

A Strategy of Constant Change

by Steven Devijver, v0.1

*How organizations exploit
our subversion of dominance*

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Belgium.

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This book has been written in order to be shared.

Blog: <http://www.endesha.com/blog> (original
download site)

Twitter: <http://twitter.com/devijvers>

*“This new economy has three
distinguishing characteristics: It is global.
It favors intangible things—ideas,
information, and relationships. And it is
intensely interlinked. These three attributes
produce a new type of marketplace and
society, one that is rooted in ubiquitous
electronic networks.”* – Kevin Kelly

*“The global scale of interdependence of
human action and the systematic
acceleration of innovation make
contemporary life a bit like a slow motion
disaster in one important respect. Its very
unpredictability makes it unwise to build
systems that take too much away from
what human beings do best: look, think,
innovate, adapt, discuss, learn, and
repeat.”* – Yochai Benkler

*“In a world of nearly infinite information,
we must first address why, facilitate how,
and let the what generate naturally from
there.”* – Micheal Wesch

Can your organization bounce back?

From IBM's "The Enterprise of the Future":

In the early 1990s, Nintendo's share of the game console market was 61 percent, but by the mid-2000s, it had fallen to 22 percent. To regain its leadership position, Nintendo needed to find new ways to delight gamers and to bring gaming to new audiences.

To do that, Nintendo went straight to the source — gamers themselves. The company established an online community by offering incentives in return for customer information. The company also selected a group of experienced gamers based on the value and frequency of their community contributions. These "Sages" were given exclusive rewards, like previews of new games, in exchange for helping new users and providing community support¹.

Through this community, Nintendo has gained valuable insights into market needs and preferences. This has influenced everything from game offerings like an online library of "nostalgic" games that appeal to older gamers — to new product design — for example, the intuitive controls of the popular Nintendo Wii system, which have helped attract new, casual gamers.

By leveraging the loyalty and expertise of its core customer segment, Nintendo has successfully connected with two new ones — women and older men. This collaboration seems to have paid off: Nintendo is once again ahead of its competitors, with 44 percent market share.

¹ See also <http://twurl.nl/3gazel>

The story of this book

“2009: The year when the collision between our experiments with new technologies, the cold bite of the economic realities and the rush of our new insights into ourselves and our profoundly social nature will together force us to rethink and rework everything we do.” – Mark Earls

“Leadership is taking responsibility for creating conditions that enable others to achieve shared purposes in the face of uncertainty.” – Marshall Ganz

This book has been many years in the making. And for all but a few months ago I didn't even know I was trying to write a book. Once I started writing it took me many attempts just to figure out what precisely I wanted to write about. And then it became a marathon, a race between my fingers on the keyboard and my brain to pour as many ideas as possible. The result – after much editing and reviewing – is the book you're reading now.

My premise is simple: the old economic models stopped working, all at the same time. But why? Action equals reaction, so models that worked to many people's satisfaction just a few years ago don't just stop working without a reason. That reason is us.

So this book must be about us: who we are, how we relate to each other, how we're all becoming significantly different from each other through our individual learning experiences, and how what we have in common comes into plane view. Our societies have always been based on the assumption we have a lot in common. And we do have a lot in common, but not as much as we used to think. We've learned two important things in the last couple of years: we are much more resourceful than the old models have assumed (which is why gatekeepers have to go), and we have much more interests than the old models have assumed (which is why we need a much richer offering than products and services can provide). And as you may have noticed: we're determined to pursue our interests and use our resources. In our pursuit our

societies are being rearranged because they are too strict, too inhibiting, and they're not good enough in fulfilling our basic human needs.

But what are our societies other than the relationships we have and the rules by which they're governed? If we want to get rid of rigid gatekeepers and undesirable rules that stand in the way of changing how we live, love and work we have to find new ways of building and maintaining our relationships. This can't be easy, so the obvious question is: is change really necessary, and if so what kind of change do we need?

Answering if change is really necessary is easy: unless we all accept not to change anymore – and thus do what we're doing now, and never develop new technologies, never have new ideas and spread them, never learn new things once we're out of school and never get to know new people – our societies will have to deal with change indefinitely. We have obtained for ourselves more freedom than we ever had to use our resources, develop new resources and pursue our interests. This means we're slowly but surely diverging away from each other, creating an ever expanding sphere where groups of people look and act less and less like other groups of people. As a consequence, as time moves on we continue to change as individuals and we're becoming more and more specific people and groups of people that have less and less in common with other people.

Which brings us to the second question: what

kind of change do we need? One aspect of who we are becomes more and more clear as we're drifting away from each other : what we all have in common. These are three things which I call the three human universals:

1. The fact that we all want to be treated as human beings, all of the time.
2. The fact that we all make mistakes.
3. The fact that we're all different.

This view on us and our relationships has consequences to our societies, but more importantly to our organizations. Most of our organizations are based on old models that are rapidly becoming less effective. When we recognize – voluntarily or not – that these models are no longer sustainable we immediately recognize that our relationships will change. We are not very good at dealing with changes in our relationships, especially when it happens to those relationships we care most about. Actually, we are so bad at it that when it happens to us we panic, become afraid and anxious, devastated and ultimately we immobilize ourselves.

I've written this book for the leaders among us. In the face of uncertainty and change leaders stand up and do what they're best at: leading us. The hardship felt while leading remains unappreciated by most people that benefit from it. I think this will change, and that we all will have to become leaders in our own domains. In any case, we'll need as many leaders as we

can get now that uncertainty is more felt than ever. But talking about leadership without fully recognizing how much we need social interactions to thrive is nonsense. Leaders do what they do for a reason: to bring us together and form relationships. When we don't care about our relationships the work of our leaders goes to waste. When leaders don't recognize how important relationships between their followers are they will fail. And their failure has terrible consequences.

Now that the old models are failing we have to come up with alternatives. And those alternatives will better assume our relationships are based on the three human universals. Because if we leave the structure of our organizations and societies to chance I don't want to think about the world we'll live in. If on the other hand you find inspiration in this book and are ready to lead – fully knowing how hard this will be for you – I'm hopeful that a better future awaits humanity.

I couldn't have written this book without the support of many people: my lovely wife Filiz and her lovely family, the people of the Triibes.com community and especially Seth Godin, Alex Osterwalder, Bonnie Lerner, Megan Elizabeth Morris, Becky Blanton, Greg Digneo, Ed Brenegar, Marcos Gaser, Jule Kucera and Bernd Nurnberger. Thanks to all for your support. You've helped me more in writing this book than you can ever imagine. Special thanks to John Keith Hart for his inspiring writing and friendship and other bloggers in the global anthropology community, specifically Micheal Wesch for his amazingly inspiring work and Alexander Enkerli for his research in and writing about social media. Other people I want to thank for inspiring me are Miikka Leinonen for sharing his wonderful book with us, again Seth Godin for his amazing commitment to the leaders of this world, Girl Talk for leading the way with his music, Clay Shirky for his wonderful books, talks and interviews, Lawrence Lessig for showing the law is good for us even when it's sometimes flawed, everybody who ever spoke on the TED conference and the organizers of the TED conference for putting all those wonderful videos online.

I hope you enjoy reading this book as much as I've enjoyed writing it. Steven.

Mechelen, Belgium, January 2009.

An invitation

“We give the human adventure meaning by discovering the totality in ourselves and then exemplify it for others. This can only be done if we accept the gifts that nature has offered us.” – Terrence McKenna

If you like this book and the ideas in it and you want to actively explore (1) for yourself I kindly invite you to join a group of like minded people and tell your story (2). We are hosted on endesha.com and you can get access by doing by paying a yearly membership fee of \$61. Before entering the website however we ask you to tell your story of self (3): who you are, where you come from, what you've done in your life, what you're currently doing, and what you still would like to achieve. We prefer this story is recorded with a camera and the video hosted on one of the many video sites like YouTube (as long as the video can be embedded it's OK for us).

If the video quality is OK and your story is appealing to us we'll grant you access. If we feel your story is not complete we'll let you know and will ask you to record your story again. Once you're in you'll get a chance to meet like minded leading people you can build relationships (2) with.

Endesha.com has been created in the belief that communities thrive when their people build and maintain relationships with each other. In order to maximize the potential of these relationships, and in order for people to express themselves I believe the platform on which these communities are hosted need to evolve with its people.

More details on how to apply for access can be found on endesha.com. Enjoy reading this book (4) first, and if you think you've found what you're looking for we'll be hearing from you. Steven.

Social object profile for endesha.com:

Social Object (1): learning from each other

Verbs (2): tell stories, build relationships

Shareable objects (3): stories of self

Invitation as a gift (4): this free e-book

Charge publishers (5): pay a yearly membership fee

The plan:

- 1. Discover.
- 2. Design.
- 3. Do.

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Introduction

“The net has no center, no orbits, no certainty. It is an indefinite web of causes.” – Kevin Kelly

“Who are stronger in our interconnected society than the networked?” – unknown

“This is a social revolution, not a technological one, and its most revolutionary aspect may be the ways in which it empowers us to rethink education and the teacher-student relationship in an almost limitless variety of ways.” – Micheal Wesch

Making money isn't as simple anymore as it used to be. Gatekeepers have lost their power or have disappeared all together because people have gotten a chance to take over. This means money is no longer funneled through only a few people but through many people. To make money one must appeal not just to a few people but to a community of people. This causes constant change.

Change is nothing new. Every sector and industry in every country of the world has its share of passionate and dedicated people that would still do their jobs even if they were paid less or not at all because they love what they do. Sometimes these people make a breakthrough or leave the beaten path and in the process stumble across a significant discovery or even radically change their industry.

Constant change is new. It is caused by many people collaborating where the nature of the collaboration creates new, unexpected value yet every single contribution and every single person's intention is insignificant. This value creates such significant turbulence that it causes more and more change until change is constant. The point in time where change became constant has come and gone and now lays behind us.

Constant change causes most problems at our organizational levels: the way we organize our relationships in order to create economic value. But in the end constant change is about us. It's about more and more people approaching ubiquitous connectivity

at affordable rates or even for free. And not just connectivity to the Internet but connectivity to people they care about and to people who care about the same things they care about.

Constant change is about us because what drives constant change are two continuous phenomena that are embedded in us: constant learning and distributed irrationality. Let me explain.

Constant learning is driven by a number of factors that the Internet and online collaboration have created in the last five years:

- Freely accessible (or nearly free), reliable information on nearly every subject in more than just text format.
- Subversion of dominance when it comes to authoritative information: professors, research institutions, governments and big corporations are no longer the only credible sources of information.
- Learning has become an active exploration process that leads to discovery where the journey has become the destination in such a way that the learning process can be applied to get the first results in a matter of minutes on almost any subject to learn whatever needs to be learned as the need arises.
- Information has become much easier to find thanks to collaborative categorizing, semantic tagging and constantly improving search

engines.

- Learning has become collaborative because we can team up with other people on a limitless number of forums and by asking questions immediately get insights and understanding.

Most of these things weren't possible five years ago or were at least much less common. Today the vast majority of people in the online community have become creators and this group will only grow.

The second is distributed irrationality. All decisions or choices we make are based on our values and emotions and are therefore irrational. 'Rational' and 'logical' are merely labels we give to decisions when they make sense or when they follow models or rules we recognize and value. Yet it is our emotions that allow us to make decisions and choices. Our brain has two ways of thinking about the world: cognitive and emotional. Our cognitive thinking includes language, numbers, comparison, association and concepts and tells us something about how to do things. Our emotional thinking includes values and beliefs and tells us something about why to do things. Without emotions we wouldn't be able to make any choice or decision. Any kind of preferences we hold are also based on our emotions and values.

When we're nearly constantly connected to each other – or at least have the option to connect when we have the intention – we get a chance to learn from other people's stories. Online we find a much bigger wealth of stories from people like us compared to

books, newspapers, magazine or television. We also find much more interesting ways to connect to each other that put these stories in more interesting contexts. Because choosing and deciding can be emotionally very challenging we like to hear about choices other people have made. This constant exchange of stories and opinions affects our values, criteria and decision making, and the feedback coming from online communities finally creates distributed irrationality. It is a heightened awareness of choices and possibilities that makes us more critical, and let our values have a stronger influence on our decisions. The conditions for distributed irrationality to exist are free (or cheap), direct, unfiltered and uninhibited person-to-person connectivity across space and time, and the freedom to act on one's values. Large scale distributed irrationality didn't exist 10 years ago.

A strategy of constant change requires us to accept this new reality and profit from it. Because change has become constant and will remain constant, probably for ever. Companies trying to do business with the affluent people of this world will need to accept these people as they are – individual by individual, their irrational decisions and the impact they have on others. But also governments trying to connect with their citizens or any organization trying to position itself in the public domain.

Such a strategy has little to do with technology or technological affluence and everything to do with strategy and strategic decisions. Because constant

change is about people a strategy of constant change is based on three human universals:

- We're all humans and we all want to be treated as humans all of the time.
- We all make mistakes. When those mistakes are rectified gracefully remarkable stories are being created.
- We all have our own cultures and values that don't always match but we all try to do good.

This book will guide you through everything you need to know on how to create your own strategy of constant change and on how any strategy might play out in your organization. If you're a customer then it will help you to understand why some companies are more helpful than others and what you can expect from them.

All we want is to be treated as humans, all of the time. We can much better deal with mistakes when we can talk about them and find satisfying solutions. And we accept all of us try to do good although sometimes things turn out not quite as we expected. This is the essence of a strategy of constant change.

The fact that constant change is something new although these premises are so basic and simple says a lot about the world we live in. It also says a lot about how important constant change is to us and why consumers and citizens hold it very dear. It also explains – maybe in a less obvious way at this time and

for some time to come – how ruthlessly destructive and renewing constant change is. Yet despite our potential lack of understanding at this time accepting constant change and adopting strategies that have constant change at their core will determine which organizations will survive and which won't.

Here's another take on constant change. Media has changed dramatically starting since roughly 1995. The processes that started the change are much older. But in 1995 it became affordable for people to regularly access the Internet, first via analog modems or ISDN and then via broadband connections. Because the Internet has always been read-write – despite the many attempts to make parts of it read-only – individuals became much more powerful. Peer to peer technology is a perfect example of how this works. Individuals have more power because they can attract followers in which ever topic or on what ever subject and lead them. The technologies to connect individuals in this way has been around since long before 1995. The technology has become more powerful, more pervasive and more extensive but the basis for the leader/follower interactions has always been there.

Individuals become powerful because of other individuals and because of the pervasive technologies that allow individuals to connect and decide for themselves pretty much everything on how these connections – relationships – will work. There are very few companies involved in these processes, as few or as many as the individuals that connect with each

other allow. Companies – commercial enterprises – have been pushed to the side. When it happened it was new for everybody, especially for media since they were and still are controlled by corporations, and for education where the teacher used to have all the power. Before people did not connect much with people they didn't know. There were of course all kinds of world wide communities of people that worked together but did not know each other. Think about classifieds ads or playing chess via postal mail. But since the options were limited and people were hooked to their TV sets nothing much happened or changed. Until the Internet became popular. Since 1995 people are no longer passive consumers. Instead they've become online consumers and active creators.

And since people can share economic value between each other where any company involved merely provides the platform and plays no role in the interactions the basic fundamentals of our economy have changed. People are in power today and in order to sell companies have a much harder time to convince people of the economic value of what they have to offer. Because people are swimming in economic value – most of it for free and most of it created by people like themselves, not by companies. On top of that our world has become more transparent because people have online collaboration techniques and methods at their disposal and use them to investigate anything that can be investigated: companies, any organization, governments, anything or anybody they care about.

Again, people are in control where they had very little control before. And because of this heightened transparency people have become much more sensitive for values: not economic value but emotional values. When companies today pollute the environment they risk upsetting the affluent people of this world and run the risk of destroying their own businesses. When companies engage people in ways these people find undesirable or annoying there's again a penalty to pay. Not a penalty enforced by law but a penalty enforced by people changing their preferences based on their values and their decisions to act on them.

All of this creates constant change because people are in control more than ever before and their control will only increase. Many print magazines today make more money from subscriptions and kiosk sales than from advertisement. Because advertisements have become much less effective in convincing people to buy. People don't want to be spammed, they want to receive something their care about: friendly, interesting, exciting interactions, building meaningful relationships with people they care about and that care about them. Companies that are passive institutions and only communicate through advertisements have very little chances these days to appeal to people. Because people want more. And because they want more and more and more they cause constant change. The old models are less and less effective and the new models are apparently in constant flux. This flux is created by the apparently irrational behavior of people,

caused by their irrational choices and decisions. Hence, as people become more powerful the flux will not go away, it will become stronger. If Facebook and Google will be as dominant in five years from now as they are today it will be because they have evolved, changed with their users. Either that or they will no longer be there. That is constant change.

But it's only a perception that people are in control. Capital is still as powerful as ever, but it needs to be put to use in completely different ways than before. Investing capital the old ways today is insane, unless you know what you're doing. People don't really have more control than before: they spend their money as before – as they choose. Still two fundamental changes cause that capitalism isn't anymore what it used to be.

The first change is that companies are more closely watched than ever before, and that secrecy is only tolerated in a few exceptional cases. Otherwise, transparency is the only currency that will buy trust. This is of course caused by new ways of investigating combined with much more information that's available in real-time on much more subjects. People can now combine and monitor information to create insight that simply was not possible before.

The second change is that people have become much more critical than ever before. Great taste, excellence, quality, price, availability are no longer good enough. On top of that people want warmth, cosiness, friendless and companionships. In other

words, they want more and better relationships with people like them from across the world. People will spend their money where those relationships are available. To illustrate how this works here's my story about canned tomato. I once posted a recipe on the website of a brand of canned tomato I like. Actually, I like them because they're the only brand that doesn't add salt or lemon extract to their canned tomato to better conserve them. The company had a form on their website where people could enter their recipes and indeed recipes from other customers were online.

So I added an original recipe and nothing happened. I never heard anything from them and my recipe never made it to their site. Had I been able to post my recipe and on top of that connect with those other people it would have been a completely different experience for all us customers. I would have added more recipes, I would have tried other people's recipes, made friends. I would have commented on why I think these are the best canned tomato and would have defended them against criticism. They would have been my canned tomato, the one I love and care about. I would have been so happy and all of this because of canned tomato! But it never happened because that company at that time did not want to give its customers the control they wanted so much.

The beauty of constant change is that there are no natives. Large companies have no particular advantages over small companies when it comes to survival. Neither do governments or even nation

states. In fact, any organization that employs mostly bureaucrats – people that love the status quo and hate heretics – probably have some kind of disadvantage over those that do not.

Everybody has control over what they say about any brand, product or service and where and when they say it. These tiny forms of collaboration create something gigantic, something that is more powerful than money and capitalism. It's the emotions of people that come together expressed as stories. This spreading of stories from one person to potentially thousands and even millions will never again go away, or at least not until somebody shuts down the Internet. And it's this mechanism – the spreading of stories that interest us – that's behind constant change. Anybody who masters this masters constant change.

This chatting can be seen by some as gossiping and unfair but that would be a miscalculation on their part. The constant change that we create – through our means of connecting and collaborating and by spreading stories – has to be seen as subversion of dominance. Subversion against companies that use their dominance over a market as an excuse to not treat their customers as they want to be treated – which really is the only measure that counts. Subversion against teachers that don't let their students express themselves as they want to. Subversion against newspapers who do not want to let their readers become contributors. Subversion against governments that are too expensive for their citizens to

support while at the same time perform no where near well enough and are not open for change. Subversion against distant actors that use their financial or political clout to influence policies of countries, continents and the entire world against our will. Subversion against all gatekeepers that hold on to their power while change is overdue. To these seemingly dominant forces we – the consumers, students and citizens of the world – say: we've come up with a way to subvert your dominance. Probably forever.

Once we understand that our real power lies in our subversion of dominance – which we don't really understand at all at this point – we'll probably overcome any and every obstacle that would hinder our freedom to connect and share.

Constant change and organizations

“We are not seats or eyeballs or end users or consumers. We are human beings – and our reach exceeds your grasp. Deal with it.” – The Cluetrain Manifesto

“A new model of production has taken root, one that should not be there, at least according to our most widely held beliefs about economic behavior. The intuitions of the late twentieth-century American resist the idea that thousands of volunteers could collaborate on a complex economic project.” – Yochai Benkler

Change in consumption is driven by the alignment of the behavior of many individuals. There are millions of known examples of when this has happened before. One particularly interesting example is how US consumers have apparently simultaneously decided US cars with low fuel efficiency are no longer their cup of tea. This is change that is imposed on US car makers and they find themselves in a position where they can't really deal with this. The change shouldn't have come as a surprise since it's based on factors that have been years in the making. But that's not what matters. Actually, if the US car makers would have seen this change coming and would have prepared for it either the impact would be much less dramatic or the shift in customer behavior would not have been conceived as a change at all.

What matters about change is how individual organizations are able to deal with it. The impact and outcome of any change will differ based on which one of three categories it belongs to:

- **Predictable change** which isn't really change at all. This kind of change is used for example in the chemical industry where key performance indicators have to be improved by 2% or 3% each year. Because the change is known and predictable long in advance predictable change is actually management.
- **Occasional change** which is the domain of change management. Occasional change is a period in which a previous status quo is turned

into a new status quo. The period of change is used to make this transition yet the intention is to create a new prolonged period of status quo and stability. While occasional change is very common it's a very expensive way to go about things and cannot provide effectiveness. The new situation of status quo will always become outdated much quicker than was intended and intending to create new status quo after new status quo introduces exactly the kind of randomness change management wants to avoid.

- **Constant change** which is an infinite period without stability. The only constant is change which is the axiom that has to be accepted before anything useful can be done. The only way to deal with constant change is to handle the apparent randomness in a structured and organized way. While this may seem counterintuitive it can't be fully understood without truly accepting constant change is real and will remain real forever.

Clearly what kind of category any perceived change belongs to is in the eye of the beholder. A staunch supporter of change management practices as they have been practiced for decades may not accept that there is such a thing as constant change in any way that is meaningful for him or her and may dismiss the entire category. In other words, organizations that handle change by change management will constantly

go through altering periods of change and status quo. The fixation on creating a period of stability is what makes occasional change random. In many cases it's already known what kind of change will be allowed in the subsequent periods of change. And while creating a period of status quo may sound like a good idea it leads to madness.

It's often not easy for people to understand why change management creates madness, waste and lack of effectiveness. What's important to consider about change management is not the part that is most rigorously covered – the processes to handle change – but the part that is least covered: why there are processes to deal with change in the first place. Grab any book on change management and it will start off with saying: to deal with change your organization needs to use these processes. Moving from one period of status quo to another period of status quo is like saying: we're changing our system that's cast in concrete by creating a new system that's cast in concrete. And next time it's required we'll do the same this all over again. Change management is then the process of going from one concrete situation to another concrete situation where the change management processes add a lot of overhead. The rationale is that organizations absolutely need stability and therefore periods of status quo and therefore the system must be cast in concrete. It's exactly this assumption and view of the world that has to change to be able to deal with constant change. Somebody who is

firmly holding on to such a world view first needs to let go of that before he or she can accept constant change.

Obviously your customers are having an easy time at your expense. They gossip about your brand, product and services online and make you go through all kinds of trouble. You have to go through change after change after change leading to enormous expenses and yet it seems you're unable to catch up. If you feel like this you're holding on to a world view that's not serving you well. You may never be able to let go but you'll have to pay a price for that.

Accepting constant change starts by doing these three things:

- Treating everybody you deal with in your life as human beings, always. That means listening to them, talking to them, spending time with them and building and maintaining relationships with them.
- Admitting your mistakes and correcting them to the best of your abilities and accepting other people's mistakes.
- Accepting that while sometimes in conflict situations you're right and they're wrong people don't mean to create trouble. They just want to be treated as humans when they feel they're being treated unfairly, even when they're wrong about something. Treating people as human beings, listening to them and spending time with them especially in conflict

situations is an extremely effective way to resolve conflicts and make friends.

By now you may think this is a self help book after all. Don't worry. In a way learning to accept and deal with constant change is discovering yourself and dealing with emotions like fear and anxiety and feeling devastated. Still constant change and certainly the strategies to deal with it are very serious topics that can make or break organizations. This begs the question: why is constant change so hard to accept for people? Now we're getting to the crux of the matter.

As individuals in our busy and often confusing day to day lives we've gotten used to constant change long time ago. That is, we've accepted nothing stays as it was before and that's just a fact of life. We're nowhere near as good at accepting change – let alone constant change – when it comes to our relationships, especially those relationships that are most important to us. We don't like changes in our relationships, especially not changes for the worse and especially not in relationships that are the very important to us. When such sudden and unexpected changes occur they touch our emotions in a profound way, possibly devastating us. We fear such changes.

The relationships we have at work are also very important for us. After all our standing with our colleagues probably will determine our chances of being promoted, getting a pay raise or being fired. Organizations formalize our relationships with other

people in order to work together. When we work for an organization somebody is our boss, some people are our peers and some may be our subordinates. All the relationships we have with them have the potential to work against us when something goes wrong. We like to stay on top of these relationships and especially fear unexpected events that impact them. That's why we fear change. We're very social beings and we need to feel our relationships that determine our social standing are safe. Our brains are wired this way.

Bureaucracies are the extreme example of this principle. Labor unions are other extreme examples. In organizations affected by them everybody agrees to not change so that nobody risks losing their position and social standing. When there is no change allowed – these people reason – there's little that can go wrong.

Constant change goes against trying to avoid at all cost something goes wrong. When we don't have to fear errors and problems so much we're less inclined to fight against change. When our relationships are based on the acceptance that change is normal and constant we know the people that are important to us understand sometimes things can go wrong. But we'll also know errors will be corrected as soon as they are detected. Constant change is built on top of a social code of human universals if you want.

When all people in a network of relationships – like an organization – accept the social code underlying constant change and will recognize them in action when they occur we only have to worry about

following this social code ourselves (treat people as human beings, correct and accept mistakes and accept others may be different from you). Since your colleagues also understand human nature sometimes gets the better of all of us we know our mistakes will be accepted.

For this social code of constant change to work we have to know all people in our network of relationships accept the code too. We need to learn their outlooks and ideas on all aspects of constant change. We need to communicate a lot about the issues of constant change and work together to resolve them. Humans need regular friendly contact with other humans that are important to their lives in order to feel safe. In many organizations people don't know each other at all or not well enough. Due to the hierarchies organizations use people have relationships with others they never talk to or barely know. This makes it impossible to accept constant change. No single person can accept the social code by himself or herself in an organization without the explicit and regularly renewed support of colleagues. People have to know others in their network of relationships share similar values. If it turns out by experience that they don't many organizations grind to a halt and run the risk of becoming bureaucracies. Labor unions are based on the belief outsiders do not share the values that are important to the people in the union.

Before any strategy of constant change can be

adopted people first have to get to know each other. Team building events have been tried and tested with mixed results. Organizations have to do whatever it takes to let people get to know each other. And when feelings of discomfort exist because of potentially conflicting values these have to be resolved by listening and talking. The relationships people have also need to be maintained through constant commitment. Hence not every organization in the world will be able to make constant change work for them, not due to their customers but due to their own people. I have a suspicion I can't seem to confirm that in many cultures around the world there's an old guard in the workforce that is unable to deal with change, at all. If this proves to be correct we're going to go through some tough few decades. The young people of this world are much more affluent, seem much less partisan and seem better at building and committing to their relationships. This is definitely the force that today is already making constant change real.

Making the network of relationships in an organization and between organizations more reliable and resilient by adoption the social code is one of the goals of a strategy of constant change.

An introduction to the strategy

“It is time we acknowledge that systems work best by making work human.” – Yochai Benkler

I contend constant change is more than a philosophical and anthropological concept and that there are strategies organizations can follow for dealing with constant change. This section gives an overview of such a strategy before I continue the discussion on meaning, values, stories and relationships. In the second part of the book I revisit this strategy and explain in much more detail how to go to work.

I believe there are many organizations where the strategy of constant change will never take a hold (although I'm happy to be proven wrong). Some organizations employ people that are stuck in a structure that is just too rigid to allow for radical change. These organizations I contend will fail under outside pressure, sooner or later. Hence, a strategy of constant change cannot be adopted when most people in an organization don't believe in constant change or otherwise can't get their heads round it.

A strategy of constant change has to consist of at least these eight components:

- Necessity of a strategy of constant change
- Core idea
- Leadership
- People & network of relationships
- Innovative business model
- Story telling
- Dealing with mistakes
- Dealing with differences

The first step is to assess the situation. Too many enthusiastic people have gone before you trying to change their organizations only to conclude it can't be done. It can be done – in many cases – yet it requires deliberation and insight before starting.

Is constant change what you're dealing with? In other words: is a strategy of constant change **useful** for you? Some organizations may simply be better off doing what they're doing now. Or, to put it differently, changing the current business model is much harder than coming up with a different business model all together. I'm thinking especially about manufacturing and commodity sales. In these domains the production infrastructure is itself rigid and there's little room for change (or change is very expensive). When you're competing on price more than anything else a strategy of constant change may be useful but it also may not be useful. If your structure is inherently rigid a strategy of constant change may not make sense.

A central, attractive **idea** is core to a strategy of constant change. People – inside and outside of the organization – have to believe in what you're doing. They have to be able to identify with your ambitions and enough people have to care about it to make your business viable.

The most critical step in adopting constant change is to work with people that believe in it. Your job as a believer is then to convince the **people** you work with about constant change. Your job is to be a leader, not just for one day but from now on. A

strategy of constant change requires constant and adequate leadership and probably much less management.

A strategy of constant change requires friendly people with emotional intelligence and with a passion to help people in the domain they care about. These people have to be leaders in their own right, hence they'll be able to create and commit to the kind of relationships with their colleagues that are required for a strategy of constant change. These people have to care very much about what they're doing and why they're doing it.

It also requires a network of **relationships** that is true to the human universals underlying constant change. Without the trust and meaning such a network creates there can be no actual strategy and no effective performance. This is probably one of the trickiest parts of a strategy on constant change. People in this network that violate the trust of their peers risk to put the entire endeavor under pressure and at risk of failure. A strategy of constant change requires a balance between including everybody and respecting values that are important to everybody.

No organization will survive without a viable **business model** and adequate funds. A strategy of constant change requires a daring and innovative business plan that reflects the guts it takes to take on constant change. I incorporate the ideas and work of Alex Osterwalder on innovation in business model design. No need to re-invent the wheel. Yet the

business model of an organization in constant change has to reflect constant change in its business model. It somehow has to explain how customers will be offered something special that at the same time is profitable to deliver for the organization.

An organization embracing constant change is designed to share its stories with the outside world. **Story telling** is an important component of a strategy of constant change. It's not coincidence that the greatest story teller alive is Barack Obama. His campaign for the presidential elections of 2008 has embraced nearly every aspect of a strategy of constant change. Your customers and partners want to hear from you and you need to hear from them. It's the only way to stay on top of things. This requires your organization to be able to deal with this story telling: both telling stories and listening to other people's stories that are relevant to you. The story telling component is closely related to the first human universal (we all want to be threatened as people all of the time). It gives a soul to the organization by giving people a chance to identify with it emotionally.

An organization in constant change also needs to be able to deal with **mistakes**: their own mistakes and the mistakes of others. Dealing with mistakes needs to be graceful and special. It also requires people to understand when a mistake occurs. It must re-affirm the commitment of the organization to constant change on each occasion. It's not the same as dealing with exceptions. Mistakes are not exceptional, they're

actually quite common. Dealing with mistakes is a special form of story telling yet it's important enough to treat it as a component. Dealing with mistakes is related to the second human universal (we all make mistakes).

The last component of a strategy of constant change is dealing with **differences** in people. This is probably the area where organizations can make the biggest difference. People like to feel special and get special attention. They like to hear they're special and like to see it re-affirmed in every interaction. Dealing with differences allows an organization to shine and be special itself. Dealing with differences in people is related to the third human universal (we're all different).

The second part of this book (design) dives into how to implement a strategy of constant change. The first part (discover) explores why we need to think about constant change and how it effects organizations before doing anything else.

PART I: DISCOVER

Discover: introduction

“I don't like that man. I must get to know him better.”
– Abraham Lincoln

There's little more challenging and scary than being a leader. Yet when it come to a strategy of constant change nobody will move and nothing will happen before one or more leaders stand up that show their fellow travelers the way. The first part of adopting the strategy of constant change is discovery: figuring out who we are, why we're here and what we want to achieve together.

It's not hard to see why leadership is challenging and scary: maybe the people around you just want to continue doing what they've been doing before. Maybe they don't want to give in to outside pressure and change. Yet that's probably not what you want, otherwise you wouldn't be reading this book. The discovery phase is here to ask questions and find answers without making too many decisions. For people to be able to lead together and change their organization they need to feel comfortable about their intentions and about each other. Giving them comfort and convincing them is the goal of the discovery phase.

In the discovery phase you're building the basis for the first three components of the strategy of constant change: the necessity of adopting the strategy, the core idea that defines the new organization and the leadership that's required to realize that idea. And you'll do that by creating a core team with four to eight people.

As I said before, much of the hard work in defining what a strategy of constant change looks like has been done by the Barack Obama campaign in 2007

and 2008. Barack Obama announced his candidacy for nominee of the democratic party in February of 2007. Unlike other candidates for the presidency Obama hadn't been preparing his attempt for many years. In fact, he hadn't prepared at all. All he had was a vision of what kind of president he wanted to be, where he stood on the issues and how he wanted to run his campaign.

As a leader of the transformation of your organization you personally need to have some strong opinions on these topics:

1. *What would success look like for your organization, according to you. After the organization has changed itself into an organization of constant change and after running its business for one or two or three years, where should the organization be?*

Obama had some strong opinions on what should have happened at the end of his first term as president. The US troops should have pulled out of Iraq, the war in Afghanistan should be on track, lobbyists should have been rendered less harmful in Washington DC, government should be open for its citizens, health care should be affordable for Americans, The list is much longer than this, but you see he had a clear sense of purpose. He knew what he wanted, not just as a president but as a candidate.

2. *Who else in your organization might have a similar view on the future of your organization?*

Obama had some cards he could immediately play when he launched his campaign. He had little funds but he already had a strong following. Within a matter of week he was able to assemble a core staff team, including a campaign manager (David Plouffe) and a chief strategist (David Axelrod). He even got the help of one of the founders of Facebook to build his own social network called my.barackobama.com. Apart from his staff he managed to attract many supporters who not only donated to his campaign but also wanted to volunteer for his campaign.

Obama had two things going for him:

- a) he was already well known in politics, especially in liberal circles.
- b) American citizens interested in politics are used to donating money and volunteering for fringe candidates early in the primary election process.

You will need to find all the help you can get early on. Before you can start convincing all of your colleagues you need to find a few people who are as dedicated as you are. They will be your partners to get the early strategic work done. Once you're a team the endeavor will get more clout than when it's just you.

You have one disadvantage compared to Obama: people are not familiar with strategies of constant change. They won't know how to get there or what needs to be done and they won't even know what you're talking about.

3. Who are the people in the core team and why are they there?

The core team – once it's assembled – is the most valuable asset your organization has. People are unlikely to recognize this asset at this point but you have to. Obama recognized the value and power of the early volunteers that supported his unlikely journey. He organized a leadership training camp called Camp Obama where leadership teams were not just trained but formed across the country. In leadership training the journey is the destination: at the end of the ride the participants become a leadership team.

You can actually watch some videos that were recorded during one Camp Obama weekend in California in 2007. What you'll see is an amazing mix of psychology and sociology instruction combined with letting the people present express who they are and why they want to be part of the campaign. These leadership camps bring three stories together: the story of self, the story of us and the story of now.

You need to do the same thing with your core team. Each team member should tell these stories so that everybody can get to know everybody:

- a) Who am I and what is my story?
- b) What attracts me to the organization?
- c) What attracts me to constant change and what is my vision for the future of the organization?

These are simple stories to tell yet they reveal a lot of

emotion, power and potential. Based on this sharing of stories you can move to the next story: why are we here together?

4. What do we want to do together?

Early volunteers for Obama knew what they wanted to do together: get Obama the democratic nomination and then beat the republican candidate to let him become president. Your mission is equally straightforward while at the same time many things might be blurry. First the straightforward part: everybody in the leadership team wants to change the way your organization interacts with the outside world. (Note: many small businesses and not so small businesses already deal with their customers and partners in terrific ways. They're developing their own strategy of constant change.)

The blurry aspect of your mission becomes more clear when compared to Obama. When your candidate for president is elected that's it. You can do a lot more afterwards but that's not yet clear and not yet important when the election is still ongoing. Electing a president is a known process and everybody can identify with it. In contrast, saying you're changing the way your organization interacts with the outside world doesn't add much clarity to your cause, simply because your audience won't be able to compare it to anything they know or they'll individually compare it to anything that comes to their mind.

Hence it's paramount for the core team to

narrow down your options and choose a clear path to where you want to go. Adopting the strategy of constant change must not be compared or confused with management frameworks like ISO 9001 or Six Sigma. Adopting the strategy of constant change has as secondary objective to overhaul the structure of your organization and as primary objective to carry your organization into a new world where everybody – your customers, your partners and the people of your organization – is there because of the values they share. Management frameworks have no such intention so don't focus too much on the overhauling of your organization at this point.

Instead focus on shared values. What do the people of the core team share as values with their customers. Is it making generous promises? Is it having personal relationships with customers? Maybe showing you care about the well-being of your customers and partners? If you feel clueless try to think in terms of your customers. They want to build relationships with people in the domain they care about. Or even better: they want to discover organizations that care about them. For that they want these organizations to survive – hence be profitable – otherwise the relationships they have with people in those organizations will suffer.

So what is it that your customers in your organization's market expect? Do they want to be part of product and service development? Do they want to meet other people like themselves either online or

offline? Do they want to share particular kinds of content? Are their groups in your customers corps that share the same concerns or ambitions that should know about each other? What are your customers biggest problems? How could you bind your customers emotionally to your organization without binding them legally or making them feel they have an obligation towards you?

You'll find the answer to the question “What do we want to do together?” in the answers to these questions.

5. What's special about this moment?

Obama calls this the urgency of now. What's special about this moment for your organization and your industry? This is where you think outside the box. Keep in mind that the lives of many of your customers have dramatically changed in the last five years (while the important impact on the lives of most people still has to occur) and that your industry is probably not catching up at all. People are learning differently, loving and caring differently, they're working differently and share differently. They spend their money differently and they care about things they didn't know existed or actually did not exist a few years ago.

You have to answer the five questions above individually and in team. What lies in these questions and answers are emotions: your emotions and your team member's emotions. It's important to share these

feelings because they'll tell all of you something about each other's values. People tend to have a need for being reminded of their own values. When you share them with each other you'll all have a much better understanding of what you all need to be reminded of in the challenging times ahead.

It's also clear that if your core team can't come up with answers, or if some people can't open up, you have a problem. Leadership is emotional, it's about communicating values and ideas people care about to other people that care. Being able to open up, convincingly share your feelings and make people feel comfortable by listening so that they can open up is then very important. First, talking is a form of learning. You'll hear yourself say things to think about. Secondly, while you're talking you're rehearsing your leadership skills which you'll need to depend on later on. All leaders open up and share why something is important for them with others. And they do so convincingly. Thirdly, being able to listen calmly, letting people feel comfortable and open up and being able to relate to these people's stories, concerns and emotion may be intimidating and requires practice. The core team's sessions is an important field test that train skills you'll need to depend on later.

Remember you can't be a leader without followers. In your core team everybody needs to believe and feel they want to follow every other person. If you're not convinced about somebody there's only one option: get to know that person better until the

magic click happens. Opening up is not easy for people yet this is a time of leadership. We have no use for managers. Your customers need to be led, they want to be led. And the leaders within your customer groups want to lead. The job of the core team is to give yourselves and everybody else that chance.

Remember the three human universals. All the core team members are human beings and they all want to be treated like that, all of the time even when there's disagreement or even feelings of anger or frustration. Your efforts to treat the other with respect and dignity will be rewarded in return. We all make mistakes and we're all different so the core team's meetings may not always go smoothly. Identifying each other's shortcomings, talking about them and being generous and compassionate will get you a long way. So does recognizing your own mistakes and how you're learning from them and making up for them. Everybody is different with different age categories, different backgrounds, different cultures, different values and different beliefs but we all try to do good. What brings you together is the belief in these three human universals and your pledge to them is what holds the core team together.

Discovering new meaning

“Discovery does not begin with thought but with action. Exploration is an active process that leads to discovery.” – Dave Gray

“Discovering new meaning precedes changing one's intentions.” – unknown

By writing this book I'm giving you the chance to explore constant change and strategies that go well with it. However, for you or anybody else to discover new meaning action on their part is required. You and they will need to go on an active search or somehow reach out. Since constant change is about us – and the role you play in it – you'll need to reach out to others you need to make a strategy of constant change real. The core team is the first step in that active exploration and getting you involved in a strategy of constant change.

If you haven't yet discovered the essence of constant change you'll need to open yourself up and go on an exploration. Exploring is an intended, conscious act. We do it when we are either looking for something new or trying to understand something new. We have an enormous capacity to filter out the repetitive and we react very strongly to change. As Dave Gray says, an airplane pilot is not interested in the normal sound the engines of his plane make. It's changes in the sound those engines make that grabs his attention. We're so good at detecting changes in our environment because we need to detect change in order to detect danger and opportunity. If the grass doesn't move suspiciously there is no lion.

Any change we detect triggers our emotions.

Moving grass has a meaning. If we feel the wind and we see the moving grass we know we shouldn't worry. Or we may think because the grass moves with the

wind it will make it harder for us to detect crouching predators. Whatever we think, we give meaning to our sensory input. When we're hungry we have the mindset of an opportunist: we'll pay special attention and have a bias towards changes we discover that may lead us to food. We'll give meaning to events that we would otherwise probably ignore or not notice. When we're standing guard we have the mindset of an alarmist: we'll pay special attention and have a bias towards changes that may reveal hidden or imminent dangers. These changes are mostly in our minds: the physical environment does not change very much but when we discover something about it that we didn't know was there before it's still a change for us.

Our bias evolves with our environment. Today we're not looking for real predators but for predatory behavior in others. When we're afraid of losing our job we'll watch our boss suspiciously for any signs of danger. When our boss call us unexpectedly we freeze and fear we've done something wrong and will be reprimanded, possibly fired. We're not looking for food either but instead have redirected our search to a search for meaning and social contact in a cold world. Our desire for belonging to social groups, our fear of strangers and the unknown and our stomachs have melted together in an infinite hunger for satisfaction. In our world opportunity and danger are very hard to distinguish from one another. That's why we need stories to learn about the values and experiences of people we trust. We need to trust people before we rely

on their stories because it protects us from acquiring undesirable values that seem interesting at first.

Creating meaning becomes very hard when we're in constant limbo if something – anything – is good or bad for us. Our world has become so complex that we can't know every detail about everything we have to deal with in our lives. Hence, we have to trust people we don't know but of whom we believe they will be trustworthy. Bureaucrats and union workers know this. They come across as trustworthy and at the same time they've categorized and structured their world so that everybody is perfectly clear on what is opportunity and what is danger for them. Unfortunately they have classified change as dangerous and propagate this value to the people they serve. To not change is their strategy. There is no more need to discover meaning once you've made their world yours. When change is deemed dangerous and mechanisms are in place to quickly and forcefully reprimand heretics, how can anything change?

Rigid social structures have strict rules on what's acceptable in relationships by imposing a model of what is trustworthy behavior and what is not. “Showing your emotions is a sign of weakness” is the stuff of legends. It is dangerous because treating everybody as human beings forces us to see our world, our relationships and our entire social fabric differently. It also means we'll be attracted to anybody who opens up without knowing whether he or she poses a danger for the entire group. Anybody who

engages in such activity seemingly at random with many people in a rigid organization suddenly puts the entire hierarchy under pressure of collapsing. Opening up and showing one's emotions is described as unacceptable because it puts the model of trust where change is bad under pressure. Luckily bureaucracies know how to deal with such people. Swiftly reprimanding or removing heretics creates the perfect story for the rest on how undesirable social interactions led to their demise.

When we live by obligations imposed on us by systems of accountability we get little chance for exploration and discovery. Obligations sit between danger and opportunity and are created by our societies. It's no accident that paying salaries to people is so popular: it makes people obligated to systems of accountability that are socially accepted but rid people pretty much of their free will. Instead they have to behave as prescribed in order to be perceived as trustworthy. Not behaving as expected in an organization is change which is dangerous because it breaks the model that tells us who is to be trusted which leaves us with ... nothing. When obligations mute our desire to explore and discover – in a world with very few physical dangers – we fade away. That's the option bureaucracies and labor unions offer: allegiance to the system of accountability and seemingly perpetual stability by having our behavior dominated and pledge to not change in exchange for a salary.

How to create meaning then? The first step to solve the problem is understanding the problem. A system of accountability treats people obliged to it in two ways: reward and reprimand. People get rewarded when they live by the values of the system and get money in the form of a salary. People get reprimanded when they've behaving in undesirable ways according to the values of the system. This reprimand may be in monetary form – reduced chance of pay raise or promotion – or any other uncomfortable form (e.g. public humiliation). The reprimand is usually made public in some form to communicate the system is doing its job to other people who are obliged to it. The victim can respond in two ways: confirm his or her allegiance to the system or walk away. Some systems may have fairly loose but it will always be fairly easy to cross the line and be reprimanded.

Creating meaning can only happen when people discover new values that can be trusted. This can only happen by getting to know people – and hence their values – you didn't know before and learning to trust them. In this game there's one important rule to consider: if it looks like you're going to introduce some kind of change you're not trustworthy until proven differently. That's why sales processes and hiring processes can become so tedious: organizations want to know that the new people coming on board can be trusted to live by the existing rules.

One extreme example of introducing new values and new meaning without triggering the usual defense

mechanisms is Neuro-linguistic Programming of NLP. People practicing NLP basically create a certain experience with the people they have relationships with in order to communicate their values of choice to these people. The way they do this is not so easy to detect and hence people practicing NLP have gotten a pretty bad reputation over the years. While NLP is certainly an interesting example it shows how not to go about things.

Transparency is the only currency that can buy trust so any strategy has to be transparent for the people in the organization you want to change. That's why a leadership team like the core team is so important: it's easier to trust people that are honest about what they're doing and why they're doing it and especially that take on a cause that's not in their job description. Leaving change to management is not an option: management techniques and structures are not able to deal with change and management is notorious secretive and hence not transparent.

Still, people on the core team may be mistrusted for trying to upset the status quo. That's why answering the previous five questions honestly and individually is so important. First, there's an option to do this transparently by for example video recording story telling sessions. Secondly, people hear and see people they know telling their own stories and why they're doing what they're doing. This gives other people a chance to connect emotionally. And while they may prefer to keep things as they are they're also

given a much better chance to understand why change is needed. Later they'll get the chance to share how they're feeling about this (or they can join the core team).

Learning new values through stories

What we call decisions are actually value decisions: we make decisions and choices based on our emotions and values. Values are emotional: they're driven by our emotions. When we want other people to learn new values we have to talk to their emotions. And the way to do that is by telling stories.

It's no coincidence Barack Obama relied so heavily on story telling throughout his campaign. What Obama wanted his audience to understand was this: we can still connect to the story of others. We still have enough sense of community and common purpose to understand each other, accept each other, live with each other and govern a nation together. This was and is his core value and belief. And while he might have been the most notorious and most obvious story teller in his campaign he wasn't alone. In fact there were millions of other story tellers. All the people who shared their stories with others online, in town hall meetings, as volunteers and local meetings organized by the campaign were carefully guided by the campaign to pass the underlying message (which was rarely spoken out loud by these people): we can still connect emotionally to each other stories. The choice people made to share their stories, to contribute, to volunteer was the story. These people's choices talked about a certain value: that we are one people and that only by coming together we can achieve something.

By involving so many citizens in his campaign who were not volunteers in the classical sense he was spreading the word in millions of different ways: we

can still connect and feel for each other. The people that were making small contributions were saying: by doing this all together our voices matter. By sticking together and standing on the same side we matter and are making a difference. And by simply sharing their stories these people got involved in the campaign and were actually helping their candidate in ways that money could not buy. The invitation to open up and share your story all of the sudden had political consequences.

This exact same mechanism – involving people in any cause and giving it a soul – can be put to use to have any kind of consequence: social, commercial, market share. All that is required are two things:

1. You have to invite people into your space and you have to give them something they can and want to care about (this is so important, I can't stress it enough). To achieve this you'll have to live your relationships with these people by the three human universals, otherwise you'll chase them away.
2. You have to design your intentions – call it a campaign if you want – in such a way that every single person's involvement gets you one step closer to your objectives, whatever they are.

Clearly, what is required is a strategy that has people and story telling at it's core. A strategy of constant change is exactly such a strategy. The key mechanism

of such a strategy is to attract affluent people – your constituency – and let them change under your control: discover new values, new meaning, new intentions. They change all the time all together anyway. What you will do is somehow guide that change so that the new situation this group of people creates is favorable for you and drives your competitors or antagonists crazy.

And clearly, while this book is hopefully a helpful guide you'll have to lead and do all the hard work. When I think about the Obama campaign it's remarkable that a politician is teaching the business community how the new rules work. He and his campaign pretty much invented them. To me this is a sure sign we're living in a new world where old dogmas are having less and less effect. Ask John McCain. Or as BMW likes to put it: context over dogma.

Story telling has several important roles in a strategy of constant change:

- It establishes the values of the community, communicating what will and will not be tolerated. Clearly, if you're going to let potentially thousands of people be involved in the future of your organization you need to somehow make sure things will remain civilized. The stories you and the people in the community tell about community value is your most important tool.
- Powerful stories spread and they have the capacity to build powerful relationships. The

stories will be what makes your space interesting and the first little space is created by the core team. Involving more people from within your organization will happen through story telling. Remember that the answers to the five initial questions for the core team are essentially stories. By attracting more people by telling stories your space grows and grows and grows.

- The stories you spread and help spread and the values they communicate will help define the interactions you want people to have. These interactions can be to buy your products or to help you to understand how to make your product more appealing. The interactions can be anything you decide it to be. The fact that you're offering people interactions with your organization and with other people like them that they may not find anywhere else talks about a value in itself. It says you care enough to offer people that are interested in what you do the opportunity to have interactions you and they find amazing. Furthermore, the specific interactions – unless they're boring – communicate their own specific values that will be easily translated in stories and that will be spread by people that care about them (the interactions and the values).
- Finally, the stories you spread and help spread and that people find interesting will give your

organization an appeal that will be very hard to compete with. Think Google or Obama. You may remember people went crazy when Google launched Gmail by invitation only. But it was bound to happen: by this time enough people thought Google was beyond awesome and they couldn't blog enough about what they thought about Google and Gmail. This instigated many other people who aren't used to so much excitement over web mail. And this created literally a movement around a service that was part of a larger movement around a company and an even larger movement to re-invent the web (web 2.0). This didn't happen just like that: it took Google many years to get to that point but when it happened people were struck by how unreal the excitement felt.

I've been warned by people to not use Google and Obama and the other titans of this world too often in this book. In understand people like small business examples too, like Seth offers so often in his books. I've thought about these remarks for quite a while and then it dawned on me: I have no choice in the matter. Applying a strategy of constant change has consequences and Obama and Google are the perfect proof of that. Both executed their own strategy with excellence and at the same time we all know Google doesn't always care very much about its users. By that I mean we don't always feel Google treats us as human beings. Yet the conversations I've had with Google

recruiters – and based on similar stories I've heard from others – are simply awesome. Google treats its own people really well and there's an enormous opportunity for other companies to go where Google didn't go and to treat customers and users very well. Not necessarily in financial or luxurious ways but in social and in human ways.

The strategies in this book can be applied to small businesses as well as big organizations. Google is big because it has a big and complicated mission. But there are many examples of small businesses that only employ a few people who get their strategy of constant change right. Seth Godin as an entrepreneur is the perfect example of how that is done. There's a story here about the values I'm communicating to you: it's all about you. If you believe this book offers what you and your organization need then you have what it takes. This book surely has its flaws – which will be corrected over time, that's why it's free e-book – but don't let this be an excuse for you to not act.

Discovering Leadership

“We are the ones we've been waiting for.” – Barack Obama

Story telling doesn't have meaning when there's no leadership involved. That doesn't mean only leaders can effectively tell stories. It does mean people have to be aware who the leaders are in a community and how they relate to the stories being told in a community. Leaders have followers, otherwise they're not leaders. This group of people that is formed around somebody's leadership is a community. A community is a group of people that all share some values. The reason they are there is because of those values and because the leader creates for them opportunities in the face of uncertainty.

The basis building blocks of leadership are:

- A highly uncertain future.
- Values communicated in the form of stories that can attract people.
- Followers who are attracted by the leader and his or her values.
- Sense of community that is recognized and valued by the people in it and that attract more people.
- Opportunities that are discovered, created and exploited by the community lead by the leader.
- Relationships between people and the leader, between followers and between people in the community and outsiders around the core ideas and values of the community.

The core function of leadership is to give followers

something they want, and to give the leader a chance of spreading his ideas and values. Leadership is core to any strategy of constant change. It's the main vehicle with which the community is created and grows. Leadership is not involved with finding excuses or believing it can't be done. That is why leadership is hard: because it requires strong and lasting conviction in a cause long before anything is realized. Leaders treat humans as human beings all of the time in their relationships. Leadership puts the three human universals to work in their relationships to create a community and to pass on feelings of grace, friendliness, safety, shared purpose and opportunity. Leadership uses activating emotions like urgency, hope, anger, belief in ourselves and solidarity to fight against immobilizing emotions like inertia, apathy, fear, self-doubt and isolation. Treating people as human beings can then be seen as talking to their activating emotions instead of allowing people to become immobilized and desperate.

The stories being told have to talk to these activating emotions to be effective. There's nothing more devastating as saying: you can't do it. The core team is the place to explore and discover the leader in you. Everybody is a leader yet we all have the capacity to deny ourselves from becoming one by immobilizing ourselves. Leaders have to resist their internal critic. Adults have the capacity to edit and criticize themselves where as children just have a go at whatever it is they're doing. This is because adults have

learned to think about how they are viewed by their peers. To fight off this adult tendency leaders have to establish new rules that make people feel comfortable and that allow people to activate themselves. Not because its important to have rules but to offset against the rules of passiveness we automatically bring to the table, especially between colleagues in an organization.

Many employees just want to do their jobs as they're supposed to, make a living and not cause any kind of trouble. This refers back to the system of accountability that organizations use and to which employees have to oblige in exchange for a salary. It's the core's team job to become a leadership team that doesn't challenge people to ignore the system and go rogue but to let them discover new values. The point is not to create anarchy, it's to re-invent the organization and its system of accountability in meaningful new ways.

The easy way to introduce change in organizations is to hire consultants. These are external people that will eventually go away and than can be blamed for any hardship the change has created. This is indeed the easy way since it doesn't require employees to lead. It protects employees from having to take chances but also prevents them from learning something new that can only be discovered through genuine leadership: discovering one's own capabilities, new opportunities, learning to take a chance and building new models. Antagonists will claim that most

employees will never be capable of and willing to change like this. I say to them: give them a chance. Show them what leadership is.

Change will come – not through the barrel of gun, we're no revolutionaries, but – through creating and sustaining human relationships. Adults are most of the time afraid of each other, and even of children. We're afraid of being exposed as untrustworthy heretics. We've been made to believe that showing our emotions is risky. This has created a deficit in genuine human relationships and leadership in organizations. Leaders are heretics, always.

Each organization is unique, and that explains the many forms of management and hierarchical structures, some more open and honest than others. This will not change, organizations will always differ from one another in how they function. But one thing is clear: most organizations will have to open up to the outside world and most organizations will have to get rid of hierarchical accountability. There should be nobody on top of you. There shouldn't be performance reviews. These are excuses for not building relationships with colleagues. The entire management discipline has all along been a excuse for not building genuine, valuable and powerful human relationships. We're no longer working in factories, we're working in groups. And groups need humane relationships.

Leaders have to understand that active exploration is the key to discovering new values and new meaning. When it comes to planning the future

course of an organization many people consider themselves as outsiders and a passive audience (because they've been taught so). People have to be given a chance to change from being a passive audience to active members of the community. This is done by building relationships with them – treating them as human beings all of the time, accepting mistakes and differences – that speak of the values – which ever you choose them to be – you want them to become involved with. These values from the core idea of the community. This community is built on friendly, warm, compassionate, empowering relationships between people that care about the future of the organization. If nobody cares about the future of the organization together with the jobs it provides than at least you know that.

Telling stories

Stories mobilize our emotions. Stories teach us something on how to be human. Stories inspire. Through the emotions we feel when listening to stories we learn about values. Stories have a specific structure which triggers our emotions. A story consists of a plot and a moral. The moral is the felt experience by which we learn about value. The moral is created by the plot.

The plot of a story consists itself of three part: character (protagonist), choice and outcome. We can identify emotionally with the character (otherwise it's a lousy story) and the choice is a value decision (like we all make all the time). The outcome teaches us something on the consequence of sticking to the values in the story. Combined these three plot elements creates the moral (values).

When we hear a story we expect it's being told for a reason. This means we expect a point ("get to the point") and we also expect there's a reason to tell this story. That is why telling stories is a complicated affair. We have to tell stories honestly – otherwise we'll be thought to be a cheat – and we have to be honest as to why we tell the stories we tell – otherwise we'll be looked at suspiciously. Whenever we hear a story we like we're not only learning something about values, we're also making value decisions on the story and the person that tells it.

We have two ways of looking at the world: cognitive and emotional. The cognitive perspective tells us about “*how*” through objectivity, reason, advantages, disadvantages, tactics and goals. The

emotional perspective tells us about “*why*” through motivation, value, stories, affection and compassion. Stories are designed to talk about why we do something. Stories that only tell us about how we did something are boring except for very specific audiences on very specific topics.

We can relate much easier to stories about why. By listening to a story about why we can also learn to understand a little about how we do something. In order to convince people we have to talk about both why and how yet keep the balance. If you want to sell a product you have to tell us why you've developed that product and how it works. Similarly, if you want to invite us to your community you have tell why you've created that community, why other people have joined and why you want us to join too but also how it works and why it works in that way. When convincing people doing things on purpose becomes much more important.

We love stories. Just think about Titanic, American History X and Unforgiven. We love these stories because we can relate to the characters (the protagonists), we feel the very difficult choices (emotional) they have to make and we're thrilled until the end (the outcome). When the story has been told we walk away with it's values. People in Hollywood know very well how stories work and how to attract us to them.

The most important role of stories in a strategy of constant change is the creation of community and a

movement. Don't get me wrong, you're not going to create a community just for the sake of it. Instead you're going to offer people interactions they want to have and with those go stories. You're going to build a movement around your values. You will build on three kinds of stories to build your movement: the story of self, the story of us and the story of now.

The story of self explains why any individual – you, a colleague, a customer, anybody who is or wants to be involved with your organization and your community – is here. That person talks about her background, what brought her to this point, her family, anything that's relevant for her and she want others to know. Every person who somehow connected with the Obama campaign had such a story of self and each story was unique and amazing. Life-long republicans turned Obama supporters (Obamericans), people without health care having hope for the first time, people working two or three jobs who hope to get a better deal, people disillusioned with politics who found new hope. Each story is amazing because it involves a person we can relate to and situations we can relate to, a choice or decision we can relate to and an outcome. And simply by spreading these stories the Obama campaign did something extremely powerful: it gave the campaign a soul and a purpose and it made this moment even more important than it already was.

The story of us explains what values we have in common. This best example probably comes from Obama's 2004 democratic convention speech: there

are no red states or blue states, there's the United States; we have gay friends in the red states and we worship an awesome god in the blue states. These are just some examples of how the excitement around a community can be turned into more powerful feelings. These very simple stories of just 10 or 20 words can rally people and make them come together. Because they build on top of a sense of community and they make us even more sensitive for more community and more leadership.

The story of now is the one that drives people to action and creates a movement. It creates motivation. The word motive comes from the Latin verb *movere* which means to move. The story of now tells why we have to act now, come together now. For most people this starts as an active exploration that leads to discovery. Others volunteer. Yet the story of now that was crafted very carefully by the Obama campaign to make sure the various ways in which people responded lead to three outcomes: donating, volunteering and going out and vote.

You can use the same combination – why am I here, what do we have in common, what's special about now – and use it for two purposes: grow your community – first within your organization and then beyond, and grow your business. What you'll have to do for this to happen is three things:

- Let as many people as possible that care about what you do tell their story, and let that be a chance for them to meet other people.

- Tell a story of all of you together and what you have in common.
- Tell a story of what is to be done, and design that story and the resulting actions taken by people very carefully.

The story of self gives people a chance to relate to each other. The story of us gives people a chance to relate to the bigger community which they have created and are now part of. The story of now gives people a chance to act on their convictions and beliefs and do some good, for each other, for the community or for outsiders.

Building relationships

This section brings together meaning, value, stories, emotions and people and turns them into relationships. The objective is to bring intentionality to the process of creating and sustaining relationships in order to create a community and movement within the organization that is then expanded to include customers. Relationships have to become a currency.

For this to work however it's important to understand how relationships work. Relationships are the opposite of contracts. With a contract the learning and discovery process ends when a deal is made. With a relationship the learning and discovery process only starts when the relationship starts and lasts as long as the relationship is sustained. To benefit from relationships however two aspects of them have to be understood:

1. How relationships work, which kind of interactions have to happen between two people before a relationship starts, and when relationships end.
2. How relationships as a currency can create benefits for the organization and its customers.

These two aspects have to be understood because without understanding them a purposeful movement cannot be designed. First on how relationships as a currency works. The Obama campaign has again done enormous work in this domain. The job of their leadership teams was to build personal relationships with people in their communities. To do that the

campaign arranged a number of things:

- They trained the people in their leadership teams on how relationships work and how they are created.
- The people in their leadership teams were also trained in how teams work, so also on how they would function in a leadership team.
- The leadership teams had a strategy to follow. One part of this strategy was to offer people as many options as possible to volunteer. One way to do this was to organize volunteer meeting several times a week at different times of the day. Another way was by offering many ways big and small to volunteer so that they could attract as many volunteers as possible according to the time people could spend. They used this wide range of options to get as many yes-es out of people as possible.

Clearly the Obama campaign was serious about recruiting as many volunteers as possible. It's easy to see why they wanted this. First, more volunteers can get more work done, calling more people and doing more door-to-door canvassing. But, more importantly, volunteers had stories to tell to their friends and families. The Obama campaign made sure the field offices were a great place to spend time filled with interesting people eager to get to know you. So once a volunteer was in it became likely that this person would bring in some of their friends or relatives who

might have more time to spend on the campaign. Clearly these relationships had value for the Obama campaign.

But they also had value for the volunteers. The people in the leadership teams got to participate in the best leadership training program around, and then got experienced as leaders in the field work. Other volunteers got instructed on how to call voters, how to do canvassing, how to convince voters, how to discuss the different issues, how to tell their own stories and listen to those of voters. Volunteers also were working in a warm and friendly environment with many other volunteers for an exciting candidate they believed in, in an important election cycle. So what volunteers got out of their work was multiple:

- They got a chance to do their part and do more than donating money
- They learned a lot about the different tasks they were assigned to do and got a chance to develop their own leadership skills, even when they weren't part of the leadership teams.
- But most importantly, they were treated as human beings, got a lot of attention and appreciation for their work, met interesting and excited people like them and generally felt they were having great new relationships and were part of something bigger

All this the Obama campaign managed to achieve by carefully thinking about the relationships they wanted

to have with volunteers and wanted volunteers to have with each other. And there's more. All volunteers were assigned targets: number of people to call in a day, number of doors to knock, number of meetings to organize. This helped them to get a lot of work done, believing that people had to be given ambitious targets to work efficiently. But also, it created great opportunities to talk to people, encourage them, follow up, check how they were doing and relate their work to the bigger picture and how their work helped the bigger cause. This system of targets helped the campaign to make the relationships with volunteers even more special than they already would have been.

But the Obama campaign also had a clear idea of how relationships work. They believed relationships between existing volunteers and new volunteers would go through a number of phases:

1. Attraction, where people notice there's a chance to volunteer for the campaign.
2. Interest, where people show interest to volunteer, for example by showing up on local volunteer meetings.
3. Exploration, where another volunteer or staff member welcomes the new volunteer and introduces him or her to the program
4. Exchange, where an first assignment is given to the volunteer as a test to find out how things work out.
5. Commitment, where the volunteer keeps showing up and is given more and more

responsibilities, and where local people from the campaign also keep committing to the relationship.

This to me is the perfect template for any organization in the world to adapt and to put to good use when engaging with customers and other interested partners. The possibilities to create economic value for everybody involved are endless. Clearly some balance has to be found between people in your organization and those outside of it but who are still insiders to your movement. If you want to draw a hard line between people in your organization and those outside you will hamper the relationships that are spontaneously created and your movement will fail. If you want to avoid your employees building too much of a personal brand – in your eyes – you will hamper the relationships that are spontaneously created and your movement will fail. If you find your employees are building much stronger relationships with people outside of you organization than with their colleagues the old system of accountability is still working – at least in people's minds – and your movement will fail.

The choice and the balancing act is yours. The goal is to have strong relationships between employees and with people outside of the organization but in the movement so that a balance is created. People outside of the organization are insiders of the movement, when they have relationships with multiple people in that movement, when they share the values of the community and when they are part of the action.

Social object theory

“there is something really about this Internet, there is something that is really making my friends rich...”
– Gabby, 22-year-old Internet café regular (Ghana)

Since long before online social network became popular researchers have been studying how knowledge about the world that is specific and unique to individuals helps us to build and maintain relationships with other people. These can be relationships at work but also in any other context. Core at this research are social objects: unique concepts or ways to look at our realities or fantasies based on an understanding that can be easily shared with and learned by other people and are the reasons why people have exchanges with each other.

Social objects are relevant to the way I look at relationships in this book since they explain to a large degree why people would want to build relationships with each other, especially in online scenarios. As Internet dwellers we have been forced to become much more abstract thinkers than we used to be. We don't have the tacit experiences of offline meetings nor the sensations of creating and maintaining offline relationships. Instead we build friendships with people we've never met, possibly from different parts of the world, that are often equally intense and important to us than offline relationships. But we only have relationships with specific people and not with everybody or just anybody. Why is this? If we can find an answer to this question we will have a much better understanding of how relationships are built and sustained in online communities and movements and we'll be able to develop relation-building strategies based on this understanding.

Social objects are unique mental representations of objects that tell us something about a world we care about (our real world, our online worlds, fictional worlds in games, movies, books or comics, ...). Social objects are unique *internal articulations* of objects that can be shared with other people and that make *further explorations possible*. Social objects are *meaning producing* and *practice generating*. You don't have to look much further than Micheal Wesch's “An Anthropological Introduction to YouTube” lecture (see Resources section) to understand and feel how videos on YouTube can be *meaning producing* and *practice generating*. Social objects allow us to represent existing objects (existing in the world they belong to) – which may be imaginary objects (X-Wing fighter from Star Wars) – and reason about their features, lacks, problems and possible improvements. We can compare social objects with each other and rank them according to any meaningful criteria.

In short, social objects allow us to tell and share stories. But there's more at hand. Social objects are unique internal articulations, meaning that people who value the same or similar articulations to ours become more important because they confirm our views of the world. Social objects are relationship conductors: they attract people to each other and give them a shot at building a relationship. The stories that are shared about social objects is what makes social objects effective. An internal articulation that is not shared or acted upon won't have any effect on others. Stories

about social objects don't have to be explicitly articulated between people. Sharing a YouTube video with a friend can be enough to convey an internal articulation between people.

Jyri Engeström wrote a seminal 2005 blog post on the importance of social objects in online social networks titled “Why some social network services work and other don't” (<http://twurl.nl/j5g6r5>). He argues that the successful social networks have turned objects into social objects: photos for Flickr, videos for YouTube, bookmarks for del.icio.us and Stumble Upon, music for MySpace, tweets for Twitter, free articles for blogs, job interviews for Linked In and radio stations for last.fm. The contemplating, commenting, and sharing of these objects make them social objects as they become the reasons why people have exchanges with other people.

For example, by referring to Micheal Wesch's recorded lecture which is hosted on YouTube the object – video – becomes a social object. I assign particular meaning to it and share that meaning with you. Interestingly, if the lecture wouldn't have been recorded it would be much harder to share, and an alternative form in which it would be shared might be less appealing. Hence, the existence of the video, the fact that it can be viewed at will, and the fact that it can be easily shared all contribute the fact that this video in a social object. The popularity of this particular video – it has more than 800,000 views at the time of this writing – can be attributed to the quality of the

lecture, the quality of the video montage, the novelty and appeal of the topic (even for the anthropological domain) and the growing appeal of Micheal Wesch.

Jyri Engeström says we've seen popular online social networks around obvious social objects as video, photo, articles, bookmarks and music. What we'll see next – he says – are social networks being formed around less obvious social objects. Linked In can be considered as a less obvious feat by re-inventing itself as a recruitment platform where jobs interviews are the social object. So the question becomes: what are the next social objects, or reasons why people would have exchanges with other people? Massive multiplayer online role-playing games (or MMORG) like World of Warcraft and Second Life all have their own social objects. In World of Warcraft the social object is the character level, in Second Life multiple social objects exist including social standing and material wealth.

It's obvious that without social objects no online communities and movements can be sustained. People need to have a reason to build relationships with each other. The most important social object is money. Money's physical properties explain nothing about money's economic value. Money is only meaningful and valuable in context of our relationships. The same goes for photos, videos and music: in their essence they're sequences of bytes in digital format and waves of various frequencies in analog format. Their value for us can only be explained in terms of our relationships

when those waves reach our brains. We are defined by our relationships and social objects first of all exist only in our minds and secondly are only meaningful and have economic value in context of our relationships. Social objects are means of human exchange.

Discover: summary

“A superabundance of community respect and social capital are being accumulated by those who share.” – Isaac Mao

The discovery phase as described in this book is obviously its most important part. In the discovery part meaning is created, intentions are formed, leaders stand up, stories are shared, community and finally a movement is created. In the process the prospect of constant change is accepted. This phase is the hardest for everybody involved because there's risk involved in exposition yourself and going off the beaten track.

Whatever strategy comes out of the movement that is being created it can always be adjusted. But the intention to change and to build a movement out of an organization that will be able to deal with change for ever is not only irreplaceable, it's something money cannot buy. In the introduction five questions were asked:

1. What would success look like for your organization, according to you? After the organization has changed itself into an organization of constant change and after running its business for one or two or three years, where should the organization be?
2. Who else in your organization might have a similar view on the future of your organization?
3. Who are the people in the core team and why are they there?
4. What do we want to do together?
5. What's special about this moment?

The introduction introduced the concept of a core

team, not to create something exclusive but to create the first grain that will become a community and then a movement. However, leadership has an exclusive character. The leader saw the potential first and managed to assemble people around him who believe in what he believes in. When more and more people join the community it's the leader who is allowed to take some of the credit. However, when the initiative fails it's the leader who has exposed himself or herself most.

In the second chapter, “discovering new meaning” the importance of active exploration – which is actually participation – is described. Our social structures are meant for people to be able to trust each other without knowing each other by giving meaning to all kinds of constructs. One of them is the system of accountability that organizations use to formalize the relationships between employees by obliging them to rules and values of the organization in exchange for a salary. This is a form of offering people protection – from poverty – but it also creates strong incentives to behave according to the norms set by organizations. This makes it challenging for people to introduce new values – like constant change – unless people can discover these values through a process of learning and discovering in their relationships with colleagues.

The third chapter, “learning new values through stories”, explains why we need to talk to people's emotions. People give causes a soul, and the stories of the people who believe in a cause attract more people.

Stories speak to our emotions and make us feel the values in the story. By telling stories we give other people a chance to understand why we're doing what we're doing. Once people are interested they must have interactions they care about and want to have to become part of a community. These interactions have meaning in context of the community that organizes them and in context of the values people care about.

In “discovering leadership”, the fourth chapter, I talk about why stories only have meaning when there is leadership. Leaders attract followers and create a kernel of like-minded people that can easily attract more people. Leaders in organizations are replacements for managers. We no longer need managers because we work in groups, not in factories. People in groups can organize themselves so that the responsibility for the tasks at hand is shared. Obviously certain management techniques may still be useful. But without managers and a command structure people are given a chance to speak up and talk about things that aren't going as well as they should. Managers and command structures stand in the way of innovation and creativity and for that reason they have to go. But this can only work if leaders that have been trusted to run the organization can point to the obligations that have to be met.

In the fifth chapter, “telling stories”, I highlight that stories – unlike manuals – talk to our emotions. They explain why we do what we do. Stories obviously also tell something about how but only give context to

the choice and the outcome. By telling stories we try to explain something about why. Values are about why. Our emotions are the only way to explain why people make the decisions and choice they make. Many of those may seem rational, because many of us value rationality.

In the sixth chapter “building relationships” I explain how the Obama campaign built rich and fruitful relationships with volunteers across the country that were positive for the campaign and the candidate but also for the volunteers. In relationships both sides bring interests and valuable resources. The key to building strong and lasting relationships is to recognize the value of each other's resources and pair them with each other's interests. People have enormous resources: time, motivation, commitment, believe in a cause, expertise, insight, vision, skills, money, their own networks of relationships, friendship and warmth, a listening ear, They also have a wide range of interests: learning, growing, reaching one's potential, being part of something larger than themselves, growing their network of relationships, warmth, being listened to, being taken seriously, money, living a rich and fulfilling life, friendship, safety for themselves and for the people they care most about, By taking a honest look at what you can offer to other people and what they can offer you is the key to creating mutual value and stellar success (because people are not used to this).

In the seventh and last chapter “social object

theory” I explain how our online and offline relationships are mitigated: through the use of social objects. They are internal articulations of real or imagined objects in the various worlds we're part of that allow us to transfer meaning and economic value between people. When we recognize certain social objects in other people we're either attracted or repulsed. In case we're attracted these social objects give us a shot at building and sustaining relationships.

In this discovery part I've talked a lot about why: why we need to create meaning before we take action, why action comes before discovery, why values are important, why story telling and leadership are important, and why relationships are important. I've also touched a little bit on how communities and movements are created: by combining all these human treats with intentionality. But the how of the strategy of constant change still remains to be explored. Also, an important part of the why still remains to be answered. This and more belongs to the second part of this book: design.

Resources

I've compiled some resources that I found insightful and that you will hopefully also enjoy.

An Anthropological Introduction to YouTube

By Micheal Wesch. Recorded at the library of congress in 2008 Micheal Wesch talks about his experience in researching the culture of YouTube.
<http://twurl.nl/cju2ro>

Institutions vs Collaboration

By Clay Shirky. Recorded at the TED conference Clay Shirky explains why there is a difference between institutions and collaboration. Notice this video was recorded in 2003 and how far we've come since then.
<http://twurl.nl/tqgd02>

Camp Obama videos

Recorded at a Camp Obama leadership training weekend in Northern California. Fascinating material without which this book would not have been possible.
<http://twurl.nl/7fmake>

New Rules for the New Economy

By Kevin Kelly. This great book first published in 1999 is now available online for free. <http://twurl.nl/yloztv>

Strategy of Giving

By Miikka Leinonen. Free – of course – ebook on how to give and receive. <http://twurl.nl/6mwbs3>

Bill Strickland on the TED conference

Bill is an amazing man as you'll discover on this video and has done more than anybody else to open my eyes on

education and our relationships. <http://twurl.nl/voy4xk>

Sir Ken Robinson on the TED conference

This is probably the funniest conference talk you'll ever see in your life and it gave me the most valuable insight I've ever had on creativity. <http://twurl.nl/davgav>

Good Copy Bad Copy

Very interesting online documentary on copyright laws, our changing societies and remixing. Featuring Lawrence Lessig and Girl Talk! <http://twurl.nl/d1n5yo>

Before Music Dies

One of the best documentaries I've ever seen on the track record of record industry and how artists are dealing with it. <http://twurl.nl/fype8r>

Open Yale Introduction to Psychology

An entire course online for free with video recordings of the lectures. This course has made me think a lot on how you emotions and relationships work.
<http://twurl.nl/cv1yhd>

Secrets of a \$110 million man

While we're changing the world we still have to maintain a sense of business smarts. Well, it doesn't get any clearer than this: <http://twurl.nl/hdu8nb>

Complexity and Humanity

By Yochai Benkler. How more and better designed structure still can't scale fast enough to manage continuously increasing complexity.
<http://twurl.nl/o4l7vd>

PART II: DESIGN

Design: introduction

Any strategy should have an answer to the simplest question anybody can ask: why? Why do I need the strategy of constant change. Here's the answer:

When people walk away from your organization for whatever reason, will your organization be able to effectively respond to this and turn the tide, always, now and in the future?

If the answer is Yes you already have all the strategy you need. This book is for people that don't answer Yes resoundingly. Anybody can get lucky and have some kind of success on social networks. But is your previous success sustainable – when things get turbulent – and repeatable – when the environment changes? A strategy for constant change is required because the old strategy – follow the money – doesn't give you many clues if you don't know what you're looking for.

The strategy of constant change is designed to spend your money only where you know it will return a profit. And there's only one such place: the three human universals.

- We all want to be treated as human beings, all of the time.
- We all make mistakes, but when those mistakes are corrected gracefully is when magic happens.
- We're all different, with different values and cultures, and because of that things don't

always turn out as planned, but we all try to do good.

Any strategy that is based on these human universals combined with entrepreneurial skills is bound to be profitable because you'll be giving and getting the most precious things we all want: attention, friendship, respect, community, meaning, purpose, belonging. People spend their money with their emotions, yet the majority of us no longer believe we can spend ourselves into social status. Instead, over the years relationships and being friendly to other people has become more and more valuable. And many people will indifferently go where this is to be found.

The best example of this strategy I know of was recently given by the guy we all love and respect: Seth Godin. Personally I think Seth got a little tired of all the traveling and giving speeches and was looking for something else in his life, something bigger than himself. Now what can possibly be bigger than Seth Godin? The answer: all of us. See, Seth is a very friendly guy. Over the years I've had occasional e-mail conversation with Seth (which I always initiated) and he always replied. Remarkable, for the marketing guru on the planet, the guy everybody wants to talk to. Seth treats everybody he meets with respect so that exchanges happen. And when the next e-mail arrives in Seth's mailbox he continues to commit to the relationship and magic happens.

So, Seth was probably a little tired and wanted to spend more time at home but at the same time wanted

to grow personally and like always – go where he hadn't gone before. If this sounds like leadership to you it should because Seth is the archetype of the leader: friendly, compassionate, honest but determined. So what did Seth do? He created his own university! He offered a six-month alternative MBA program (or !MBA) for ten candidates for free! There were two requirements: you had to apply before the deadline in a pre-defined format, and you had to move to the state of New York in vicinity of Seth's home town for the duration of the program.

Seth posted the announcement for the !MBA and the rules on his blog and something amazing happened. Thousands of people saw the invitation and started thinking if they could make it work. Hundreds of them actually wrote their application, some of them posted them in public forums like Squidoo. On December 16, 2008 a number of people were invited by Seth to join him and other candidates in his office and the next day he decided on which ten people he would accept in his program. This is what we know. The really exciting stuff is what we don't know. What happened on the 16th? We don't know because the people there were asked to sign a NDA. What will happen in the coming six months? And, the most interesting question for me: why is Seth doing this?

If I know Seth's MO a little bit his plans are strategic, and most likely span multiple years. This is not just a one-off program. Seth will carry on although it's not certain how. If we look at Seth's past he's

clearly a guy that makes a very nice living from what he does, but he also clearly wants to make the world a better place. Personally I think this !MBA program is meant to make the world a better place. He wants to instruct ten people in ways so that they can go out and make the world a better place. But he also wants to learn what the next steps are, for him, for his !MBA program and for other people that might join the program next time it will be organized. For sure it will, if everything goes as planned Seth will invite 10 more people in 2009, maybe even more. But here's the cliffhanger: how will he make money? Or, to make it more emotional: why would he want to make money from this program? Seth obviously has multiple sources of income in his life, does he need another one? If this !MBA program really is part of a multi-year strategic plan Seth will have to somehow make money from it, not because he actually needs to money but for very different reasons:

- Seth is an entrepreneur and making money gives meaning to what he does, certainly if he's going to spend this much time on a program.
- This program is probably part of a larger plan which will be unveiled at one point. Seth wants to teach us something.

Based on the discovery part of this book we now have to find an answer to these questions: why is he doing this !MBA, how is he planning to make money from it and what is he trying to teach us? But first I want to

make another important point and that is why I think Seth has a strategy of multiple years. I come to this conclusion by what happened around his book Tribes which was released in 2008. Seth wrote the book and then invited everybody who pre-ordered a copy of the book in a special community called Triibes.com. Seth later commented that he had a six months plan for Triibes.com but that the community realized that plan in one month. He also commented that Triibes.com has been an enormous learning experience for him. Based on this knowledge I conclude that Seth knows what he's doing, and that a six month !MBA program with ten people where he will invest much more time than in Triibes.com must be part of a larger plan that span a much longer period.

So, we have a why question, a how question and a moral question. I know that what he is trying to teach us is a moral because he's not trying to show us how to do something but why to do something. What this something is is not clear, but it's definitely a moral that has a choice hidden in it which each of us can make, as was the case with Tribes, Meatball Sundae and all his other books. Will Seth write another book? Of course he will, that's a no-brainer.

To start answering these three question lets start with the first one: why is he doing this !MBA program? It's a why question which means it's an emotional choice that only Seth can answer. It also means this !MBA program makes a lot of sense to Seth: he made a choice that creates meaning for him. And he knows it

has to create meaning for at least the people in the program. We also know it's an exploration process because it's a very active program. Seth will teach a class, his students will work for him and do all kinds of projects. This means it's an exploration for Seth and his students. But Seth wouldn't be Seth if he didn't have plans to somehow actively include the rest of us during the course of these six months. So it will become an exploration for many more people. Exploration means discovery, meaning that is created, stories being told and relationships formed and sustained. Emotions, emotions, emotions. It sounds as if Seth wants to build some kind of network of people sharing similar values. That may be a little bit obvious as a conclusion but it's a start. Let's continue our thought process.

If he wants to create a community there first has to be story of self. That there obviously is. There's Seth's story. So many people have applied in very emotional ways and those that did get in will surely be curious about what will happen in the course of the six month program. We're all emotionally involved by this time, we all have our own stories about Seth and this !MBA program and we believe in it. Based on this story of self a story of us has to be created in order to create a community. Some of this has already happened. Many people have offered the candidates money to support their efforts to collect enough funds to bridge this six month period of living in New York. These people understood how we were all in this together

and how supporting the people who had a chance of getting in meant something for all of us. They didn't just want to candidates to succeed, they also wanted Seth to succeed. But this is just the start. Over the course of these six months more opportunities will be created to re-enforce the story of us.

From a community there's a chance to create a movement and I believe this is where Seth is heading: this is why he organizes the !MBA program. The story of now barely exists at this time, although it surely exists for the people that applied and for those that were accepted. But the story of now still has to grow. Seth regularly talks about how now is as good a time as any to start your own business and follow your dream, or how we're leaders and now is as good a time as any to let your inner leader loose. But the story of now required for a movement has to be more urgent than this. The story of now has to tell not just why this is a good time, but why this is a unique time. It has to talk about what we can achieve and just thinking about it, it's got to be something big.

Seth knows that at the start of Q3 2009 – when the !MBA program ends – our economic situation will be worse than it is today. He also knows that the crisis we're in is not just a financial crisis but also a crisis of old models that stop working. This crisis evaporates a lot of economic value, and not just due to unsound investments in the markets. This is what is unique about now, and what Seth is giving us is a chance to create new value, value that isn't there now. What

makes this argument especially convincing for me is the structure of the !MBA program. Each day Seth will lecture for one hour, students will work three hours for him and four hours on their own projects. Three hours per day, ten people, 20 times 6 days is 3600 person hours or 450 person days!

Now that's some value that can be put to good use. On top of that, I'm assuming that the personal projects will somehow be related to Seth's project, that's another 600 person days. If Seth had to hire able people for this many days, it would cost him at least half a million USD. But I don't think Seth is in it primarily for the cheap labor. He wants to build a movement, he wants to create a compelling story of now, and for that he probably needs some kind of platform. Seth didn't recruit programmers, most people in the program probably don't have software development skills. I'm less interested in whether there will be a platform and what it will look like. I'm much more interested in the story of now, which answers the question: why the !MBA program?

I'm convinced there's a story of now because Seth likes to bring people together around a shared idea and shared values and let magic happen. Triiibes.com has been a very successful attempt at this. The story of now and hence the movement it inspires can become somewhat more concrete if we can think about the interactions Seth wants people to have, and which goals people will want to achieve together. In order for those things to become more obvious the

story of us first has to be further developed and become more focused and purposeful. In his works Seth is primarily concerned with creating value. He wants people to act on purpose so that their customers understand the value that is available for them. But Seth also knows there's a special group of people out there: the people that are following him which are actually active professionals in probably about every sector and industry. These people are special because they believe in Seth and his work. When his book Tribes was available for pre-order more than 3000 people bought it in order to gain access to Triibes.com.

These people have in common that they're all interested in marketing and are looking for better ways to work with their customers, and offer them products and services they're looking for. If Seth tries to create a movement these people will be his first target audience. So what do we want? What do we need? What is the story of us? What's the urgency of now, according to us? To put the same questions in a different perspective: what does Seth want? What does the future hold for Seth? He's always trying out new ideas so he's not the most predictable of all men. But I think I know where he's heading. He wants to give us our own movement, something bigger than ourselves we can become part of. In the change he wants for himself he wants to turn us from followers of his blog to active participants in his movement. And for that he has to offer us interactions, he has to tell us stories, he

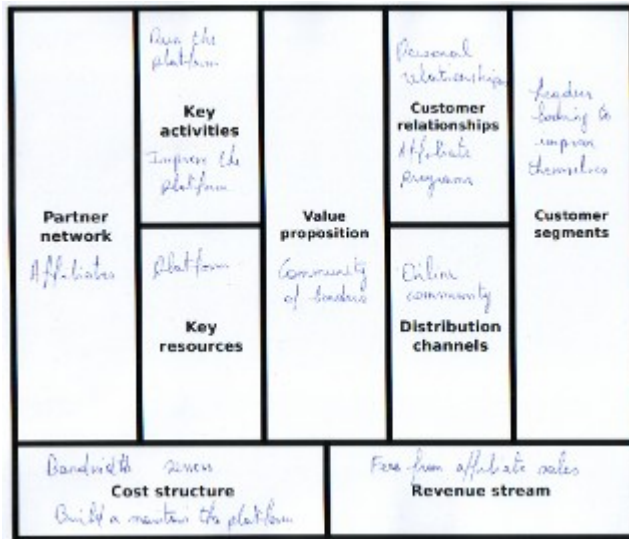
has to involve us, ask us for our stories. He needs a strategy.

I think this answers more or less the question of why he created this !MBA program with the limited information we have at the time of this writing. On to the next question: how is he planning to make money? This question of how is much less emotional, but it plays a central role in any kind of strategy and also in the strategy of constant change. Looking back at the section "introduction to the strategy" the question of making money is squarely in the domain of the innovative business plan. I'm going to venture a guess here, based on nothing more than gut feeling: I think Seth is going to make his money from a new affiliate engine. What? you may ask. Here's why: Seth is going to build his movement around new forms of collaborations, and he's going to make a platform available for us to practice this collaboration. Part of this platform will be an affiliate engine we can use at very reasonable rates which will become core to our way of collaborating.

An affiliate engine is basically a piece of software or platform if you will that is used by two parties: people that want to sell their products or services on the one hand (the vendors), and people that want to sell these products or services to their own audiences for a commission on every sale they realize (the affiliates). There are hundreds of affiliate engines available today but they're all pretty expensive to use – even the cheapest ones, and their pricing models are

pretty unattractive. You have to pay a fixed monthly fee just for setting up your affiliate programs, without making any sales. Then you have to pay a commission on each sale. The affiliate engine will then broker between the affiliates and the vendors and conclusively report which sales have been made and how much commission has been earned by the different affiliates. If Seth will offer us a new collaboration engine it makes sense to offer a more attractive affiliate option – including engine – where people can set up programs without paying up front. Since the platform would be about collaboration, and since people would do much of their collaboration on Seth's platform it will be natural for them to use Seth's affiliate engine which would have more attractive pricing anyway.

Let's how what the business model for this platform would look like:



think Seth's conclusion – who also has learned a lot from the Triiibes.com community – will be in similar vein. When I watch at our economies I can only say one thing. World, we have more work to do. Seth's !MBA program is a terrific and inspiring initiative and I'm glad I can do my part in writing this book.

Now lets move on and dive in the design of the strategy of constant change.

So much for how Seth will make money from his !MBA program. Let's find an answer to the last question: what does Seth want to teach us? I think Seth wants to do his part in destroying the old models of our economies, and in doing so Seth wants to teach us how the new models work. I hope this will come close to the strategy of constant change and I think it will. I've been following Seth for many years and been inspired by this work. I've been especially inspired by his latest book Tribes and the Triiibes.com community. I've experienced the dynamics of that community and my logical conclusion is the strategy of constant change. I

Goals of the strategy

Before looking at the actual strategy of constant change, let's consider the goals your organization will try to achieve. Only by understanding these goals will you be able to determine if the strategy is working for you or not. More importantly, it gives you and your colleagues an idea of what will change in your organization, which frankly is a whole lot. The strategy of constant change may be too intrusive for some organizations, and be destined to fail because of unsurmountable obstacles in others. The strategy of constant change puts leaders to the test because the change it requires is hard to achieve. Remember that the strategy of constant change offers a way for organizations to deal with constant change. It doesn't make constant change go away. Hence, unless your organization uses an alternative strategy – which will be equally hard to implement – it won't be able to deal with constant change.

Our organizations are rooted in the old models: they have been created with the old models in mind. The relationships in your organization can only survive as long as the old models are maintained. When it is recognized the old models have become irrelevant – however that understanding comes about – those relationships will change. Overcoming this change will always be challenging, regardless of the insights and tools I'm providing in this book. The way to overcome this change though – any change – is clear: building new relationships and letting existing ones evolve. In the face of uncertainty people are afraid and you'll see

a lot of that.

I've written this book to give leaders a body of knowledge in which they can find inspiration and guidance but also to create a reference framework leaders can rely on when convincing others. With the understanding that existing and new relationships are the focus of the change you're about to let loose in your organization let's look at the goals of the strategy of constant change.

The goals are grouped in five sections, related to leadership, relationships, the movement, organizational structure and customers.

Leadership

1. *Certain values – chosen by the group of people that constitutes your organization – are intrinsically linked to the leaders by the majority of people in the movement.*

Intention: certain values are consistently linked with the leaders and the movement.

While different people may be attracted by different values represented by the movement the vast majority of them must believe the leaders of the movement represent those values.

2. *Certain stories will be intrinsically linked to the leaders by the majority of people in the movement.*

Intention: certain stories are consistently linked with

the leaders and the movement.

These stories are: the story of self of the leaders, the story of us (which the leaders helped shape) and the story of now. This goal shows hints that replacing the leader of a movement is far from obvious and requires careful deliberation and planning.

3. The vast majority of people in the movement believe management practices never get in the way of leadership based on their knowledge of and experience with the operations of the organization.

Intention: never let management become more important than leadership

Relationships

4. The vast majority of people in the movement believe the relationships they have thanks to continued existence of the movement makes their experience and interactions with the organization feel authentic.

Intention: relationships are real and honest.

Movement

5. People in the organization are valued members of the movement according to their peers and the organization's customers and continuously make contributions that are known and recognized.

Intention: efforts made by people in the organization for the benefit of the movement inspire others.

Another way to put this goal is to say: employees feel their regular contributions in the movement are known and recognized by their peers and the organization's customers.

6. Certain customers of the organization are valued member of the movement according to people in the organization and according to their peers and regularly make contributions that are known and recognized.

Intention: consistent efforts made by certain customers for the benefit of the movements inspire others.

Another way to put this goal is to say: customers that make most contributions to the movement feel they're being recognized for their efforts at any time by their peers and people in the organization.

7. Customers that occasionally contribute are recognized for this.

Intention: encourage occasional contributions (long tail).

Occasional contributors will be responsible for more or less half of all contributions.

8. The complete history of contributions for any member in the movement can be consulted at will and with immediate results by any member in the movement.

Intention: people's reputations must for speak for themselves.

Organizational structure

9. People in the organization are not being paid a salary for being present but a financial reward for their contribution.

Intention: the organization only employs people that make a difference.

People that really can't let go of the old models, people that are causing too many difficulties, people who don't seem to get it, people that are careless in their relationships are to let go, at least after many attempts to convince them have been made by everybody else.

10. The old system of accountability has been replaced by a tracking system of contributions and achievement.

Intention: encourage contributions and achievements, not adherence not dogmas.

In order to break the old and very persistent system of accountability is has to be replaced by a new system, one that records contributions and achievements.

Note: I'm not a neo-liberalist: I believe people are more important than anything else including ideology.

11. *The organization has moved away from its old hierarchy and has become a group of equal people with strong relationships where everybody knows his or her roles and responsibilities.*

Intention: encourage leadership, encourage sense of purpose.

People should know how they can make meaningful contributions to the organization and the movement.

12. *Whenever people feel the interests of the movement and the organization are in conflicts the movement always gets priority.*

Intention: make the movement more important than the organization.

Clashes will happen. The organization is there to serve the movement, not the other way around. The movement generates extra sales for the organization, but for that to happen the movement has to be real and sustained. For the organization to benefit from its movement the first has to serve the latter, always.

13. *Money is spent meaningfully and with reluctance.*

Intention: avoid having a big footprint, be frugal.

Frugality is a winning strategy and not only when

there's a recession. When a supplier or partner wants to do business with you they'd first better create meaningful relationships with you, as you're doing with your customers. Do your suppliers and partners want to make you part of their movements? What about their competitors?

Customers

14. *Customers are asked to become and encouraged to become creators.*

Intention: let customers create value for each other, the movement, and the organization.

15. *The interactions customers are offered to have are intentional, carefully designed and constantly evaluated.*

Intention: focus on interactions that build relationships, let them evolve.

In conclusion some additional remarks on these goals:

- Notice how the intention of each goal is about people.
- The overall intention is to create meaning for everybody: people in the organization, customers, customers part of the movement.
- This is not an exclusive list of goals. Other goals can be added, on condition that: they don't conflicts with existing goals and the three

human universals. You don't want to remove any of these goals.

- Goals are only useful if they're being measured, regularly.
- One movement belongs to one organization. An organization may have more than one movement but I'm not sure if that makes any sense (but you can prove me wrong).
- The line between customer and people in the organization becomes nearly impossible to draw. That's the purpose.

Now that you know what you will try to achieve let's dive into the detail of the strategy of constant change.

The choice (and opportunity) you have

“Marketing a product or an idea without a group of people who really desperately care about what you have to say is virtually impossible.” – Seth Godin

Do you need a strategy of constant change for your organization or your business? That's a question only you and the people in your organization can answer.

To help you out I've compiled a list of things you have now, and their opposites which accidentally are the things you wish for. If you don't wish you had any of the things in the right column you probably don't care about constant change.

What you have or do today

- Many channels you don't control to inform your customers.
- Force customers to deal with your organization as it is.
- Find customer for your products or services.
- Sell average stuff.
- A boss who demand success before commitment.
- Not giving up what you've established and the old models that go with it.
- Boring, annoying and undesirable ways of doing business.
- Keep the organization as it is.
- Customers that have to talk with your organization.
- Selling something that is abundant.
- Spreading slogans and brochures.
- Average customers.
- Trying to convince the gatekeepers.
- Dread people that talk about you.
- Marketing department.
- Requiring customers to pay attention to your ads in exchange for nothing.
- Selling solutions for a problem people don't think they have.
- Stay in the center.
- Uninteresting organization.
- No love for what you sell.
- Customers that have to talk to the sales department.
- Salespeople.
- Fighting with your competitors over every deal.

What you wish you had or did today

- One channel to have conversations with your customers that you do own.
- Organize the entire organization around customer interactions.
- Find products or services for your customers.
- Sell remarkable stuff.
- An organization that commits itself before success.
- Giving up the old and working on new ways of doing business.
- Remarkable ways of doing business.
- Change the organization, constantly.
- Customers that talk with people.
- Offering something that is scarce, requires a choice, emotions.
- Spreading stories about your products and the people that use them.
- Special customers (that have chosen you).
- Lead (and make the gatekeepers obsolete).
- Let customers have conversations and get out of the way.
- No marketing department.
- Inviting people in your movement in exchange for an amazing experience.
- Talking to people that desperately want to hear from you.
- Be on the edge.
- Organization that inspires other people and spreads a story of itself.
- Love for what you sell.
- Organization that entirely designed around direct relationships with customers.
- Everybody in the organization is a salesperson.
- Driving your competitors crazy.

I could talk at length on any of these items in the list but instead I just want to talk about the last one because I think it's the most important one for existing organizations. Your competitors and your organization are in the same industry and the same business. That's why they're your competitors. Right now this may be a cause of pain and sorrow.

Here's the thing to open your eyes to: changing is at least as hard for them as it is for you. The idea of changing scares them at least as much as it scares you and your colleagues. You can take the fact that you're in an industry and business with many competitors and turn it in an advantage by changing. And while they may change too, you're planning to change to deal with constant change while they're likely going to go through a one-off change. You have a real opportunity to change the entire industry and catch everybody by surprise, including the customers in the segment. And the best thing: once you've completed the change and the effect it causes shakes the market you'll have a great story to tell of what you've been through, together. People will be hanging on your every word. Of course there's risk involved. But that's what you're in business for: taking risk. The fact you happen to be an employee doesn't somehow insulate you from taking risks. And your customers – even those that are now buying from your competitors – want you to take that risk because they're tired of the old models – and the left hand column above – as well.

You don't like the left column you're now in, and

you envy the people in the right column. However, the left column seems safe (although less safe than it used to be) and the right column seems dangerous. Our societies are slowly shifting their weight from rational worlds controlled by gatekeepers (left column) to irrational worlds without gatekeepers (right column). As I'm writing this the last gatekeepers – the mass media – is struggling to survive. Some are re-inventing themselves to end up in the right column, and they'll probably survive. Yet it is their survival that exactly proves the point.

What you and your colleagues are confronted with is a choice which is emotional. To make sense of it you need to ask yourself the question: why change? And why this change? Choices – especially this kind – tend to make people afraid and gives them a tendency to redraw. This is natural and this is important. Behind that fear is a leader in hiding. What you'll have to do is start crawling out of the deep hole you're in, together with your colleagues, and again give meaning to what you do.

Committing to a new idea

“Products and services that are targeted at you but don't include you are probably not worth your time or money.” – unknown

Out of the questions “why change?” and “why adapt to a strategy of constant change?” has to come an answer that is a new idea. Notice that the question is not one of these:

- How to attract more customers?
- How to increase our revenue?
- What do our customers want?
- Why aren't our customers buying more from us?
- How can we increase our profits?
- How can we reduce our costs?

Those are not the important questions. For too long it has been believed that organizations survive if they can make this quarter, or this fiscal year. But this belief has silently been abandoned. Today organizations have to prove to their stake holders that they can attract customers, and business. Now and in the future. Since change is constant acting like it's not will not get your organization votes of confidence. What your organization needs at this point is not a strategy, or a plan, or a new management team. What people in the organization need to know is: what is next, and why?

You can explain them why: you know why, you're in the left-hand column. What you have to figure out is what's next: what will your organization look like? Notice that there's a duality underlying the concept of your organization. As the organization changes it will become a different organization, that

works in new ways. But it will still be your organization. The way we identify with organizations says nothing about what they are like. So whatever your idea is, it's an idea that will form a new organization, and undo the current one. The legal entity will probably continue to exist, and the stake holders will largely remain the same. What's most relevant is that your organization will become a new organization. And that new organization needs a new idea.

What's that idea? Look back at the right hand column in the table in the previous section, and especially pay attention to the activities in that list: lead, be on the edge, love what you sell, drive your competitors crazy, selling remarkable stuff (stuff that is worth making a remark about), new ways of doing business, customer that talk with people, offering something that is scarce, All these activities describe something in the context of you, your organization, your business, and your industry.

Is it the best customer satisfaction? Is it offering new partnership opportunities? Is it removing the middle man? Is it getting rid of gatekeepers? Is it connecting customers and/or industry experts with each other? The idea you're looking for is there, and it's much more obvious than you might think. This is a good time to get some inspiration. Send this book to some customers, and ask them about their opinions. Talk to some people that know you well, and know what you do. Look in entirely different industries, and

find out what's being going on there. Explore ... which you have to do actively in order to discover. Once you discover your idea you have a great story. You can tell how you got it, where you were, who was with you when it happened. You can talk about where you've been, what you've looked at and who you've talked to while you were exploring. Such a great story.

In order to go on you have to commit to that idea: no matter what happens next, this idea has to prevail. Here's a good exercise to help you commit to your new idea: take a piece of paper and a pen, and write down every possible objection you can think about that your colleagues might express or think. Think it through, let it sink in for a few days until you're sure you've got every possible objection. Don't scrutinize them, just write them down, it doesn't matter if you have doubles or triples. After you're sure you've got every possible objection written down, take your papers and tear them to little pieces and throw them! This is not about their objections, this is about your new idea and the new relationships you can build with your colleagues based on that idea, and they can build with others. If you and your colleagues don't love what you do and believe in what you do, how can you assume anybody else does?

The first thing to consider is the **social object** you will create: why would people want to connect with each other? That reason has to be the same for your colleagues as it is for your customers. The social object for Apple is the design of their products and the

ease of use of their software. The social object for BMW is the design of their cars, their performance and the driving experience. The social object for old cars is the love it requires for restoring old cars, the beauty of perfectly looking and working old cars and the community events. The social object for the web is the consultation and creation of content at will. The social object of peer-to-peer networks is the file.

So, the question you are facing is: what would customers want to create for each other, and for you? It shouldn't be too hard to figure that one out, unless your customers believe you're offering them nothing they care about. Remember though that with the effort you're asking from them they might just as well post their videos directly to YouTube or write blog posts and completely bypass you. So unless they're already doing this, why would they do so when you ask them, unless you're offering them something they can't find anywhere else?

The second thing to consider is which actions people will perform. In other words: what are your **verbs**? Jyri Engeström says Ebay's verbs are buy and sell. Flickr's verb is upload picture. Linked In's verb is invite. Twitter's verb is tweet. Google's verb is search. YouTube's verb is literally broadcast yourself. Gmail's verb is find. Google Analytics' verb is know. Wikipedia's verb is improve. Whatever your verbs are, they are activities your customers cannot engage in anywhere else with the same feeling of achievement, learning, immersing and belonging. To appreciate the

meaning of this activity people have to be attracted, and they have to be somewhat of an insider to what you're doing. They get it. But for them to get it there has to be something authentic there.

The third thing to consider how your customers can **share** objects. Blogs have invented the permalink. Peer-to-peer network are all about sharing. Widgets let people share content by embedding them in their sites. YouTube videos can be embedded. Linked In doesn't really have a sharing option but it lets you search through your network. Twitter has the publicly accessible updates of all its members. Sharing is an essential aspect of creating and creativity. It also defines social objects: that what cannot be shared is not a social object.

The fourth thing to consider is how to attract people to your community or movement. Jyri Engeström says: **“let the invitation be a gift.”** The quintessence of social networks is that social value is only relevant in a particular community. You don't become a member of Dogster because you have a dog. You become a member because you want to share your excitement for dogs and love for your dog with other people like you. You're don't become a member of Linked In because you're a professional. You become a member because you want to profile yourself and be noticed by the people in your industry when they are looking to hire. You post personal videos on YouTube because you're amazed by the sense of community and you want to become part of it. A valuable gift is then

discovering something you care about but didn't know was there. This is the marketers dream: that 'consumers' are inexplicably attracted to their ads and just have to buy. And that's how it used to work: people used to discover novelties through ads. But those days are over because the idea of a valuable gift has changed. How could you invite your customers and potential customers and at the same time let that invitation be a valuable gift?

The fifth and last thing to consider is probably the most controversial. Jyri Engeström says: “**charge the publishers**, not the spectators.” Nintendo only invites customers who have actually both certain of their products to their online community. Flickr lets their die-hard members pay to upload massive amounts of pictures. Linked In lets recruiters pay who want to contact people they don't actually know. This relates back to the social value that recognized by the community. People on Linked In know it's a good thing to be contacted by recruiters. On Flickr paying for the pro package is a badge of honor that only prolific photographers choose to wear. Nintendo customers know the community is online useful for people that actually own a Nintendo console and games. The odd one out is Facebook where users find ads based on their personal information intrusive.

But the point is of course that you're not trying to build a social network platform like YouTube or Flickr or Linked In. Your organization is like Nintendo: it wants to connect with its customers to

understand what they value, and in which kind of package they would like to receive it. Only, do you have a fan base like Nintendo does? You probably don't. Your organization isn't cool and sweet and Japanese and doesn't know how to get teenagers very excited (<http://twurl.nl/3cnujk>).

Your organization wants to give something back to people that care. They have to care, that's the whole point of finding your idea. Look at the right-hand column in the previous section. It's about being human: caring, liking, learning, exploring, finding, viewing, talking, listening, growing, being recognized. The social value you have to offer is recognized by your target audience. They care about the social objects you let them create. And they'll invite others. And the more people that rave about your new style the more valuable your social value will become.

These five points together create your social object profile:

- Social Object: _____
- Verbs : _____
- Shareable objects: _____
- Invitation as a gift: _____
- Charge publishers: _____

Leading

“Leaders achieve very unlikely things and share the benefits.” – unknown

Leading is an act of love. The act requires courage, perseverance and faith and by persisting in what you want to achieve you meet your own limits. Being a leader is a choice and the act of leading is very emotional. It exhausts you because when you start you're always giving much more than you get. If you're lucky you'll soon find fellow travelers who need to follow you because what you do touches them. But some leaders are doomed to continue by themselves, relentlessly working and fighting the opposition and well-meant discouraging words from people they care about. In a sense they don't become leaders until finally they are discovered and recognized for who they really are by at least one other person. Yet the emotional toll required to get to that moment is just as heavy.

Leaders have to self-regulate and guide followers who can't, yet. Limited budgets, limited time, too few tools require leaders to understand some of their choices will be irreversible. So while they're struggling ahead they also have to stand still and think what they're about do an why. Leaders have to understand that sometimes there is no time to sleep over big decisions. Instead they have to go by their gut feeling and whatever common sense and good advice they have or can get and decide fully aware how risky it is.

To lead is not safe. It's not the 'rational' thing to do. Leaders are heretics who defy not just common sense but the social environment of which they're unavoidably a part. Fail and the fact of having had the

courage to lead may haunt you for a long time. Some people hate heretics because they hate being afraid and so they hate people that upset things. We're all afraid of change, yet a leader decides to face the bureaucrats of his world knowing they'll resist his or her every step.

But a leader is not just any heretic: he's not crazy. Leaders build relationships with people that have to follow them not because they're obligated because they can't withstand the attraction. Leaders activate people, make them move. Leaders understand that urgency, hope, anger, solidarity, and belief in ourselves are the emotions they have to work with. Leaders are constantly fighting against inertia, despair, fear, isolation and self-doubt. Leaders understand that it's networks of people that change the world, not individuals. Leaders are constantly learning: they understand that to make it possible for others to change they have to change themselves first. That's why what they do is called leading: they change first and in doing so lead the way for others to change too. Leaders understand that changing is very personal for everybody, and that it becomes much easier when changing becomes a social activity.

You need people in your organization that are leading and willing to continue to lead. But you have to help them, that is to say they need to be given a hand. The idea behind the strategy of constant change is that any organization has people that can form a leadership team – the core team – that will grow to become a community and then a movement. In many cases core

teams have formed spontaneously but in many others cases they haven't. When leadership teams aren't forming around a new idea it's because people don't know how to get started, or what's the sensible thing to do.

Here's how to proceed: after having read through this book send out a mail to everybody (I know that's not allowed, but the point is to undo unreasonable limitations) with as subject "Waiting for Zarathustra". In the body you just write a place that's not on the premises of your organization but that your colleagues can easily reach and where you can talk comfortably, and a time in the near future that you think will be convenient enough for people to make arrangements. Don't send this mail anonymously, to become a leader in your organization you'll have to do things that scare you. Obviously, if you want people to show up you'll need to make sure they first read this book, and that there's a new idea circulation regarding your organization that's clear and that you believe in.

An alternative to this approach is to announce the new idea and immediately announce a training program will be started to train a new leadership team. This team will consist of volunteers selected by democratic vote by the people in your organization, and will follow a training program after which they'll function as a leadership team. These volunteers need to have a compelling story as to why they're participating, their story of self. People are asked to vote on these candidates and their stories.

Recognizing the daunting task leaders will face is recognizing the mechanism behind change, and behind strategies of constant change.

Relationships, gatekeepers, and Apple

The whole point of this book is to create something bigger than the organization itself: a movement of which people have to be part, where people simply can't resist from diving in and immersing in community, interactions, stories, relationships, discussions, projects, brain storming, helping others, learning, teaching, exploring, discovering. For the people inside it's about them, them, them (me, me, me) yet they know that they get this sensation, this excitement because of the community and the other people.

Bigger than the organization, difference between committed fans and people in the organization blurs until there's just a movement. I mean, who's going to prevent dedicated fans from stepping into the organization's building and participating in product brain storming sessions or customer support activities? When people care enough about what you do, are you going to keep them out, or are you going to look for ways to integrate them? This is a very serious question, and if you have doubts or can't see it happen, then stop and think about why. Why wouldn't it work? What in your processes, habits, operations prevents this from happening? And what other things are prevented?

Blurring the line between 'insiders' and 'outsiders' is not a dogma: one day you'll wake up to the idea and it will make sense. In movements there are only insiders. Everybody outside of the movement is an outsider. But there are no insider insiders.

Whether you're being paid for your activities in the movement or you're there for the kicks of it doesn't matter. The first is no more insider than the latter. But what about accounting, legal, our warehouse, the engineering department, our trade secrets you might ask. Well, what about them? Are you going to open up your organization to your customers, or are you going to be the next Apple?

Apple may seem to be an irreducible company that has bound its customers to themselves. But the truth is different. What makes Apple special is that from its inception its customers have connected to each other, Apple played no part in this. Over time an enormous eco system has grown without much help from Apple that creates value by itself. If Apple would one day disappear some of its fans would probably continue to produce Apple-like products. But Apple itself is completely sealed off. They've worked on the iPhone for five years and nobody knew about it. Sure, they've had enormous successes but they cannot be reproduced by anybody else. Where you're going is not the Apple way, and it's not the secretive way either.

If your organization has business secrets that are very important for your future and can never be shared than you know what your organization is: a gatekeeper. Gatekeepers cannot deal with constant change, not in a hundred years. Don't hope you or this book is going to change much, unless those secrets are shared. Gatekeepers do not build relationships with their customers. Apple tries to be some kind of

gatekeeper, although there's really not much to protect. By acting like a gatekeeper they shut outsiders out of the company and forbid insiders to talk about anything. The Apple movement lives outside, in some kind of symbiosis with the company, but its existence is a freak accident.

Gatekeepers can also exist where a class of people considers itself different from everybody else: journalists, doctors, nurses, politicians, civil servants, The existence of their institutions is based on the existence of the class of professionals they belong to. Educators start to understand their class has to open itself up to the rest of the world, and especially to students. But others won't give up their perceived privileges, and they won't let us in.

Still with me? Good, so you don't work for a gatekeeper organization, or you're trying to improve the world. This is where you're going to have some fun. It requires paper, tape and a few markers. Pick a wall in your office, and with your tape cover that wall with empty pages, until an area of a few meters high and a few meters wide is covered. In the middle of this wall draw a vertical line. On the left hand side, in the middle write: "Reasons to keep outsiders out of our organization." On the right hand side, in the middle write: "Reasons to let outsiders take over our organization." And then start writing. Let your ideas flow. Try not to insult anybody, but be honest at the same time. Then leave the markers laying on a chair in front of the wall (or something), walk away and see

what happens.

At this point there should be an idea for a new organization out in the wild, and there should be a leadership team that is making good progress and/or has been trained in the work that awaits them. You're about to engage with your customers and build relationships with them. They're going to ask you all kinds of questions, have all kinds of complaints and have all kinds of opinions and suggestions. They'll suggest workarounds, improvements, quick wins, projects. They'll suggest you to communicate, record, spread, reveal, embrace, join, support, deliver, teach, learn, submit, review, repeat, upload, download thousands if not more things and idea. You and your organization won't be able to do all that. In fact, if you don't come up with a radical solution you'll get buried in the conversations and things will spin out of control. The point of the strategy of constant change is to keep things in control. The only solution to this problem is saying to your customers:

"You have to take control and work together with people in the community who are like minded. People in our organization will be involved but they'll quickly be outnumbered by you, our customers. You have to say to them: we're opening up because what we've been doing all of this time is really about you. Organize yourselves. We'll support you as much as we can, and we'll join as many conversations as we can. But you have to take this and run with it. When our processes and ways of working are involved we'll

pay special attention because that's where we can make the biggest difference. Your job is to find your place, tell your story and then connect with others and tell the story of us. Once you've done that we'll stick our heads together and see what we want to do next. We do this so that you can take things in your own hands and spread our story. We'll listen to you closely because we know we'll have to team up with you and work with you if we want to benefit from this."

What you're saying to your customers, is:

"We want you to be our marketing team from now on."

That's why you involve your customers. That's why you build relationships, that why you give them power. So that you can focus on what you do best: innovate, produce, research, deliver. They'll give you the feedback you need and help you move on. Why? Because your customers care about what you do and want to become part of your movement which is actually also their movement.

Sounds too scary? Probably. Do you think your customers are not interested in doing this? You're either wrong and you don't know your customers very well, or you're right and you have a problem.

Building your community

A community is a group of people that know each other and share the same values. It's not a group of people working in the same building, or for the same organization. Your customers for example have at least have one value they share among each other: they want to be treated in a nice, special and inspiring way by you. But they don't know each other, and if they haven't organized themselves online already they won't get to know each other either, unless somebody does something.

A community is automatically built when people can connect to each other and build relationships. The relationships are the prove they have things in common: interests and resources that they want to put to good use for the benefit of those interests. For your community to be successful your community has grow from within the organization. Too many organizations rush to the free social networks due to some marketing people chatting all day with some of their customers. There may be extra revenue made this way, but making more revenue is not the point.

The point is for the organization to be able to deal with constant change, and that won't happen because of a few people in the marketing department, unless these people are leaders. In fact, your organization won't re-invent itself if the relationships between people in the organization are not re-invented. The relationships between people in your organization defines your organization. You may not have looked at your organization in this way before,

but those relationships defines how your organizations work. People that have power over others by relying on a 'sensible' systems of accountability are likely to have the biggest influence on the relationships in the organization, and therefore decide on the course of the organization more than other people.

Community is the opposite of a system of accountability. In a community people share values they care about and everybody who also cares about those values can join. Their relationships are based on those values because that's their interest. These communities will have to replace your systems of accountability. If it's important for the management of your organization to respect budgets and make a profit they'll have to create a community with other people in the organization that share these values. If management can't find those people, or if people don't like or trust management enough to have friendly conversations and build personal relationships they'll still have a lot of work to do.

In short, anything that's important for people in your organization – and thus for your organization – has to become part of the community in your organization. Leaders have to facilitate this process and make sure that people are added in the community and are given the chance and time to build meaningful relationships. Add too many people too quickly and things might become incoherent because people may not find their way. Add too few people and the community will stagnate. The story leaders have to

spread is: we – colleagues – still have important values in common, and we can change the way we work together, hence our relationships, hence our organization.

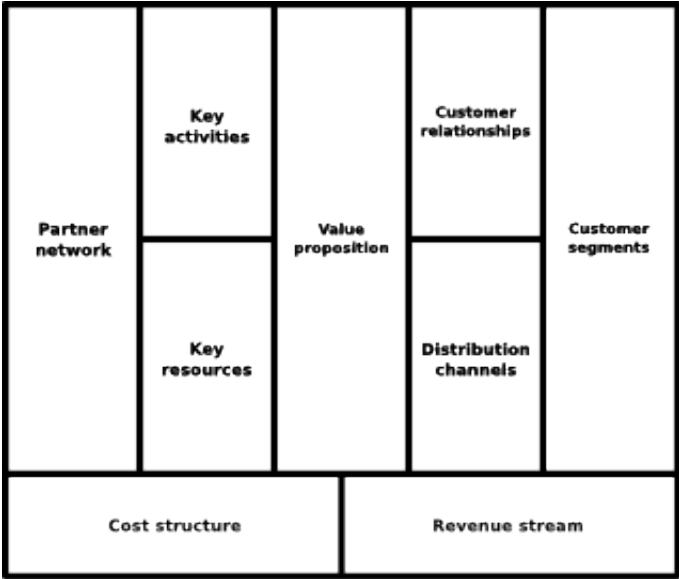
As people join the community they have to be given a chance to tell the story of self. The leaders have to make sure this happens: that people feel comfortable, that they can experience other people telling their story of self before it's their turn. The point is to make it socially not acceptable for people in the organization to not tell your story of self. Slowly, by letting one person at a time speak. The story of self is not something people will repeat all of the time. The moment, and environment, the other people present, how they talk and how they look, especially their face is at least as important as the story itself. Other people have to see the emotions at play at that moment. That's why these outings have to be recorded and shared, so that they can be revisited at will.

Through connecting with each other not as workers or employees or bureaucrats but as people and by building stronger relationships people will understand that what they're trying to do is more important than have power over other people or making money or turf wars. Some people may not feel like that, but then they may not share some of the values that are important to other people. It is very likely that some people don't fit in your organization, and it's important to let them discover this is a friendly and compassionate way. These kinds of explorations

and discoveries leads to a re-alignment in the organization and builds a community. Once the values are known, people have been able to tell their story of self, and people have gotten to know other people the story of us can be created. This is a very powerful moment for your organization because it's a very emotional one. Hearing your colleagues tell who they are, why they're part of the organization and what they hope for is one thing, but reaching the point where you declare your common interests in a new story of us is much more powerful.

Once everybody in your organization is involved you're ready for the next phase and that's creating the movement. However, some organizations are obviously very big and having these kind of community creating exercise may become harder because of it. It will be a exploration phase for everybody involved, especially the leaders, and it will probably involve trial and error. There are many examples of people in organizations like Microsoft or the Pentagon that have achieved the creation of communities and even movements, just by reaching out. Don't believe it can't be done in your organization. Sure, you'll have to be an exceptional leader but that's why leading is an act of love. It all depends on your believe in the people in your organization, and on nothing else.

Crafting your new business model



Your customers have no interests in joining up with your organization if it's not viable. Your organization has no interest in changing into an unprofitable business either. And many people will want to know exactly how this new organization will make money. What you need is a new and innovative business model. New because the existing one is probably based on old models that don't work very well anymore. Innovative because you want to offer something unique that customers simply can't get anywhere else.

I was pleasantly surprised when I discovered the work of Alex Osterwalder, a Swiss consultant in business model design and innovation. Core to Alex's work is his business model design canvas which you've already seen earlier in this book. The canvas has nine areas that have to be filled in by you, starting with the value proposition.

The idea is that you print the empty canvas out as big as you can and hang it on the wall. Then you get together with your colleagues or anybody really, write items on post-its and add them to the nine areas until your business model is complete and makes sense. You won't get it right from the first time, the point of the exercise is to actively explore and along the way discover your new business model. It's a game, it's fun, you get to discover and share your own insights, business sense and market understanding and get to discover that of the others you work with.

Below I'll go over the nine sections of the canvas and explain what has to go where. Using this canvas is

pretty intuitive. The objective is to see the new organization function before your eye and add concerns and opportunities as you discover them. While I'm impressed with Alex's work and I think the canvas is a very valuable and easy to use tool I've made some annotations to the different sections. I don't know at this point how to improve the canvas but I do know where I think more work is required. This does not undo any of the value the canvas offers as it is.

The value proposition

This is the concern you're addressing: the product or service you're offering. I think the entire business model is the value proposition, not just one of its sections. For example, godaddy.com offers a commodity: domain name registration and hosting services. Yet it adds so many extra features and decent customer support that they offer more value than just the things that would go in the 'value proposition' section.

Don't ask yourself the question: why would a customer choose us over a competitor? First of all, it's an emotional question that only your customers can answer. Secondly, customers will not choose you because of what you put in this section over competitors unless you offer something really extraordinary or unique. They'll take many of the other sections of your business model into account as well.

Customer relationships

This is a pretty complicated section, and much of

what's covered in this book goes here. I would prefer to call this section 'emotional' instead. Relationships are one part of the equation, but so are stories and values, and so is your movement.

Distribution channels

Distribution means different things to different people. It can be shelves in a warehouse, your presence on social networks, your website where customers can download your software, your software by itself, YouTube, Twitter or anything else that can make the interactions customers have with you and you with customers special. It all depends on what makes sense to customers, and the Obama campaign provides a good example of this. They offered local meetings at different times and different days of the week for its volunteers to join them. This way there's something for everybody and people can make accommodations. I think clearly presenting the options is the most important thing. Helping customers choose a channel that meets their preferences can be a pretty interesting exchange by itself and the start of a relationship.

Customer segments

Now this is where you make the difference. In a 'normal' organization people would think what their customer want, need, desire, aspire to, ... and in doing so create a basis of the rift between insiders and outsiders. Your customers decide who your customer are by choosing you. Sure, you can build relationships

with certain of your customers because of who they are or who they know, or how they like you. But your ability to create first generation relationships (between you and certain customers) is pretty limited. If you're and adept of theory of constraint, now there's a constraint.

In the end your customers are in control. You can fill anything in this area you want, no matter how insane. But remember that you'll never be able to pinpoint anything specific with any meaningful degree of certainty. I prefer to leave this section black except for a note saying: "to be determined by our customers." If you're completely lost at this point, now might be a good time to read chapter four of Kevin Kelly's wonderful book "The New Rules of the New Economy" (available online for free).

Key activities

What key activities need to be performed in your business model? You have so many options to create amazing interactions here. In a 'normal' organization any key activities are performed by insiders or contractors for money. Customers are not involved, unless in case of self-provisioning systems. Sometimes customers can make suggestions like in case of Dell's Ideastorm website. Still, the organization keeps tight control over almost everything. The community outreach is nothing more than a marketing tactic. Organizations – when deploying these tactics – give an unmistakable message to its customers: we've now

decided you can also do this. No control for customers, and the attention they pay and value they create is only marginally utilized because customers get very little chance to collaborate with each other and even less with people in the organization.

Key resources

What are the key resources in your business model? Do not include values and opportunities created by emotional responses like brands or relationships, they don't belong here. Including them here will reduce people's choices and decisions that support your organization to something that doesn't reflect respect for them. Also, don't reduce your employees to anything less than human.

Partner network

"What can partners do better or cheaper than you can?" Now that's a very interesting question, and your answers will be as limited or as wide-ranging as your understanding of the word partner. Does partner mean other organizations that can be trusted and – most importantly – reprimanded when you need to cover you *ss? Collaboration is an entirely different process from institutions. Collaboration brings the problem to people. Institutions bring people to the problem. They are completely different situations with their own advantages and disadvantages. Many people hold on to the institutions they're part of because their standing and position is only recognized within that institution. When the institution goes so does all they have done:

their past. Now that's scary stuff.

Cost structure

What's the cost structure of your business model, and does it make sense to your entrepreneurial mind? Again, reading chapter four of Kevin Kelly's wonderful book “The New Rules of the New Economy” (available online for free) at this point if you haven't done so already is a good idea.

Revenue streams

What are your customers will to pay? Good question. The most important answer to this question has to come from your customers.

Crafting your business model is an extremely important part of defining your new organization. It's an exploration process so for the people that participate in it it's a learning and discovery process. It forces you to bring resources, costs, options, ideas and visions together and craft something sensible. It gives other people a much better chance to make sense of what you're up to and what their role can be. And it gives everybody a chance to read this book carefully and explore the options they think they have, and also those they think they don't have.

When you've got the final version of your business model, whatever you do, don't do one thing: hide it. Instead expose it for the world to see. If your business model is successful and too easy to copy then that's going to happen anyways. It's much more

interesting to come up with a business model where you can make a difference, and that is challenging to copy. Innovative business models make markets, and the only thing your copy cats can do is acknowledge your success and take from your market. As long as you continue to innovate you'll be fine, and customers will be drawn to your success, making you more successful, if you allow them.

Building your platform (and working with partners)

The people in your organization can create and build a community based on existing communication channels, based on the fact people are working in the same building and based on the fact that people already know each other. When building a movement that includes customers none of that is probably available. It may seem logical to tap into power of free and popular social networks like Facebook, Linked In and Twitter but I see things differently. I advise you to build your own platform. The easiest way of doing that is by creating your own social network on Ning or similar platforms but I also advise against that. While this is probably the best option for small businesses that don't have a lot of money to invest it doesn't make sense for bigger organizations. Experience shows these platforms are too cumbersome to use for everybody involved and they're not being extended or improved all that much.

An organization that's re-inventing itself based on a strategy of constant change needs better and can get better. The most sensible thing to do is to work with companies specialized in building social network platforms that know exactly what constant change means for your organization, and that understands what you're trying to do is building a movement. In fact, if such a company hasn't built its own movement and thus didn't go through a similar process before you go through it, it probably doesn't make much sense for your organization to work with them.

When you find a qualified partner they'll

understand they won't be able to overcharge you. Frugal is your new mantra. They'll know they'll have to understand your idea first, get to know your leaders, understand your community and your story of us. Then they'll have to understand the kind of movement you're trying to build, understand what's unique about it and why it's so important for you. What you're looking for is not a software builder but a movement builder.

To select such a partner I've compiled a list of criteria you can use to qualify the companies you talk with. In fact, you can use this list for any company you want to partner with, because each partnership will have an impact on your movement.

1. *The partner company needs to have a movement in its own right based on the three human universals, and has to be serious about dragging you into it.*

A company that didn't create a movement doesn't understand what you're trying to do. They are probably capable engineers, but they're not what you're looking for.

2. *You know their story of us and now, and the people in your community can identify with them.*

What's the point of working with people that obviously have values that are not important to you or that you can't identify with?

3. *Their leaders know you and your community and*

you can connect with them.

By making sure their leaders know you and your community you have a better chance of being quickly integrated in their movement and get what you need to get done. Their leaders are relationship power houses just like your leaders.

4. You've seen the recording of the story of self of every person you meet, either online or offline.

It's important to get to know people as quickly as you can and seeing a story you can connect with, and that makes sense in the movement the partner has built is a powerful statement.

5. The people of the partner understand your stories, your business model and the movement you're trying to build, and are doing everything they can to help you out.

Before you buy anything from them it's important to see them in action, and to get a feeling of what they're capable of in the context of what you're doing.

6. The people of the partner understand what your preferences are, can demonstrate how they will deliver on them and won't charge crazy amounts of money for common stuff.

What they deliver to your community is highly configurable, flexible and demonstrates it can deal

with change (which you will encounter all of the time).

7. Their movement is designed to help support your future movement.

If they want to partner with you to help build your movement their movement has to be as supportive as possible. This obviously means that when you become part of their movement you'll be expected to return the favor in the future. Hence, there has to be a symbiosis between your movement and their movement, and belonging to their movement shouldn't become a drag.

8. The partner will not engage with your community if you're trying to keep secrets.

Nobody is served by more gatekeepers in this world. The partners understand that helping new gatekeepers is more likely to impede future change than it is to allow it.

By sticking to these eight criteria you'll be sure your future capability to deal with constant change will be safeguarded.

The platform you're trying to build is going to support your movement, and people in that movement need a good mix between flexibility and structure. People in your movement have to be able to create new interactions that didn't exist before without breaking existing stuff. There's still more work to do in this area. Ning for example doesn't comply with any of the above

eight criteria. Microsoft Oslo seems like an interesting platform to build other platforms on but it won't become available anytime soon. And when it becomes available, will it come with a movement? A lot of work remains to be done in how movements partner with other movements.

Building your movement

Once you have a platform where people can collaborate only one thing is missing: they have to want to collaborate. For that to happen they have to actively explore and discover things and people and value they didn't know were there. Don't underestimate the exploration step: people have to discover for themselves in order to learn. We can't learn anything unless we're on an active exploration. And when we don't learn we don't discover. And when we don't discover there is no value, only isolation. Giving people – your customers – something to discover is the most valuable thing you can offer them. They'll figure things out together afterwards.

I see a movement as:

A group of people that know each other and each other's stories, and that create economic value by intentionally interacting with each other in a collective exploratory learning process.

Movements create economic value through interactions between people who care about similar things. To create that intentionality there has to be a story of now. For there to be a story of now there has to be something to discover. And to discover people have to explore, meaning they have to be willing to actively learn. Everything that came before in this book has been designed to let you learn this simple lesson. However, nobody will understand this lesson without going through the process you've led yourself through. Nobody will discover without wanting to

learn.

In order to understand the consequences of movements in our society we need to look at history for a moment. The period between 1848 until 1989 is the age of modern political ideologies. These ideologies (liberalism, communism, socialism, nationalism, fascism, ...) were all concerned with the distribution of resources across people in society. Some ideologies and movements that sprung out of them were for equality between people, others tolerated inequality between people because they believed it creates economic growth. The age of political ideologies is roughly aligned with the age of mass communication and gatekeepers. Gatekeepers keep people out, and do this in part through the law and government, but mostly by hiding information. Gatekeepers make sure the inequalities in the world are maintained.

The age of political ideologies is based on the age of modern technology with which it is roughly aligned in time, and more specifically with a time where people created economic value by combining things and machines in such a way that more things and machines were created. Ultimately, the economic growth for 140 years has come from employing and deploying things. That time is over. In recent times – since the rise of neo-liberalism – value used to be created by a pervasive and invasive global financial system that is luckily now collapsing. But more importantly, value is now created based on a global platform of ideas that consists of processes, interactions and data based on

which people create meaning and ultimately value (and on top of which the global financial system is built).

However, our society is still geared towards the economic value of things. Slowly the notion is growing that a global network of people connected via ideas (value, stories and relationships) can also create value, seemingly out of thin air. This is a completely different world than the world of things. The world of things is fairly stable and change is ... manageable. In the world of ideas very little is stable and change is constant.

A movement in the world of ideas can then create value by helping people learn, or in other words by distributing personal growth. In order for people to grow gatekeepers have to go: they act like 'things' (stable, don't change) in the world of ideas that hinder the spreading of ideas and thus hinder personal growth. Undoing these gatekeepers in the world of ideas is what is to be understood under subversion of dominance. Personal growth is the new economy because personal growth is considered as valuable. It allows us to better understand ourselves, our ideas, others and our relationships. Values, stories and relationships are part of that personal growth. What appears to be economic value that is created out of thin air is actually meaning that is created in the minds of people, just as in the world of things. What's different is that in many cases no physical objects can be related to that economic value which of course can be very confusing.

Your movement's ultimate goal is to offer people personal growth. You know how to do that in your business and industry. If you can do that people will flock to you much faster than you'll be able to handle. To realize personal growth for all individuals in your movements you'll need all kind of interactions that each create some kind of learning experience (or take care of housekeeping chores). But you won't be able to create all these interactions because you won't be able to see through everybody's eyes. For this reason you need an able platform and you need to leave the creating of interactions to the people in your movement, just as YouTube leaves the creation of interactions to its users. Your organization is still an important movement, but drawing the line between which person belongs to the organization and which doesn't becomes increasingly hard and ultimately impossible. The only thing that's known is that there is an organization that is important for the movement.

Design: summary

Rebuilding an existing organization is extremely hard and challenging. What's important is not the outcome but the journey. The most important part of any transition is you. Nobody appreciates leadership more than other leaders, so even if you can't reach the outcomes your set for yourself and your organization will have scored points with other leaders. The world belongs to people taking risks. As long as corporations were in charge taking risks meant spending capital. Now, the rules have changed, and taking risk today means being a human being and leading.

People that like the status quo will do everything in their power – not to let you fail – but to let you give up. If you – the heretic – give up they – those holding on to the status quo – feel they won a victory. The truth is that if you give up nobody wins. When leaders stop leading everybody loses.

Leading – just like loving – is challenging. The people on endesha.com are there to listen to your stories, and to help you take that next step. It's easier to lead when you have a community of leaders standing behind you. Don't give up, and let us know how you're doing.

PART III: DO

I've left the do section for you to fill in. Your stories of self, us and now belong here. As soon as they roll in your stories will be included in the next version of this book.

Essay: Changing Existing Organizations

“Employees reduce their uncertainty about why to act and what to do by reducing the universe of information they deem relevant to their decision.” – Yochai Benkler

The building blocks of any organization is how we enter into relationships and sustain them. Yet our old models of structuring and running organizations are slowly failing for two reasons:

1. Organizations realize their employees of today can no longer be compared to or treated as those of 20, 30 or 50 years ago. People have simply become more powerful and actually too powerful. Because of this the old systems of accountability organizations employ are becoming less effective. Remember that those system are designed to force employees only to engage in certain kinds of relationships and behavior. Disobedience to the rules and values set by the system would somehow be punished. Employees oblige to this system in exchange for a salary. The salary is still there yet people no longer want to be coerced into these kinds of relationships. So organizations have softened up and try to find a hybrid where people are allowed to be creative yet still live their relationships at work according to basically unavoidable rules and values. But it's not working. Some companies are apparently successful at this put most organizations realize that even this hybrid solution doesn't allow them to grow anymore because people are simply too demanding and basically would no longer deserve employment under the original system of accountability. Hence the

system has lost its moral authority in many organizations and in the process lost control over its employees. People – especially knowledge workers – are much more inclined to collaborate with other people than to become a part of an institution. This is the paradox of the hybrid system: people receive a salary, but how to measure the value of their output for the organization?

2. Organizations are suffering from their exclusive nature: only people that work for them in exchange for a salary – employees and contractors – can create value. The rest of the world cannot become part of the organization. Organizations would love to tap into the wealth of creativity and value creation that is available online in the form of collaboration but they don't know how. Collaboration is inherently hectic: most people will contribute a few times to never be heard of again. Others will contribute more until there are some people that are responsible for a very large part of all contributions. This is the power law distribution at play in the long tail. Because organizations are under increasing pressure from competitors and have to comply with more and more regulatory obligations they want to get more value and even pay for it but don't know how to marry this with their system of accountability and form of relationships.

What's happening in both cases is that organizations are struggling with how to marry their old models with the new and ever changing dynamics of the Internet. The question that faces them – whether they realize it or not – is: will we adapt the Internet to the company and its products or will we adapt the company and its products to the Internet?

This is what Seth Godin calls the meatball sundae: selling meatballs on the Internet is probably a bad idea because people just don't care about having that kind of interactions. They prefer to buy their meatball as before – without added values – so that it remains a commodity. Meanwhile the companies that produce them and the governments that regulate them keep struggling.

While existing organizations are struggling more and more and incur ever increasing expenses from patching their old models for compatibility with the new world people are creating and sustaining their relationships in very exciting ways. We call it collaboration. In this model people show up when they care and collaborate with other people on the platforms that are made available. This is “build it and they will come” which only seems to work for meaningful platforms. YouTube is probably the best example of such a platform: people were apparently waiting for it.

The message is clear: adapt the Internet to the organization will never work. Hence we have to face reality and start thinking about our relationships

instead. Relationships with our colleagues, with our organizations, with our partners, with our customers, with our share holders. Obviously these kind of reflections create a whole lot of anxiety but it cannot be avoided. The old models have created too much value that has disappeared in thin air: house values, financial products and SUVs to name some. But why did this happen, without going into specifics? I believe that organizations were realizing they could no longer create enough new value – and thus growth – doing things the old – and honest – way. So instead of changing for the better they changed for the worse, but this apparently was the easy way. Organizations became dishonest and less transparent.

This can be traced back to the early 90's with China and other South-East Asian countries entering the global market as powerful and highly efficient producers. The old systems of the West saw their factories disappear but found other ways to create value: an Internet bubble (dot com bubble), massive accounting fraud, a housing bubble, deregulation and lack of transparency in the financial markets, and many other attempts to create value where there really was none. The biggest crime is that organizations cheated on people – some of us were too greedy but most of us were not – and in doing so have for ever lost the power they once had over them.

And this begs a new question: how do we adapt the company and its products to the Internet? And what are the consequences of that? I contend that

companies have to do more than to adapt to the Internet: they have to adapt to constant change. The Internet is one medium but there are also mobile devices and even important offline events and groups to take into account. So organizations shouldn't focus too much on the Internet and focus instead on people.

At the center of this question lies another question: how will our relationships be affected? Our employer-employee relationships are the most important ones to consider since here the biggest change is about to occur. Remember that an organization is a way to formalize the relationships of people that are part of it and to bring capital the endeavor. The relationship between the organization and its investors will not change significantly (although share holders might become more demanding). So why do the employer-employee relationships have to change then? Part of the answer lies in the points above: less efficient control over employee's relationships and the disadvantages incurred of the exclusive nature of organizations. But there's another part of the answer and it's related to the less efficient control: management practices doesn't work anymore.

Management activities organize the execution of tasks and the resources required for that. It involves planning, making budgets and managing people's work. The problem with management is that it depends on predictability: the tasks at hand are to be executed and they were yesterday. And until further

notice it is expected that same task will be tomorrow execute. Management practices are inherently unable to deal with change and require periods of stability to work efficiently. This explains a phenomenon that has always interested and puzzled me: organizations have to be generous and flexible with their customers – the people who are the direct and indirect causes of change – and at the same time have to conservatively manage their internal resources. Failing to do so will lead to less quality, delays in delivery, waste and too many expenses in general, inefficient use of resources and so on. These internal processes seem to live a life of their own: customers do as they please and the organization somehow has to marry this with its internal processes which in my opinion are unmanageable separately. And I'm not even talking about managing external partners that take part in the internal processes.

Organizations try to solve this problem by organizing their internal processes to the best of their capabilities – using management frameworks like Six Sigma – while at the same time trying to manage the expectations of customers. But that's not sufficient. It's a model where the internal processes inherently can't handle change very well, and managing expectation is an inadequate way to deal with change. Managing expectations requires customers to enter into some kind of contract or agreement where the discovery and learning stops when the deal is signed. In the case of relationships the discovery and learning only starts

when the relationships starts and lasts as long as the relationship lasts. This discovery and learning goes on for both parties in the relationship. To make this point differently: people don't care. When there's too much hassle involved they'll walk away.

A strategy of constant change has to offer an answer to these questions:

- how to replace management and with what?
- how to remove the disconnect between internal processes and customers?

To me both problems seem related. They both have to do with management and the role people play. However, we have to consider some other issues as well. Organizations as they exist today are pretty efficient in solving certain kinds of problems. The most important problem they solve is the one of obligation. Once an organization signs a contract, makes a promise or delivers a product or service they have to guarantee they will follow up on the obligations that result from those agreements. Governments similarly recognize organizations as entities with certain rights and obligations for which they will be held accountable. It makes sense that some people in any organization have to take responsibility for meeting those obligations, and also to run the business responsibly. Finally there is the responsibility organizations have towards their share holders who typically place people in control who they can trust with their capital.

In the end everything boils down – unsurprisingly – to relationships. How will we manage our relationships? Venture capitalist have found a way to invest capital in startup companies and providing them the tutorship they require. Their return on invested capital is still acceptable although they have to spread their risk across many companies to achieve this. The obvious replacement for management is leadership: experienced individuals who can mobilize others to engage in enterprises. Leadership is the skill needed when change creates a climate of uncertainty. And while venture capital combined with leadership and entrepreneurial skills might be a sufficient answer for startup companies they're not really looking for answers, being creative enough to deal with constant change as their small organization go along.

The answer has to found for existing companies, with existing employees, existing customers, existing partners and existing share holders. The question at hand – how to change our organization and our relationships – has to be translated from a question of how to a question of why: why do we need to change our organization and our relationships? This is only relevant question to ask because it talks to our emotions. And it's a question people with leadership capabilities can run with. The question of how is then answered by a strategy of constant change with leaders in charge. The first step to changing any organization and answering the question of why is to organize leadership training that focuses on a strategy of

constant change. In order to be effective this training has to be followed by people who volunteer, and not by the management corps of the organization (unless they volunteer). Hence, a call for volunteers has to be send out to every person who's relevant for the organization: employees and contractors. From these volunteers a group of trusted individuals has to be selected by the owners of the company. Once these people have formed a leadership team and are familiar with the strategy they can go to work and re-organize the organization. This in my opinion is the only way to change existing organizations.

Essay: Death of the ROI

“Marketing is the opposite of authenticity.” – Duncan Brown

Return on Investment became popular when it was introduced in General Motors in the 1920's by Alfred Sloan. Today we're witnessing the death struggle of GM and the death of ROI as we've known it. ROI has become part of capitalist economics, measuring the cash flowing back to an investor on capital that has been "put to work", typically on an annual basis. Today C-level types across the world are looking to answer the question: what is the ROI of our corporate blog, social media efforts, new media campaigns and the answer is always the same. Trying to measure ROI on social media is a bad sign. It means you don't get it. You can continue to ask this question and we'll know you don't get it. ROI as you know it is dead.

So much for the statement. Here's the argument. ROI of media campaign measures the cash flowing back from those campaigns. By itself there's nothing wrong wondering about that cash flow. Problems start when this ROI is being taken too seriously. Or to put it differently, when capital is being taken too seriously. Every company wants to make money, and every company wants to make more money than they're spending. So money has to be measured and ROI is as good as any other measure at that.

But how important is money in media campaigns? It turns out not very important. Money spent is one of the least powerful of all possible factors in media campaigns. It turns out that building relationships, treating people as human beings, leadership, story telling, values and community have

become much more powerful factors. In a way, asking questions about money before asking any other questions is insulting to people because you continue to do what has happened since forever: putting money and capital before human beings.

Those days are over. It used to be that whoever can find the capital and invest it to serve a market won. That's no longer the case. People still need to find capital and be profitable – we don't need another bubble. But the way to do this is not by focusing on money but by focusing on people, the relationships you build with them and the interactions and opportunities you provide them. Probably for free. And then, only when you've done all that, you get a chance at sales. And when you're successful at sales it's because you've managed to attach people to your company.

But you'll get more than sales. People will offer opportunities to you as well. They'll talk to you about your products and services and what they like and don't like about them. They'll give you insight because you gave them the permission and the opportunity to talk to you. People want relationships, want to be treated as human beings and want to help you. All you have to do is make them feel special and never ever put money first. And if you get it wrong they'll abandon you, unless you can correct your mistakes and win them back.

People that think in terms of ROI do not get this. Everything about media campaigns has become dirt cheap. People that are worrying about ROI are

probably spending too much money in the first place. Because of their uninformed decisions regarding a medium they're not familiar with they force themselves to worry about money. Spend less money and you'll worry less about it. And you'll have more time to worry about your people and your customers.

The death of the ROI is natural. People – individuals – are becoming much more powerful than ever before. Stories spread faster than ever before because the middlemen – the 'classic' media – have been rendered useless. The media used to be the gatekeepers. Companies had to pay the media to run ads. And the media used to control which stories spread and which didn't. Today people can find and interact with each other without barriers. What's left are platforms like YouTube and Facebook and Twitter that impose little or no barriers at all.

This makes people more free and money less effective in influencing them. When they buy stuff they need but don't care about they'll look at the price. When they care about quality or safety they'll be more careful and maybe pay more than the cheapest option. It's when this happens – when people's emotions clearly speak – that magic can happen. These people have a reason to pay more and you as their vendor or brand or whatever need to reach out to them and invite them to vibrant communities of people that care about the same things they care about. The values your products, services, brand and company represents are your most powerful weapons.

These values create stories and lay at the basis of your customer's decision to buy from you and not anybody else, or to buy at all. Your values it what matters. What you need to worry about it not return on investment (money) but return on values. Because people care about values.