



20 YEARS OF FUELING THE
ENTREPRENEURIAL ENGINE



Driven by LEADERSHIP

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STARFISH THE ERA OF LEADERLESS ORGANIZATIONS

and the SPIDER



ROD BECKSTRÖM



Rod Beckström and Ori Brafman are the authors of the award-winning book, "The Starfish and the Spider: The Unstoppable Power of Leaderless Organizations." Rod, who is actively involved in a number of philanthropic endeavors, was a speaker at the 2007 EO Tokyo University.

When we look at the world, we naturally seek order. We look for hierarchy all around us. Whether we're looking at a Fortune 500 company, an army or a community, our natural reaction is to ask, "Who's in charge?" But what happens when there's no one in charge? What happens when there's no hierarchy? You'd think there would be disorder, even chaos. But in many arenas, a lack of traditional leadership is giving rise to powerful groups that are turning industry and society upside down. In short, there's a revolution raging all around us.

No one suspected that Shawn Fanning, sitting in his dorm room at Northeastern University in 1999, was about to change the world. The 18-year-old freshman typed at his computer and wondered what would happen if people could share music files with one another. Fanning came up with Napster, an idea that would deliver a crushing blow to the recording industry.

In 1995, a shy engineer posted online listings of upcoming events in the San Francisco Bay Area. Craig Newmark never dreamed that the site he launched would forever alter the newspaper industry through www.craigslist.com.

In 2001, a retired options trader set out to provide free reference materials to kids around the world. He never thought that his efforts would one day allow millions of strangers to use www.wikipedia.org to create the biggest information repository of our time.

The blows to the recording industry and the success of online classifieds and a collaborative encyclopedia were all driven by the same hidden force. The harder you fight this force, the stronger it gets. The more chaotic it seems, the more resilient it is. The more you try to control it, the more unpredictable it becomes.

Spiders and starfish may look alike, but starfish have a miraculous quality to them. Cut off the leg of a spider, and you have a seven-legged creature on your hands; cut off its head and you have a dead spider. But cut off the arm of a starfish and it will grow a new one. Not only that, but the severed arm can grow an entirely new body. Starfish can achieve this feat because, unlike spiders, they are decentralized; every major organ is replicated across each arm.

But starfish don't just exist in the animal kingdom. Starfish organizations are taking society and the business world by storm, and are changing the rules of strategy and competition. Like starfish in the sea, starfish organizations are organized on very different principles than we are used to seeing in traditional organizations. Spider organizations are centralized and have clear organs and structure. You know who is in charge. You see them coming.

Starfish organizations, on the other hand, are based on completely different principles. They tend to organize around a shared ideology or a simple platform for communication—around ideologies like al Qaeda or Alcoholics Anonymous. They arise rapidly around the simplest ideas or platforms—ideas or platforms that can be easily duplicated. Once they arrive, they can be massively disruptive and are here to stay, for good or bad. And the Internet can help them flourish.

Decentralization has been lying dormant for thousands of years, but the advent of the Internet has unleashed this force, knocking down traditional businesses, altering entire industries and affecting how we relate to each other. The absence of structure, leadership and formal organization, once considered a weakness, has become a major asset. Seemingly chaotic groups have challenged and defeated established institutions. The rules of the game have changed. In today's world, starfish are starting to gain the upper hand. ☺

ARE YOU A SPIDER ORGANIZATION THAT LONGS TO BE A STARFISH?

IF SO, HERE ARE A FEW TIPS FOR JUMPSTARTING YOUR METAMORPHOSIS:

- ★ **Shift decision making down to committees comprised of a broad range and levels of stakeholders given equal voice and respect for input.**
- ★ **Encourage flexibility and different ways of responding to issues based on specific circumstances (versus using a predefined, fits-all approach every time a situation occurs).**
- ★ **Empower individuals to handle and drive processes relevant to changing requirements.**
- ★ **Encourage the building of "community" among your constituents via their input and find a way to manifest it in your products, newsletter, programs and events.**