly changing environments. Those at their helms are thus particularly poorly equipped to see the change that is coming. A lucky few perceive something might happen. And fewer still understand it is not a question of if, but when.

Like the shell of an egg, cracks have already appeared as something much bigger, much stronger, much more agile and adaptable, is emerging. And if it this new model of business truly does have the power to address all the ills mentioned above, then it is emerging not a moment too soon.

## The Solution: Crafting a New Paradigm

Above we've discussed briefly the problems we perceive in the modern-day organizational models that form our current businesses, non-profits, and social institutions (such as schools). Keep in mind the aim of this document is not to vilify today's business model. It is to transcend it's current form and conceive of something even greater.

To do this, we must leave behind our limited notions of what is possible. (You'll soon find out how these limits have already been broken.) The past does not equal the future. Give yourself room to imagine a completely different way of structuring our business organizations. Stop thinking about how things were, how they are, or how you think they are going to be if nothing changes. Instead, follow along for a moment and consider how they *ought to be*.

"The significant problems we have cannot be solved at the same level of thinking with which we created them."

- *Albert Einstein*

"We will need a willingness to question our most deeply held habitual ways of seeing organizations and management. We will need a willingness eventually to embrace the seeming chaos of an organization that no one 'runs' and where we all share responsibility. We will need to embrace continual mistake-making and correcting, nature's learning process. And we will need a willingness to surrender the personal need to control—'the closet Newtonian' that resides in all of us."

- *Dee Hock, CEO and Founder of VISA*

## What if people loved their jobs?

**Question: What would make people enjoy their jobs more? What would engage them more? What would cause a person to be inspired at work? To feel empowered at work? To want to contribute whole-heartedly?**

If you could work wherever you wanted, whenever you wanted, you'd enjoy your work more, wouldn't you? *Absolutely.*

What if you could choose the type of work you did? That is, you would come to work, look at everything that needed to be done, and pick the task or tasks that you felt most compelled

to do. Do you think you'd be more inspired about what you were doing? Of course. By definition, you'd have to be inspired to do the work. If you weren't, you would just go home or wander over to the company next door and find something there that inspired you more.

And what if you owned a portion of the company (or companies, for that matter) that you worked at? Suppose you made a percentage of the company profits directly equal to how much you'd contributed to that company. (Let's just say we could magically track exactly how much you and everyone else had put into a company.) If you did 25% of all the work, you'd make 25% of the profit.

Imagine reward based on effort and contribution, not job titles or the type of work it is. That means that if flipping burgers constituted 50% of the work done at the company, those who flipped the burgers would earn 50% of the company's profits.

Of course if you didn't do anything, you wouldn't earn anything. (We'll assume that a system that wasn't fair wouldn't be very enjoyable to most people.) No doubt, in this system, you'd be more engaged with your work. You'd feel driven to contribute your best in ways that made your company(ies) more successful.

## **What if companies were founded on values?**

**Question: What would reduce corporate corruption? What would ensure that a company's work force stayed true to the stated values of the organization? What would bring a new level of integrity and accountability to large organizational structures?**

Suppose corporations were completely transparent. That is, everyone in the organization has access to know what was going on at any other part of the organization. Put the fear of lost trade secrets aside for a moment, and imagine what it would be like if ideas and innovations were shared openly. If decisions were made openly. If earnings, profits, budgets and business practices—all of it—were open to everyone. Co-workers, customers and competitors alike. It puts a damper on corruption, doesn't it?

Suppose there was equal power among employees to enforce the shared principles of the organization? What if the janitor could fire the CEO for failing to operate according to the values of the company they both worked at? It's easy to agree that under such conditions, corrupt, unethical behavior has no dark corner to grow in. Covert operations and public deception becomes increasingly difficult for those that would carry out such actions. And what is the upside for perpetrators, when they can only be compensated for their publicly declared contributions to the company? Accountability is inherent in every contribution a worker makes.

(NOTE: If you think this can't work, consider the Apache Foundation. Creators of the most widely used server platform software in the world. They have been competing so effectively in the market that their platform powers over half of all websites world-wide. A platform developed and brought to market with full transparency, and within plain site of it's competitors.)

"Greater transparency is an unstoppable force... the Internet makes it far easier for firms to supply information, and harder for them to keep secrets. Firms now know that their internal e-mails may one day become public knowledge, for instance, and many big companies must co-exist with independent websites where employees can meet anonymously to air their grievances. With greater transparency will come greater accountability and better corporate behaviour. Rather than engage in futile resistance to it, firms should actively embrace transparency and rethink their values and generally get in better shape."

- Don Tapscott, co-author of *The Naked Corporation*

Just to be sure, let's say that organizations aren't built around products or services. Rather, they are built around an agreed-upon set of principles by the founders of that organization. The values come first, and the products and services are just there to serve those purposes. (We'll assume, for the moment, that these fictional entrepreneurs understand profit in and of itself is not a value or purpose, but a side effect of serving one.)

Because our founders are driven by a shared, stated set of values, they limit promotions according to those who share those values. Restated: Promotions aren't based on office politics. An employee's contributions and ability to increase profits are encouraged, but not with increased decision making ability. Instead, let's say that decision-making power within the organization is limited by an employee's ability to demonstrate their alignment to the core, shared values of the organization.

Under such a model, the corrupt, unethical or mis-aligned behaviors that plague modern corporations like Merck, Enron, Monsanto, or Exxon seem impossible to pull off. An organization of this kind is well protected against losing *why they do what they do* in the act of doing it.

## **What if corporations were democracies... free of politics?**

**What can be done to make the executive decision making process more robust?**

**What might allow CEO's to be better informed, particularly in a world and market place that is changing with increasing frequency? How can an organization make**

## **maximum use of all it's human resources? Is there a way to eliminate the massive energy drain found in micro-management?**

Consider what would happen, if the decision making power of our fictional organization was distributed democratically. Decisions are made openly, and at the smallest level necessary. That is, decision making is limited to those whom the decisions significantly effect. Local problems are voted on locally. National problems are voted on nationally. Shipping problems are handled by the shipping department. Company problems are voted upon and addressed by all members of the company. Decisions are more informed because strategy and intelligence is being crowd-sourced. Work becomes infused with a sense of purpose and empowerment.

Democratic practices are central to our organization because empowered, happy owners run amazing and profitable bakeries. The longevity and success of our company speaks volumes about the value of democratic principles in the workplace."

*- Mike Ferretti, CEO of Great Harvest Bread*

Consider, now, giving increased autonomy to those who perform a specific task. What happens when they have room to choose how they perform the task? They are free to get it done however they want. Anything unethical, or that doesn't meet stated outcome requirements can be refused by the organization. Inspiration and innovation explodes. People have room to experiment—no small benefit to those who know trial and error is the breeding ground of success.

Given ownership in the organization, and the power to make decisions over the scope of one's own operations, all citizens of such an organization have every reason to act in the company's best interest. And here's a hidden benefit: they have the power to act *immediately*. Human cells don't wait for instructions from the brain about what may be a virus or not a virus. Nature doesn't work that way. Cells respond quickly and wisely. If a fire erupts in your house, you don't wait for the fire-department to tell you what to do. You get out. If, working in such a company, you encounter an irate customer, you have the power to make things right. In the current model, customer service reps have little or no power at all—essentially, they only have the power to help piss off more customers.

"In organizations of the future, it will be much more important to have a clear sense of purpose and sound principles within which many specific, short-term objectives can be quickly achieved, than a long-range plan with fixed,

measurable objectives. Such plans often lead to futile attempts to control events to make them fit the plan, rather than understanding events so as to advance by all means in the desired direction. In times of rapid, radical change, long-term plans are often so generally stated as to require endless interpretation, in which case they are no plan at all, or they become so rigid that they diminish thought, obscure vision, and muffle advocacy of other, more innovative views."

*- Dee Hock, CEO and Founder of VISA*

In this model, citizens are joined and held together first and foremost by a common purpose. Individuals are given increasing say according to how clearly their voice can speak for the shared values of the whole. Individuals are rewarded according to the quantity and quality of their own efforts and contributions. No more, no less. Individuals participate, motivated by their own desire to achieve the aims of the organization.

## Myth or Reality: Next Steps

While we've discussed the problems and solutions as though these new management concepts are purely fictional, they are not. Various components of the solutions we have just imagined already exist and are being put into practice by pioneering non-profits, schools, and successful businesses at this very moment.

What has yet to be fully developed is a cohesive system that incorporates as many of these concepts as functionally possible to form a clearly defined set of "laws" from which to govern by. Furthermore, once this cohesive structure has been established, it will require new tools to allow it to function. New software tools to facilitate the participation countless interconnected yet decentralized individuals. Systems for tracking worker contribution. Tools for submitting and voting on ideas. Software to improve collaborative efforts and problem solving. Transparency and feedback mechanisms.

## Overview of BetterMeans, the "Platform", and the Open Enterprise Model

Considering all this, it is wise to clarify just a little bit more about how BetterMeans, the BetterMeans Platform and the Open Enterprise Model fit together. Here then, is a very brief overview.

BetterMeans is the company behind the Open Enterprise Model. BetterMeans is itself, an Open Enterprise. The first, in fact. It was formed to promote the values of openness, transparency, autonomy, contribution-based-rewards (meritocracy), democracy, integrity, and values-oriented, purpose-driven work—to name a few.

Based on those values, it's current goals are to:

1. Clearly define the operational laws and guidelines that are common to all Open Enterprise organizations. (That is, to continue to refine the Open Enterprise Model.)
2. Create the tools needed to make the Open Enterprise Model easily adoptable and usable by anyone so inclined to use it. (This set of existing software tools and services we have developed so far is currently referred to as the BetterMeans Web Platform.)
3. Assist the passage of new local, state, and federal governmental laws which will promote and facilitate these newly emerging principles of the Open Enterprise Model. (We're pleased to note that recent headway—the passage of new laws—in the last year has removed previous roadblocks.)

Most of what follows is a discussion of the Open Enterprise Model. That is, the Constitution of the Open Enterprise Model. These constitutional principles and laws must be followed by any company that chooses to adopt the Open Enterprise system. However, how each

individual enterprise operates is up to that individual company, so long as it abides by the Constitution of the Open Enterprise.

As you continue, please keep this in mind: BetterMeans is *most* passionate about our shared values and principles. Secondly, about the Open Enterprise Model. And thirdly, about the tools we are building to facilitate this model. If, for example, a company adopts and lives by the open enterprise principles, we have succeeded. If they adopt the Open Enterprise Model because this model is the best structure available for furthering organizing the company by, excellent. That's a bonus. And if such a company finds that using the BetterMeans Web Platform makes running their open enterprise that much easier—wonderful. Using the BetterMeans products and services is not by any means a prerequisite to adopting the Open Enterprise Model. In fact, we welcome competition.

## **What Kind of Organizations are Well-Suited to Become an Open Enterprise?**

Software development and web-based organizations are a clear, obvious fit for this model. So are start-ups and any business operating in a rapidly changing field. This model breeds innovation faster than any traditional business structure. But by no means does it's application end there. VISA's founder Dee Hock and it's members pioneered several of these concepts in the banking industry to create the most widely accepted and successful credit card empire in the world. Bakeries, bookstores, co-operative grocery stores, and countless other "brick-and-mortar" shops have successfully made use of many of these concepts. Keep in mind that the model is designed to be usable by any organization. In time, we believe that any company that does not adopt a number of these core principles and implement them effectively will, eventually, be left behind by those who do.

Perhaps the more relevant question is how easily can a particular type of organization implement these new concepts? For software firms, web-based organizations, start-ups, and any company that is able to operate in a decentralized way... implementation is easiest. If that's not your field, don't let the extra innovation required discourage you. Pioneers reap the greatest rewards. And as the next few years unfold, regardless of the type of company seeking to become an Open Enterprise, you will have the chance to participate in the great reconceptualization of work that is taking place right now.

# The Open Enterprise Model: A Closer Look

In order to provide you with the best understanding of the Open Enterprise Model, let's take a moment to consider an example of a company using this model.

## Good Tees: An Example Company

We'll begin by saying that you and some of your friends share an interest in social causes, silk-screen printing, and a love of cool t-shirt designs. One day, you get a great idea. What if you designed teamed up with various organizations, making t-shirt designs and giving away part of the proceeds to the related non-profits?

You would create an on-line gallery, do your marketing through the non-profits you team up with, and invite graphic designers to submit designs in the name of their favorite organizations. You would do the silk-screening locally, and handle all the delivery details.

Being a graphic designer, you layout the website design and call up a few organizations such as the Sierra Club, Greenpeace, and a local animal shelter to see if they are interested. The response is quite positive. You're so excited, you immediately begin working on a few t-shirt designs.

After a month or so you show two of your designer friends, Mike and Jen, what you've been up to. Jen offers to build the site and set up the online shopping cart system and t-shirt gallery. Mike offers to compile a huge list of potential non-profits to partner with, and start contacting them.

After another month or two, Mike has helped you forge a few dozen partnerships, Jen has finished the site, and between the 3 of you, you managed to come up with about 15 designs that you really like.

In the meantime, you've also been reading up on the Open Enterprise Model, and share this info with Mike and Jen. Together, you agree to form a new Open Enterprise company called: "Good Tees."

Let's stop here for a moment.

Most businesses form in a way that is similar to the above scenario. It often begins with an idea for a service or product, and grows from there. Interested people get involved and if

they like each other, they agree to form a team to further their goals of creating that product or service. Here we have our first important distinction between a traditional organization and the Open Enterprise Model.

## Values-Centered Formation

The Open Enterprise begins with one or more individuals deciding to collaborate with each other in order to further *a set of shared values*. This is highly important in an open enterprise. Why? Because in an Open Enterprise, order is derived from *shared intent*, not control.

If the group initially forms around a set of goals, this is not necessarily a problem. Goals cannot exist without some values driving them. Before proceeding, the founders need to determine which values are the common values driving each participant toward the agreed-upon goals. Ideally, these values should be prioritized and qualified so they can be more easily understood by new potential members of the Open Enterprise. If these values are substantial enough to motivate it's members, the Open Enterprise is ready to be formed.

If a single individual forms the Open Enterprise, they may dictate the values of the enterprise.

### **Good Tees: Establishing Core Values / Guiding Principles of the Enterprise**

To follow the example, let's say you and Jen value honesty, having fun, building community, mentoring others, social causes, and are driven by a desire to share your mutual love of art and design. Now suppose Mike values having fun, winning, being the best, dominating the competition, maximum gain with minimal effort, artistic aesthetics & cool designs, and is driven by a desire to make enough money to retire. There is nothing wrong with Mike's values and drives. But without a clear understanding of what values the organization swears to uphold, eventually there will be conflict that is hard to resolve.

In this scenario, there are 2 likely outcomes: a discussion that yields a set of shared, agreed upon values to operate by, or it becomes clear the values of the various individuals don't fit, and the "ill-fitting" individuals bow-out of the team. (An unpleasant reality that is much better faced in the beginning than down the road.)

We will say that the three of you agree to found the company upon the following values:

1. Being honest with each other, our customers, and the public at large—even in the face of lost profits, conflict, or disappointments.
2. Creating a company with a healthy triple-bottom-line. That is, one that equally values people, planet, and profits.
3. Supporting good causes, particularly those that benefit the environment and those in need.
4. Supporting art & artists. Creating an organization that fosters good artists and good design.
5. Building community. Forging connections between the members of the company, our customers, our partners, and our communities.
6. Enjoying ourselves as we work is important. We value having fun over winning. That means having fun amongst ourselves, with our customers, and in our interactions with the general public.

In addition to setting the founding values, you each look at the time you put into the company to determine initial credits due. For coming up with the idea, nurturing it, providing the use of your silk-screening equipment, designing the site and several t-shirt designs, you estimate your contribution at \$20,000 (20,000 credits). Jen put in about \$12,000 (12,000 credits) worth in terms of her time and effort so far, and Mike gets \$8,000 (8,000 credits).

### **BetterMeans Tools for Establishing an Open Enterprise's Guiding Principles**

BetterMeans offers everything a newly forming team might need to get started quickly. This includes online tools to help a new Open Enterprise establish itself (incorporate as an Open Enterprise), determine its initial founder credits, and outline the organization's guiding principles. Of course, assessing, qualifying and prioritizing a group's values sometimes requires a little help. Because of that, BetterMeans offers consulting services to help with any part of the forming process.

## **Work Streams: Creating and Deciding on the The Organization's Agenda(s)**

Once an Open Enterprise is officially formed, how is it run? Well, now that the values are in place (the guidelines governing how actions should be carried out) the organization turns its focus onto its goals. The founders begin this process by outlining some of the key areas

of development within the enterprise, called Work Streams. For the most part, each Work Stream is a spectrum of activity targeted at a specific outcome. Initially, a start-up enterprise might begin with Work Streams like: "Develop Business Plan", "Develop Marketing Plan", "Create Product Prototype", "Create Logo", and "Find Retail Location" or "Find Office Space." Notice that these are not simple action items like one might find on a "to-do" list. A Work Stream is a complex set of tasks to be done, problems to be solved, and possible features to be developed or researched... all combined to achieve a sizeable outcome. (In case you are wondering, yes, Work Streams that are completed disappear. And as time goes on, members can create new Work Streams or bring back old ones. We'll cover that in more detail later on.)

### **Good Tees: Creating the Initial Work Streams.**

Our Example enterprise begins by forming a few basic Work Streams, including: "Develop Business Plan," "Research t-shirt and silk screening suppliers," "Create T-Shirt Design Review Process" and "Develop Marketing Materials."

## **Democratic Participation and Decision-Making**

Because an Open Enterprise is a democracy, what the organization does is decided by a democratic system of sharing ideas and voting upon them. Here's a simple way to understand the process. Imagine an office with a few dozen workers. For each Work Stream there is a whiteboard titled 'IDEAS'. Anyone in the office can, at any time, walk up to the 'idea whiteboard' for any one of these Work Streams and make a suggestion by writing the idea down on the appropriate board.

Mike is working on writing up a marketing strategy. In the middle of this, it occurs to him that the company doesn't have a logo, or a website for that matter. He walks up to the "Develop Marketing Materials" Work Stream Idea board, and writes down the "Create Logo" and "Have a Company Website" ideas.

When some one writes down or views a work-item idea, they also have the chance to score the work item's credit value. That is, how much should be budgeted/paid for doing the task. (If a person isn't sure, they may leave the estimate blank.)

Mike figures that developing the Good Tees logo might take some time, so he decides it should have a budget of 1500 credits.

Now imagine that at the start of each day, everyone who arrives at the office begins their work day by examining the IDEAS whiteboard for each of the various Work Streams they are interested in. They look at the new ideas one at a time. For each idea, they may do the following:

1. **Each member may score the credit value of the item, thus helping to set it's budget.** Each member only contribute one estimate per work item—though this estimate can be revised and changed until the item has been started.
2. **Each member may vote 'yes' or 'no' on passage of the idea.** If the idea gets enough votes, it passes and is now placed on the Work List board. (More on that coming up.) If it doesn't get enough votes within a specific period of time (let's say 2 weeks) it is removed from the idea board.
3. **Each member may vote on the priority the idea should be given.** The idea may be voted up or down (or neutral) by each member. While the member can revise their vote at any time, each member's input only counts for +1, 0, or -1 points. Depending upon the relative scores of an idea, it gets moved closer to either the top or the bottom of the list of ideas or work items it is listed with.
4. **Each member may add comments next to an idea.** This can be anything. Questions, concerns, enthusiasm or related ideas—things to consider before passing the idea, or maybe things to consider when implementing the new concept.

Jen looks at the board and sees the logo idea. Mike set it's budget at 1,500 credits. It's currently scored at a complexity of 4 by Mike. She likes it. However, she thinks the budget should be 2,000 credits. After her estimate, the work item's credit value is adjusted to 1,750 credits.  $(1500+2000/2 = 1750)$ . She votes to pass the idea, but votes it down on priority, figuring other stuff is more important right now. You see it too. You rate it at 1,300 credits, bringin the average to 1,800 credits. You write a comment about design ideas for the logo before voting to pass it. Your vote was the crucial vote and it is sent on it's way to the Work List board.

## **From White Boards to Web Apps**

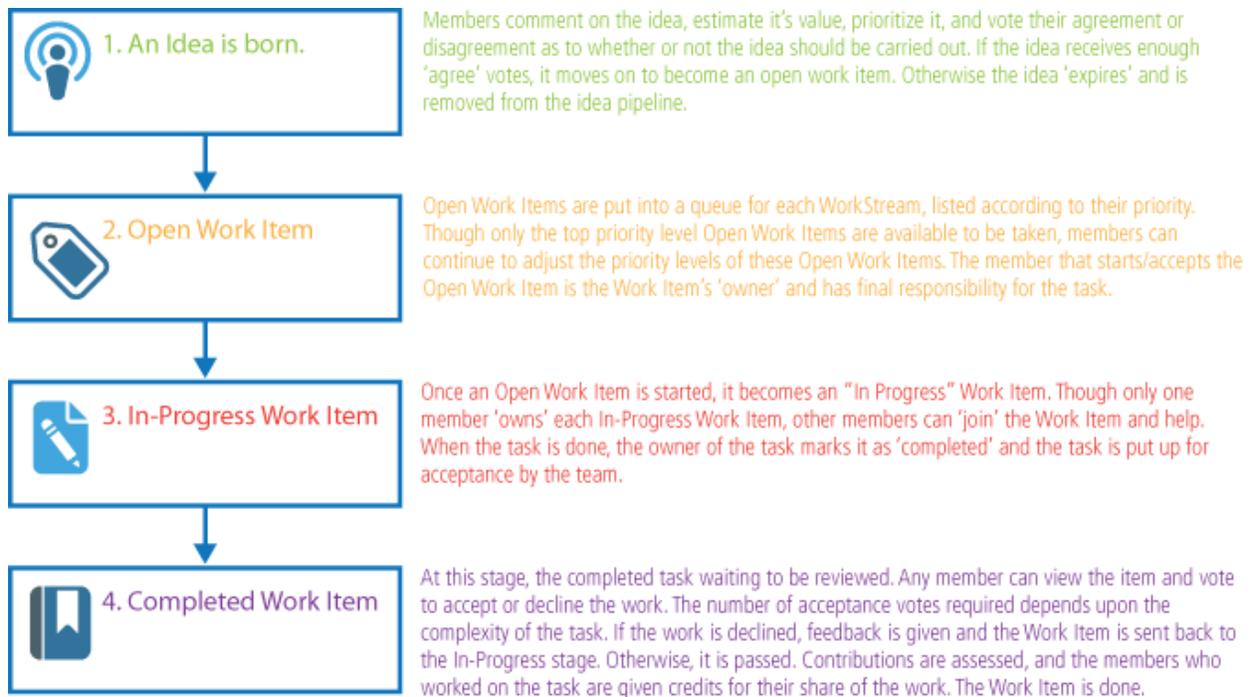
Now then, a few words about the simplicity of this system. If you think this sounds a bit complex, you have taken the explanation a tad too literally. No one has to do any math. No one has to get out of their seat to look at a white board or scribble down an idea on a messy white board. No one has to track who already voted on what idea and how. Sure, if paper mechanisms and real-world tracking methods are your thing, you can use them. But why do that when it can be done online, tracked via a central service? BetterMeans has already created the BetterMeans Platform as an Open Enterprise staging ground, replete with all of the necessary tracking mechanisms and tools required. One or two clicks and you're done, off and perusing over the next cool idea or back to work.

There are a few more details that are important to understand about how things are voted on, but it is best to put them aside for now and continue the overview before diving too deep into the specifics. Investors and those who may own a large portion of the organization before converting it to an Open Enterprise will no doubt want to know how their years of contribution or extensive risks (aka. shares or credits) might be protected. Rest assured, this topic will be covered.

Before moving on, take a moment to consider the values that flourish and thrive within this system of self-governance. One person, one vote. Everyone's ideas have a place to be heard and shared. Knowledge and creativity is shared. The system is open and transparent, creating more room for collaboration and innovation. Every decision is automatically digitally documented. This platform encourages open, active participation from members of the organization to the general public.

## **The Work Item Life-Cycle: From Concept to Completion**

We've already looked at the first step in the Work Item life cycle. Everything begins as an idea. Ideas are written down or shared. If enough agreement is gained for an idea, it is turned into an open work item. Any member can select an open work item, thus owning it. Once owned by someone, the task is officially considered an In-Progress Work Item. While it is common for a single person to handle a Work Item entirely on their own, others can join in and adopt the item as well, moving it towards completion.



## Work Items: How Work Gets Done Without Workers

Work without workers means that there are no employees in the Open Enterprise Model. There are members. Members do work, of course, but they aren't "workers" in the traditional sense. The difference is that employees work for some one else. Employees are hired, managed, told what to do, and fired when they don't do it or their employers no longer have a use for them. Employees don't own what they work on. Employees are motivated, more often that not, by a fear of losing a steady paycheck. Ironically, many employees have a genuine desire to see their companies succeed, but are discouraged by management from taking the risks required to lead their organizations to greater success.

On the other hand, the members of an Open Enterprise are, in fact, owners. Being clear about the ownership-nature of an Open Enterprises' members will help you to more easily understand the nature of Work Streams, Work Items, and the Contribution-Based Reward System that is inherently part of such a model.

In an Open Enterprise, as you have seen so far, there are Work Streams. And each Work Stream is made up of various tasks, features, and problems to be solved. When a Work Item is completed, it brings the organization closer to achieving the goal of the Work Stream it belongs to.

Who decides who does what Work Item? The person *choosing* to do it. Think about the difference of being told what to do vs. deciding and telling others what you will be responsible for. What do you think happens to the quality of the work when the work is forced on some one, versus work that some one has actively chosen to do of their own

accord? It's obvious. Work done voluntarily yields superior results to work done begrudgingly.

## Contribution-Based Compensation: Credits and Ownership

For each task a person completes, they are compensated by a relative number of credits. For now, you can think of credits as money earned or shares of stock in the enterprise. (Though this will be explained in more detail, for now just be aware that they're actually both.) Credits are determined by how complex the Work Item was rated, and what percentage of the work they did to complete the task. Here's a quick set of examples to give you a clear picture:

Create Logo: 3pts (800 Credits)			Build Website: 6pts (2400 Credits)		
	Contribution	Credits		Contribution	Credits
You	75%	600	You	30%	720
Mike	20%	160	Mike	10%	240
Jen	5%	40	Jen	60%	1,440

Of course, in every business, there is the potential for re-occurring work items to show up. Suppose we're talking about a bakery instead of a software development company. Every day, loaves of bread need to be made and delivered to local grocery stores and restaurants. In this case, Work Items can be broken down into more-time centric units, and they can be set to re-occur. For example "Answer Customer Support Phones 3pm to 9pm, weekdays," or "Handle Monday Production Orders" could be a task that regenerates every week. A single member could sign up to take that recurring task. They would know, then, that they were responsible for making sure all the bakery orders were done and ready by a certain time on every Monday. If they needed a Monday off, they could give up the shift one week. If they didn't want to do Mondays any more, they could give up the recurring task altogether.

Reoccurring Work Items are only different in that they don't need to be re-evaluated, voted on, or estimated every week by members. Members know when they are voting on it that the task will be a repeating one. If members decide it needs to be re-evaluated at some point, a new recurring task can be created. If passed, the old one can be removed and the new one can take it's place.

Essentially, an Open Enterprise has a system for giving credit for each contribution a member makes. Payment is not "time-and-space-based" like a traditional organization. It's *contribution-based*. The traditional model says "we pay you to be at your desk for 8 hours a day, 9am to 5pm Monday through Friday." The fact is, in traditional companies a lot of people show up and stay their 8 hours without doing much actual work.

In an Open Enterprise, it's what a person does to actively move the organization towards it's goals that rewards them, not how many hours a person sits in their chair twiddling

thumbs. Notice that even in re-occurring tasks, the focus is on the work to be done. Suppose "Handle Monday Production Orders" means bake the bread and clean the kitchen when you're done. If you can do that in 4 hours instead of 6 or 8, more power to you. You can go home early then, without getting paid less for doing a more efficient job! Of, if you find another Work Item to do, you can hang around and do it. After all, you're an owner, not an employee. Everything you do to make the company stronger, you get rewarded for.

## Quality Control

When a task is completed, it must be approved by fellow members before credit is assigned. That is, if a member develops a logo for the company, the work must receive a certain number of approval votes before it is considered complete and that member is assigned credits. The higher the complexity score, the more votes of passage are required. Beyond being a simple quality-control measure, this mechanism also promotes better communication between the individual performing the task and the aims of the organization as a whole.

## Ownership-Driven Compliance

Notice that so far, the problem of workers not showing up for work or refusing to do a task they find unpleasant has been practically eliminated. Why? Because no one is told what to do. If a traditional employee is told they must stay late on Friday to do a store-wide inventory count, and they don't want to, they'll likely show up late, call in sick, or do a shoddy job because they resent being there instead of at the movies.

Contrast this with being an owner of the store. If you own the store and know an inventory count must be done, you'll do it because you want your company to be successful. So it is that members of an Open Enterprise do the occasional unpleasant work items that may turn up. They aren't forced to do these things. They *choose* to do them. They weigh the value of their actions internally, and decide that even though they'd love to be at the movies, they would rather have a successful business and the rewards that come with one.

## The Reputation Matrix

In an ownership-driven organization, performance-based firing of members that don't do their jobs isn't really needed. Job titles, management positions, and human resource departments are also completely unnecessary. If there's going to be a problem, it's not going to be a failure to follow orders because there are no orders to follow.

That said, this doesn't assume there won't be potential problems or the remote risk of some maligned individual trying to game the system. The Open Enterprise Model is built on trust, openness, and a culture of contribution. It is not, however, ignorant of the darker sides (or at least wayward and confused behaviors and rationalizations) of human beings. So far,

there are only 2 or 3 things that are likely to mung up the relationship between a member and their organization:

1. A member fails to truly fulfill an obligation they signed up for. (Not completing a task/doing a shoddy job—it's usually a quality issue, not an 'I didn't want to do it' problem.)
2. A member may have performed the task or achieved a particular outcome, but violated one or more of the driving principles and values of the organization when they did it. (i.e. They signed up new customers by lying to the customers.)
3. Poor estimation of credit where credit is due. (That is, perhaps someone does 80% of the work on a particular work item, but another member claims 50% of the credit. Could have been outright greed, but more often it is a lack of awareness, misperception, and/or a miscommunication problem.)

These potential problems of the Open Enterprise Model are addressed through a peer-evaluation, reputation and feedback system. To understand this, let's go back to our office with the whiteboards. Everyone who joins the enterprise gets their own whiteboard. The board has the person's name on it, along with the title "REPUTATION." It's used to track everything about that individual's contributions. Every task they've done, any tasks they did but which were not accepted due to quality issues, the credits they received, and the comments and feedback of their peers—it's all there on that board.

Anyone can write on your board at any time. Good or bad. Your history is there, clearly outlined for anyone to look at. Perhaps more important to point out is the fact that it's there for you to look at as well. Consider this: you've already got a reputation board. Everyone does. It follows you around. The hard part is that you've got a different board for each person you meet. And while you might have a fair idea of what is written on your board, more often or not, you're just guessing. Wouldn't it be nice to know what your general score is? Wouldn't you like to be able to improve yourself in the weak spots, know where your strengths are, and defend your actions if you feel they've been misunderstood?

That's what the reputation system is about. If a member acts outside the values of the organization, it will become obvious on their Reputation board. If the infractions are few and minor, they will have the feedback they need to change their behavior. Or perhaps they will decide their values aren't aligned with the enterprise's and leave. If the member has gone too far, a vote can be called for and with a 2/3rds majority passage, the individual will lose their membership and their right to participate in the organization. (They keep their credits and have a right to be paid for their work up to that point, of course.)

The first of these problems listed above (not fulfilling obligations or doing poor quality work) is likely to be cured by the Quality Control Mechanism described in a previous section of this document. After all, why do shoddy work when you don't get paid for it and it ruins your reputation? However, if that doesn't curb the behavior, the failure to live up to the obligations that one freely signed up for is essentially a violation of the values of the

organization. As such, the member is likely to be subject to an excommunication vote and removed from the Open Enterprise.

The last issue is resolved in much the same way. If a person continually claims more credit for the tasks they've co-owned with other members, too much of this and it becomes clear that it is being done not simply out of ignorance, and they will be voted out. However, this issue is particularly important, so it gains a few more stop-gap measures to protect the credit-granting mechanism from being abused.

## **Governance: Levels of Participation and Making The Big Decisions**

The Open Enterprise Model, thus far, may leave some people a little nervous. Particularly those of a strongly entrepreneurial nature who are driven to take big risks in search of big rewards. It may seem that after putting in years of hard work, as the enterprise grows, one's efforts and hard work may count for very little when a less experienced majority can easily out-vote those who have put significantly more time and energy into the organization.

This is addressed by varying levels of participation or membership. These levels are as follows:

### **Users:**

Users are those who use or otherwise benefit from the organization's products or services. The classic model of corporate-driven consumer research, in which the company is the researcher and the consumer is their lab rat, is rapidly being replaced. The Internet has turned this into a 2-way dialogue in which ideas for new products and better services aren't coming from within the company as much as from the consumers. In the Open Enterprise Model, users are those the organization serves. They don't have any particular rights or voting powers within the enterprise, but their participation and opinions are actively sought.

### **Contributors:**

In an Open Enterprise context, a contributor is any user who actively participates by taking on various work items. Before a contributor can participate, a single member must simply give that user permission. The barrier to participation is thus very low. Contributors earn credit and reputation scores for their work, just like any active member of the enterprise. However, they don't have binding votes. That is, while their opinions and feedback is encouraged, they don't have the ability to pass a work item, approve it, or alter its priority ranking until they become members.

## **Members:**

Most of this document describes the rights and privileges of members. This is because the members are dominant force of activity within an Open Enterprise. There are two ways to become a member:

1. A contributor earns enough credits. Each open enterprise can set their own mark. Thus, if the mark is 5,000 credits and a contributor earns 5,000 or more credits, they are nominated to become a member.
2. Another member in the enterprise nominates a contributor for membership.

Nominated members are voted in by the Core Team (next section)

Once some one achieves membership, membership cannot be taken away except through the rules of values-based removal of membership from the organization. Among other things, members can vote on work items to get them done, pass or fail items that have been completed, and prioritize items, too. They earn credits, and have the ability to control their proportionate share of funds through the payment pipeline. (Explained more later.)

## **Core Team:**

Core Team Members are members who have the ability to vote on the big issues. To become a Core Team Member, a standard member must be voted in by the existing core team by consensus. The core team serves several functions.

1. Should there be a conflict amongst the general membership of the enterprise, the core team is there to referee and mediate. They may, if they feel it is necessary, declare a vote to resolve an issue. They may even cast deciding votes in such cases. However, philosophically, in these situations the Core Team best serves the organization by mediating and keeping the dialogue between the members productive and focused on the values of the enterprise.
2. Only Core Team Members may act as spokespersons for the organization. (Limiting the number of individuals who formally represent the company is important for both legal and logistical reasons.)
3. Core Team Members are allowed to vote on adjusting company governance rules. For example, they may decide that the required 5,000 credit membership mark is too high or too low, and set a vote to change this.
4. Core Team Members may declare a 'vote-by-credit' vote.

## **Vote-by-Credit Voting**

If a Core Team Member feels that an issue is of particular importance, and that the issue would deeply affect those who have made significant contributions to the organization, they may request that the issue be resolved through voting-by-credit, as opposed to standard

vote-by-membership voting. Instead of each member receiving one vote, each member receives one vote per active credit they own. This mechanism means those who have put the most into the company get more say than those who have made very few or small contributions to the company.

## Payment: Cash or Credit?

So how does payment work? Simple: 1 credit = 1 dollar. Rack up as many credits as you want. When a contributor or member is ready to be paid, they can move a portion or all of their unpaid credits into the payment pipeline. It's akin to sending a client an invoice or submitting a bill for services.

We will cover how money is spent in the organization very shortly. For now, let's go over a few more payment details. When a member submits some of their credits for payment, their credit invoice goes into the payment pipeline. It is paid by a check or electronic payment out of the Open Enterprise's bank account. If more than one member submitted a credit invoice, the members are paid in the order they submitted their payment requests (credit invoices).

There are, essentially, 4 different aspects to measuring a member's credits:

1. **Total/Historical Credits.** This is just that: the total combined number of credits the member has ever earned. This number only goes up over the lifetime of the member's participation, starting from the moment they first invested or contributed to the open enterprise.
2. **Invested Credits.** These are the active credits that have yet to be paid. It is, in one form, money owed to the member by the company. If a member earned 1,000 credits and they cashed out 600 of those credits, they would now have 400 remaining 'invested' credits.
3. **Divested Credits.** These are credits that have been paid. As explained below, they have an expiration date. The length of time a credit was invested is the length of time it takes for the credit to expire once it has been divested. (More below.)
4. **Equity Credits.** Equity credits are the total number of invested credits plus the total number of divested credits. Divested credits expire after time, invested credits don't expire (unless, of course, they first become divested credits). For now, the important thing to understand about equity credits is that they can be used for voting purposes when the enterprise submits a measure to be decided by using vote-by-credit voting. For each equity credit the member has, they get 1 vote. They are also used to measure a member's portion of profit sharing received when enterprise profits are paid out.

## Equity Expiration

One of the most challenging aspects of forming a business partnership or corporation of any kind is clearly outlining exit strategies for employees, partners, and investors. If the deal is

turning sour and some one wants out, what are the legally binding responsibilities of each party? What if the company is a success? Who should get what share?

The Open Enterprise Model simplifies this tremendously with an equity expiration system, based on the time of your credit investment in the enterprise. It may be easiest to understand if you consider everything done by anyone in the enterprise is a form of financial investment. The moment a member (or contributor) has completed a task and the task is approved, they receive credits for their contribution.

Let's say Bob earns 10,000 credits, for example. That is \$10,000 the member has earned. But until Bob is paid for this, that is money that the Bob has invested in the company on the faith that they will be paid. (Note: This much is no different than with any conventional company. Employees do the work first and get paid second. Until they are paid, their labor is a form of investment in their company, deposited in that company based on the trust that at the end of the month they'll be able to withdraw a paycheck in exchange for their labor.)

Given that, the amount of time between the moment a credit is earned and the moment that credit is cashed out is thought of as the credit's investment period. Bob earns 10,000 credits. He waits 1 year after earning this 10,000 credits before he decides he wants to cash out, at which point he submits he submits a payment request. After 1 month, the payment pipeline is paid out, and Bob gets his \$10,000. At that moment, those 10,000 *invested* credits become 10,000 *divested* credits. In this example, the credit investment period for those 10,000 credits is 13 months. Thus, the expiration date for the divested credits is also 13 months.

This credit investment period is an important concept. That entire year, Bob left his credits (read: money) invested in the enterprise. That is a risk that Bob didn't have to take. (If the company failed, collapsed, or who-knows-what, Bob might have lost that money.) In return, the enterprise invests equity credits in Bob for a similar period of time.

## **Bills, The Payment Pipeline, and Profit Sharing**

When company money is spent, it can be spent on 3 things: Bills, the Payment Pipeline, and Profit Sharing. Profit sharing may not be paid until all Bills are paid and the Payment Pipeline has been paid.

Profit sharing couldn't be simpler. The total number of equity credits owned by member is tallied up. Then the amount of money set aside for profit sharing is split up according to what percentage of equity credits each member has. For now, let's call this percentage of equity credits a member's "ownership percentage." This is an important measurement.

## **Budgetary Funds: Spending the Company Cash**

Let's go back to the whiteboards one more time. Once again, let's give every member their own white board. This time it is titled "Budgetary Funds." When the company is paid by

anyone for doing anything, that money goes straight into the company's bank account. And the value of that income is split up amongst the budgetary funds of every member. That is, for each dollar brought in, every member gets a portion of that dollar. Even if it's a tiny fraction.

The company earns \$1000. Mike owns 20% of the equity credits. Jen owns 30% and you own 50%. That means Mike's budget increases by \$200, Jen's by \$300, and yours by \$500.

Company funds are spent by members of the organization, according to the amount in their budgetary control. Those funds can be funneled into 1 of 4 places: Bills, the Payment Pipeline, or Profit Sharing. As stated, Bills and the Payment Pipeline must be paid off before leftover funds can be distributed via profit sharing. Lastly, if a member wishes to move some of their funds to some one else's budget, they may.

It is probably clear to you at this point that while tracking these things on paper is possible, it is also tedious. Again, BetterMeans has developed software technology to handle the details. From tracking the expiration of divested credits and allocating budgetary funds to processing payments and credit reimbursement through the payment pipeline... the BetterMeans Online Platform does the dirty work.

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## Diving Deeper: Taking the Red Pill

### Next Steps: The (R)Evolution of Work

It is our hope that we might have thrown a spark on the kindling of your imagination, creativity, and vision for what is possible in the new frontier of work. As we understand it, there is a shift happening in the way organizations operate. It is important to understand that this shift is not voluntary. It is evolutionary. Those companies and institutions that adapt will thrive in the new landscape of a highly interconnected yet decentralized world. Those that don't will become extinct. Why? The solutions to the problems encountered in this decentralized, interconnected world will not be solved by a centralized top-down structure. Period.

If you want to know more, we'd like to encourage you to keep reading. Below we list several books, pioneering companies, and a few other useful resources to aid you in your quest. If that only sets you even more on fire, we'd like you to visit us at [www.BetterMeans.com](http://www.BetterMeans.com). Find out what we're up to. Ask questions. Get engaged with the discussion or plug into the BetterMeans vision and become a contributor or member. Or start your own Open Enterprise and discover first-hand the power and benefits of this new organization model. Either way, we want to hear from you.

## BetterMeans

As mentioned earlier, BetterMeans is the Open Enterprise behind the Open Enterprise Model. We are in the business of transforming the way the world works. (Literally.) Currently, our primary focus is developing tools and services that support the emerging community of evolutionary entrepreneurs and collaboratively-driven organizational models. This includes the development of the BetterMeans Platform: an extensive online application that is designed to manage the more complex details and aspects of an Open Enterprise based organization. We also continue to test, improve, and evolve the Open Enterprise Model as well as offer consulting services to help emerging or existing organizations adopt and transition into this new Open Enterprise Model.

## Resources

### Reading List

Here's a list of some of the transformative works and brilliant minds lighting the way through the uncharted territory of collaborative-organizing models:

- **One From Many**, by Dee Hock
- **The Future of Work** by Thomas W. Malone
- **Wikinomics** by Don Tapscott and Anthony D. Williams
- **The Future of Management** by Gary Hamel
- **The Wisdom of Crowds** by James Surowiecki
- **The Fifth Discipline** by Peter M. Senge
- **Leadership and the New Science** by Margaret J. Wheatley
- **Bioteams** by Ken Thompson
- **The Starfish and the Spider** by Ori Brafman and Rod A. Beckstrom

### Business as Unusual: Pioneering Companies

Here's are some companies that are doing things differently.

- Visa
- Apache Foundation

- Gore Inc.
- Linux
- Spain's Mondragón Corporación Cooperitva
- Wikipedia

Many others use new approaches that share the elements of the Open Enterprise spirit of organizing. Consider, for example, Google's policy of paying employees to work on their own pet-projects 1 day a week.

## **Aspects of Open Enterprise Legality and the Vermont Virtual Legal Structure**

An Open Enterprise is a new way of organizing a business. While this scares most lawyers, it excites a few others. We love talking to the ones that get really excited. The Vermont Virtual Legal Structure is a new set of laws that have been established in Vermont, that make an Open Enterprise possible. You may wish to learn more by visiting [VVC](#).

## **Paradigm Shift**

It is easy to conceive that a primitive culture might view an airplane, computer, or digital camera as the result of "witchcraft" or "magic". With the proper education, it becomes understood as the technology it is. But a native living in the heart of the Amazon jungle who stumbles upon a digital camera and takes it apart in an effort to understand or reproduce it's "supernatural powers" will never succeed in finding the "magic." It requires a paradigm shift.

The same is true of the Open Enterprise Model. It also requires a paradigm shift. Without this understanding, you will be looking at the Open Enterprise Model without they eyes to actually see it. Or worse. You will attempt to establish an Open Enterprise, following the letter of the law but with no knowledge of the spirit of the law which makes it work.

All the reading and research references we list above ultimately serves one goal: to shift your perspective about what is possible. So let these closing words sink in. Test your understanding: if you believe that this model might work in spite of the fact that there is no central management, think again. You have seen this new idea through the blurred lenses of an old, dying paradigm. This model will not work *in spite* of the fact that there is no central management. It will work *because* of this fact. It will work *because* no one is in charge. *Because* everyone has a voice and a wide range of opinions and experiences. *Because* it is based on values before actions. Not *in spite* of these things, but *because* of these things.

This is a tough pill to get down, but it is vital. We have grown up in a culture in which which equate control with order. Control is control. It is just one means to an end: order. But it is not the only means, nor is it the best. When adopting an Open Enterprise Model, be wary of

this old paradigm. It will try to creep in at every opportunity. Here's a few old patterns to be wary of:

- **Avoiding Risk vs. Allowing Healthy Risk Taking and Failure:** Healthy risk taking and it's associated failures are vital to the health of a collaborative organization. The avoidance of all risk is an excuse to let the control freak paradigm back in the door. Once in, it will smoother ingenuity. Guard that door.
- **A Need to Understand Everything vs. Learning By Doing:** The emerging problems of the world, including the world marketplace, will soon be too complex to be fully understood. In a culture of too many choices, pointless hours are lost trying to decide the perfect course of action. Forget best. Go for good enough. Learn by doing. The Open Enterprise Model is based on the principle that no single part will be able to understand the whole. A desire to understand everything limits an organization to the knowable... it will be stunted much like a talented actor who can do breathtaking work, yet is typecast to the same old lifeless role time and again.rea



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