

# The XU Story

## Inception of an Entrepreneurial Economic Ecosystem

How a collaborative conversation over coffee can spontaneously give birth to an international Franchise of Freelancers committed to changing the world.

### Section 1: Necessity, the mother of invention.

The hypocrisy of it would have eaten me alive, we had to do something different. We (The Animiatriy Guild)<sup>1</sup> are all about healthy relationships wherever they are found, even in business. So when it came to gathering people around our business purpose (delivering relationship healthiness), we had to re-invent the business entity. Doing so grew into an incredible delivery system in and of itself.

All traditional business entity forms, like the corporate-structure, would never work for us because they create Power-Hierarchies which are inherently unhealthy. These structures incentivize people into unhealthy relationship dynamics and unscrupulous practices. With the President or CEO at the top and layers of power down to the bottom (where the value is actually created) every layer lives off the accomplishments below, which is parasitic. All of those superior layers are literally expensive overhead.

However, far worse than the expense of it, is the inefficiency. At each level in each position, there is a fundamental need to justify one's existence. Along with that need is the necessity of negotiating one's power or authority. Every position in the structure not directly tasked with creating and delivering the end product only exists secondary to the business purpose and therefore must ***compete for relevance***. This is the '*crabs in a bucket principle*'. Each one climbs on another's back in an effort to improve their own circumstance, which forces them down again into the depths. To prove your relevance over that of another, some portion of your energy and effort has to restrict, interrupt, and interfere in other's efforts. All of these competing and conflicting relationships compel the people into unhealthy dynamics. To advance in hierarchal position you must become a skilled saboteur (amassing power unto yourself).

Because it would be hypocritical for us to bring people together in such an unhealthy way, for the purpose of teaching others to be healthy, we were compelled to re-invent the circumstance by which people are gathered to accomplish business.

### Section 2: The fundamental Business Partnership

We began by looking at the most fundamental business relationship, where two individuals may engage in a common business purpose void of all that unhealthy, ineffective overhead. Starting with the concept of a *Craftsman* who is skilled in producing an end product, we partnered him with a

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1 See AnimiatriyGuild.com

*Businessman*. A Partner skilled in acquisition of raw materials and the liquidation of the end product as well as all the intricacies of flow management of all resources including capital. This fundamental partnership works well forming a symbiotic relationship. Each member is equally dependent on the other (each well cast in their roles) and most important, ***no competing motives*** exist.

If we give each partner 50% ownership, the power distribution is balanced, while their authority is over their specific skill domains. This defines a very healthy circumstance for each member to function very efficiently and to enjoy the ***security*** of all business concerns being addressed by the most skilled. While at the same time, each of them is able to enjoy the maximum ***freedom*** to accomplish their individual responsibilities.

The one additional mechanism necessary for their healthy continual operation was the use of an objective third party ***tie-breaker*** in the event they disagreed (each having only one vote 50/50). Then, with this simple healthy partnership construct, scalability became the next evolution. The growth of The Guild demanded it. The mandate was expandability to include thousands of people while retaining its simplicity, and without introducing any counter motivators.

### Section 3: Scalable Expandability – The Freelance Franchise

At first glance it seemed impossible, until considering the tried-and-true concept of a franchise. In the model of an inherently scalable Franchise the *Businessman* side of the partnership and the *Craftsman* fit well as ***Franchisor*** and ***Franchisee*** respectively. The necessary scalability was there but we still had to avoid the traditional corporate structure which is used to form franchises.

The fundamentals of the relationship all remained the same if we picture the *Franchisor* as a collective of *Franchisees*. Imagine ten members of the whole Franchise where each has a specific skill defining their domain in the business arena. In this image, each is individually the ***Craftsman*** with specific domain authority (50% decision making power – governance within their domain). That authority is over “*How*” their responsibility is accomplished. The balance of power, the other 50%, is held in the Collective (consisting of the other nine members); being the authority over “*What to do*” as a business entity, which is the role of the ***Businessman*** in the partnership.

### Section 4: Division and Distribution of Authority

To further refine the language of this division of power, we segregate it as ***Executive*** and ***Strategic***. All *Executive* decisions are ***What to do*** (held by the Collective) while ***How to do it*** is always a *Strategic* decision vested in the Individual. This division is a distribution of authority that fully eliminates *Power-Hierarchies*; neither partner is superior to the other, the only distinction between them is defined by the most efficient use of power. This is a modification of the typical dynamic that exists in the *Corporate-Franchise-world* which is defined by the corruptibility of the corporate structure. Here we utilize the basic symbiotic relationship model (of a franchise) for its expandability while defining the *Power-dynamic* as a simple two-member partnership. We get the best of both worlds and none of the corruptibility.

To make our scalable-model operationally practical in the real world of business demands, there was one more evolutionary leap needed. In our image of the Franchise, there are ten individual “*Craftsman*” and one “*Businessman*” comprised of the other nine members. This model is fully scalable to Tens of Thousands, once we employ the idea of ***Executive-Scope***, which includes the concept of the third party tie-breaker vote. In essence, scope is the definition of who to include in a particular executive decision; not every decision requires every member of the Collective.

## Section 5: Delegation across the Mission-Tree

To understand *Executive-Scope*, we need to illustrate how the Collective-Mind works. It all begins with the Business-Purpose which is refined in a number of ways down to the “*Mission Statement*”; a clear concise statement of the whole of all the responsibility for fulfillment of that Business Purpose. This is the big “*What to do*” and none of the “*How to do it*”. The Inaugural-Collective delegates this whole responsibility in parts, to individuals who do the same iteratively. Each part of the whole is parsed and delegated again and again until all *Strategic power* is effectualized in the individual. This process of divide and delegate distributes all that responsibility (and its associated authority) out from a ***Root*** point across an unlimited number of *Branches* creating a tree like structure.

An individual “*Craftsman*” may have responsibility at any number of points on this ***Mission-Tree***. Each holds the *Strategic Authority* to get the job done at that specific point. However, if the job needs to be redefined, it becomes an *Executive decision* requiring *Authority* no one individual holds. The scope of who has the necessary *Executive Authority* is found when looking generation by generation toward the *Root* until everyone who has a responsibility which would be effected, is included. Collectively, these individuals are, by virtue of their various responsibilities, vested with the specific *Executive Authority* necessary to cast their votes and make the decision. Their responsibilities put them in *Scope*.

The whole of the *Mission-Tree* is in flux all the time with responsibilities being delegated, modified, and fulfilled; it is constantly alive with the *Business Purpose*. Everything that needs to happen is accomplished by someone highly skilled. Additionally all business decisions are timely made by those closest to the concerns with the greatest stake in the outcome. New members can be added (by delegation) as needed under a contract for services who automatically become *Franchisees* at the completion thereof. This is an organic assemblage of people together around a common business purpose, but without a head to corrupt the body with toxic ideas about power.

## Section 6: Organic AABE-Entities with Cultural-genes

Each *Craftsman* joins the *Business-Body* organically as an individual cell functioning autonomously and collectively for the mutual benefit of the whole organism. They get paid on the face value of the contract, but because their work product adds value to the *Franchise-Brand*, they also earn a claim on future revenues. These are revenues made surplus because they are not consumed by the inefficiencies of the traditional corporate overhead structure.

This new organic business structure is called an *Agile Adaptive Business Environment*, or AABE. It simply provides a framework, like the double helix of DNA. As with the genetic code stored in our DNA (which is the information that makes us unique), the cultural information stored in the AABE makes the specific Franchise a unique entity. The cultural-genes of the AABE are what translate its basic Business-Purpose into the Authoritative-Consciousness of an Organic Entity, able to act with sentence.

The AABE carries the vital information that defines the Business-Entity uniquely as a living organism. It endows a crowd of individual people with a germane-sense of belonging to the exact same body. Rather than forming people into a corporate structure, organized by their relative powers to control each other. An AABE bestows upon each individual member a singular Executive power, that of the Collective-Mind, as it were a uniform Belief-structure which is the endowment of its life essence.

Where there is rigidity in the organizational structure of the Power-Hierarchy defining a corporation, the only rigidity in the organic participation of an AABE Franchise is its Cultural Elements which define its identity. People gather together contributing their skilled service in alignment to the common identity of a living organism rather than a dead organization.

Diverse individuals coming together in emotional alignment around a business purpose allows each an autonomy to bring ideas and perspectives to an environment filled with purposeful-passion, which could never be received by a corporate power structure. This is an endowment of sensory perception and innovation to the AABE Franchise, granting it an awareness of its own existence in its business environments. Every member of the Collective-Mind (every Franchisee) is benefited by the health and well-being of the whole and therefore, they become a sensory mechanism contributing to that awareness, maximizing its ability to respond whenever the Business environment changes. This awareness and ability to respond to environmental changes is the very evidence of sentient life. An AABE Franchise is a living organic business entity.

## **Section 7: Three Environments in Symbiosis**

The next concern needed to be addressed is the necessity of an environment that could sustain an AABE Organism. All living things exist only within specific environmental conditions. Just as DNA life is only sustainable within some specific perimeters, AABE life is dependent upon some specifics. What kind of environment could give life to such an organism?

Answering this question, we must consider three different environments:

- The real world Marketplace giving birth to a Business-Purpose,
- The organic business structure of an AABE Franchise, and finally,
- The technological circumstance making AABE life possible.

The Marketplace is both the real world demand for a Franchise's product as well as its resources market. These complex markets are governed by the principles of Supply over Demand, and

Competition. (supply-chain effects our ability to Supply our Market, Competition effects the Demand of our Market.)

The organic business structure of an AABE Franchise is an environment that affords the individual Freelancer autonomy to define for themselves the ideal job description (focusing themselves in their *Effective Zone*). Endowing them with both Strategic and Executive powers relevant and germane to their specific responsibilities, it eliminates the burden of the common Power-hierarchy. This environment also provides immediate (fair) compensation and a secondary residual compensation/ income.

The technological circumstance necessary to sustain AABE life starts with the Blockchain, a distributed ledger of transactions. An immutable record of every agreement between the members of a Franchise is kept here in the form of *Self-executing Contracts*. Within this record is the essence of the Franchise and the practical representation of it as the Mission-Tree, keeping everyone accountable for their contributions be they beneficial or harmful. Above this technical layer is a human interface facilitating video conferencing where the collaboration of members manifests the Collective-Mind of the AABE-Entity.

## **Section 8: AABE life in The XU environment**

We began with that simple idea of the Partnership between *Craftsman* and *Businessman*. In the physical world that partnership would be represented by a contract between them, stating their agreement to benefit each other. We conceived of this contract as an immutable thing, meaning that it could not be altered once it was created and put in place. Also that it would function mechanically (automatically), such that it would never be necessary for anyone to watch it and ensure its operation. In truth, we envisioned this simple partnership agreement functioning like a *Self-Executing-Contract* on a Blockchain.

Blockchain is a decade-old technology that makes cryptocurrencies work, an excellent way to make our Franchisee–Franchisor partnership work seamlessly. All we needed was a software facilitating the input and output of data, an interface with and between people in the real world. This software we called ***The X.U.***

*XU* (pronounced zoo) stands for *eXremcreo eUfacio* which means:

*Well formed and enabled out of a business purpose or cause.*

*The XU* software rides on a Blockchain as a collaborative environment where people come as Freelance entrepreneurs to offer their services on contract. In the complementing perspective, it's also a resource marketplace where AABE-Entities (Franchises) come looking for talent and offering opportunity to Freelancers. In *The XU*, a Freelancer is presented with opportunities to negotiate contracts for their services with Franchises created by the contracts of others. They are paid upon completion, and then again and again, as a residual of their contribution to the well-being of the Franchise Brand.

The *Freelancer* is automatically converted to a *Franchisee* with a stake in the success of a particular Franchise, simply by completing a contract with it. Because each completed contract represents a depreciating-contribution, it automatically represents that individual's interests in the equation used to

calculate disbursements of surplus revenues. This is a fundamental element of *The XU* environment, inescapable and inextricably immutable. Every Franchise granted life by *The XU* environment functions this way so every Freelancer is guaranteed residuals by the same calculus. There are some variables over which the Franchise has Executive powers, but the data and calculus are held on the Blockchain as an environmental factor. Metaphorically, this co-dependency could be seen in likeness of the symbiotic relationship between animal and plant life on Earth. Oxygen supplied by Plant life is necessary to Animal life which produces Carbon-dioxide necessary to Plant life. This co-dependency (an environmental factor) cannot be altered without impact on the sustainability of both life forms. Such is the case with disbursements of surplus revenues to Freelancers, from AABE Franchises living in the XU.

Again, a fundamental element of *The XU* software, is the facility of Delegation and the division of Executive and Strategic powers. The whole of the Mission-Tree is recorded on the Blockchain as a matter of each contract-for-services linking together down to the Root. This again is an immutable element of *The XU* environment. It makes easily accessible a view of what authority any individual is vested with and facilitates a challenge if ever that authority is overstepped or abdicated.

These and other environmental elements ensure the sustainability of AABE life in *The XU*. All together the structural components of the *Agile Adaptive Business Environment* employ nine specific elements ensuring healthy relationship dynamics between people, aligning them with the specific business purpose and mission. It's the XU-software and Blockchain technology that make this possible, but the essence of life in *The XU* is even less tangible. The cultural-genes encoded in every individual AABE Franchise imbues it with it's own unique identity. It is then that unique cultural environment which naturally attracts like minded people while repelling others. This phenomenon breathes life into it as a self-aware sentient social entity which exists for a business purpose. As such, each member of it's organic body operates as a part of the same consciousness; which consciousness endows it with agility and adaptability, ensuring it's survival in competitive and shifting markets.

## **Section 9: The XU-Keeper Franchise**

In summary, the origin of AABE life and *The XU* environment is one of moral necessity (to live what we teach) and the manifestation of who we are as relationship scientists. From the body of knowledge held in the science (OZI-ology), we hypothesized the possibility of a business environment that would draw out of people their best intentions, and we have designed an experiment to test that possibility, engineering its greatest probability. That experiment has already begun to give life to *The Animiatry Guild*, as the first AABE-Entity to exist. At present it's on life support in an incubator awaiting the advent of **The XU**.

Our story has been written in the past tense in order to create *The XU* spiritually before its actual manifestation in the real world. In a way it's like the painting of a building that is yet to be constructed, which is used to give all the people involved in the project the same vision. Yes, there are the detailed technical drawings (blueprints), but they don't convey the emotion behind the construction.

Hopefully, as you read our story it resonated in you, and evoked a desire to enjoy the reality of *The XU freelance/franchise Marketplace*. We are actively gathering the *XU-Keeper Franchise* together and

causing it to form in the Real World. This is the zeroth entity to be granted life in *The XU*, it exists in a unique place as an organ of the environment itself, whose purpose is to ensure the health and well-being of *The XU*. Those who constitute its Collective-Mind have stewardship over the vitality of the *Entrepreneurial Economic Ecosystem* where all AABE life exists.

Who will join us in this most fascinating experiment? Who will be the first Freelancers to invest their time, talent, and wisdom to build *The XU*, giving place for ***The XU-Keeper Franchise*** to exist? Who will be the first to experience life in *The XU*?

Who will become the body, mind, and spirit; the soul, of that AABE Entity which creates and maintains the economic ecosystem, liberating the world from corporate oppression? Is there, in you, a heart beating with the passion to be the *XU-Keeper*?

To register as a XU-Keeper resource please email [Timberlane@AnimiatryGuild.com](mailto:Timberlane@AnimiatryGuild.com), with some detail of how you see yourself contributing. In *The XU* a freelance resource may be anything from a particular talent to specific knowledge or even capital. The most essential element in each individual Freelancer who contributes is their passion to change the World.