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Pioneering the Future of High Performance

A Radical Enterprise

Coming February 2022 from IT Revolution.

The four imperatives of radical collaboration

Team Autonomy	 100%
Managerial Devolution	 100%
Deficiency Gratification	 100%
Candid Vulnerability	 100%

Pioneering the Future of
High Performing Organizations

A **RADICAL** Enterprise

Cover not final.

MATT PARKER

A Radical Enterprise

Pioneering the Future of High Performance





The fastest growing and most competitive organizations in the world have no bureaucracies and no bosses.



They have recently doubled in number,
and currently comprise around 8% of the
world's corporations.



Radical collaboration is grounded in the intrinsic motivation of the participants and formed through the freely given commitments of peers. It is always voluntary, never coerced.



Pioneers



Haier

smart living



Official Home
Solution Partner Of



PHILIPPINE BASKETBALL ASSOCIATION





Haier

O1

80,000-person appliance manufacturer and “Internet of Things” pioneer. Among appliance manufacturers, ranked #1 for retail sales value for last 11 years. Annual revenues in excess of \$38 billion. Pioneer in smart-home technology and services. Also successfully branched out into dozens of other industries as diverse as video gaming, cattle ranching, and health care.

Appliance Manufacturer Ranking

#1

Ranked #1 in appliance retail sales for last 11 years.

Core Business Annual Revenues

\$38B

22% year-over-year growth in gross profit over the last decade.

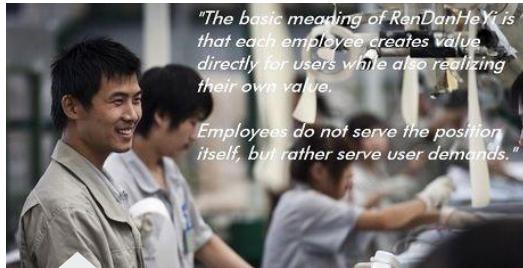
New Ventures

\$2B

New ventures in industries as diverse as video gaming, cattle ranching, and health care.

Haier: 4000+ Micro-Enterprises

“A host of dragons without a leader”

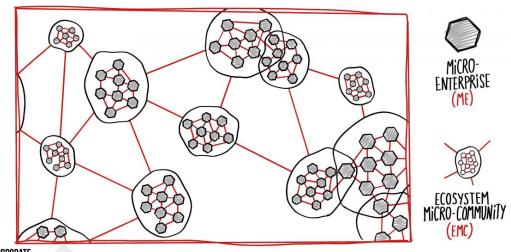


10-15 people

These micro-enterprises are autonomous, entrepreneurial mini-companies typically consisting of 10-15 people.

Self-Managing

Each micro-enterprise sets their own purpose, determines their own product or service, and owns their own profit-and-loss statement.



Self-Linking

Micro-enterprises freely relate to each other as they please, without the guidance or control of a leader.



Zhang Ruimin, Haier CEO, as quoted in *Humanocracy* by Gary Hamel and Michele Zanini

“In Chinese culture, the dragon is the mightiest animal. Today, each and every microenterprise is a kind of dragon, very capable and competent. But they don’t have a leader. They start their own businesses on the market without the guidance of a leader. That is the highest level of human governance.”





Morning Star

02

Founded

1990

Founded only 30 years ago, Morning Star quickly became the largest tomato processor in the world.

Since the founding of the company in 1990, Morning Star has become the largest tomato processor in the world by volume and is responsible for a full 40% of America's tomato paste and diced tomato products alone.

Tomato Processor Ranking

#1

The Largest Tomato processor in the world by volume.

Percentage of America's Tomatoes

40%

The percentage of America's tomatoes processed by Morning Star.



Morning Star: 4000 Leaders. No Bosses.

An Audacious Org Chart



Self-Management

At a micro-level, these CLOUs encapsulate the freely given commitments that colleagues will make to each other that year—i.e., how they will collaborate to take that year's tomato crops and turn them into a processed result, like diced tomatoes or puree.



Colleague Letters of Understanding

The 4,000-plus colleagues start every year by meeting as equals, without any formal roles or titles, and crafting “Colleague Letters of Understanding,” [CLOUs].



Self-Organization

At a macro-level, the CLOUs spell out how all of the colleagues will collectively self-manage every aspect of the company that year, from day-to-day food processing to equipment purchasing and payroll.



Doug Kirkpatrick, colleague of Morning Star founder and author of *The No-Limits Enterprise*

“Rufer decided that Morning Star should have no levels of management. Just as they did in the outside world, the company’s colleagues (who formerly would have been called ‘employees’) would manage themselves as they moved through negotiated commitments to their colleagues and to the enterprise as a whole.”



GORE-TEX



W.L. Gore

03

Founded

1958

Four nerds in a basement.

Number of Employees

11,000+

Spread out around the globe.

Annual Revenue

\$3B+

Innovation organization focused on industrial and chemical innovation.
Founded in 1958. Based in Delaware. Over 11,000 employees. Annual
revenues in excess of \$3 billion.



W.L. Gore: Self-Allocation and Peer-set Salary

A 60+ year experiment in radical collaboration



Self-Allocating

Individuals there practice autonomy of allocation --- in which they band together in shared pursuits based on intrinsic motivations, not on employer dictates.

Self-Linking

Colleagues have self-managed the creation of "lattices" across the company, for cross-functional efforts and knowledge sharing.



Peer-Paying

A panel of your peers, as opposed to a boss, decide what your salary should be.



First Coffee,
then Care!

BUURTZORG



Buurtzorg

04

Home Health Care Provider
Ranking

#1

Buurtzorg patients are 30% more satisfied with their care, and 33% less likely to be admitted to a hospital.

#1 home health-care provider in the Netherlands. 15,000 people. Founded in 2006. Spread to 25 countries.

Number of Employees

15,000+

Starting with only 4 nurses in 2006, Buurtzorg has quickly grown, employing over 60% of the nurses in the Netherlands

Number of Countries

25

Buurtzorg has expanded into countries all over the world, including the US, the UK, Japan, and India



Buurtzorg: Self-Managing Nursing Teams

Freedom and Responsibility at the Point of Care



Autonomous Teams

The 15,000 professionals are divided into thousands of small, self-managing teams consisting of ten to twelve nurses each, and each team covers a specific geographic area.

Self-Management

Each team finds clients, rents facilities, recruits new hires, schedules work, and manages budgets.



Cross-Team Support

Nurses across teams leverage internal digital communication platforms to collectively solve problems, get advice, and propose ways to evolve the organization.



Radically collaborative organizations out
compete their hierarchical competitors
by all meaningful measures.

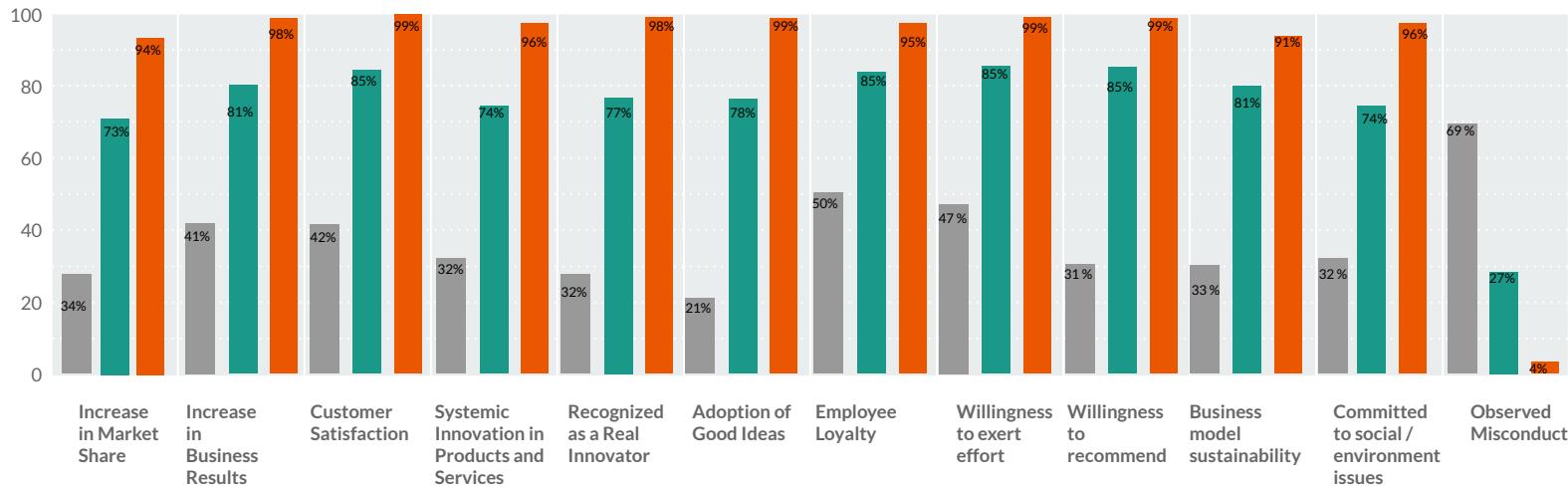


Organizational Archetypes

■ Blind Obedience ■ Informed Acquiescence ■ Radically Collaborative

A comparison of the three main organizational archetypes:

- **Blind Obedience** (What the boss says goes—or else)
- **Informed Acquiescence** (Dominator hierarchies that have softened their perception through “good management” practices like performance evaluations and annual goal exercises)
- **Radically Collaborative** (Self-Managing, Non-Hierarchical)





There are four imperatives for radical collaboration: team autonomy, managerial devolution, deficiency gratification, and candid vulnerability.



Imperative #1: Team Autonomy



Human beings have a deep and abiding need for autonomy. We need to control our own lives and lived experiences—to manage ourselves without the interference or domination of others; to decide from moment to moment and day to day what commitments we make and how we will go about honoring them.



Dr. Dan Radecki, neuroscientist and co-author of *Psychological Safety: The Key to Happy, High-Performing People and Teams*

“We know from neuroscience research that people are more likely to succeed when they buy into an idea. When people reach their own insights and conclusions, solve their own problems, or come up with their own ideas...they are far more likely to own and implement solutions.”

Team Autonomy



Autonomy of Allocation/Role

Instead of being allocated to teams by managers, radical collaborators self-manage allocations by freely joining teams and taking roles aligned to their own interests and intrinsic motivations.



Autonomy of Practice

Radical collaborators control the how of their work. They decide how to work together as teams and what practices to collectively and individually deploy.



Autonomy of Schedule

Radical collaborators control the where and the when of their work --- whether they're collocated or distributed; in an office or on a beach; synchronous or asynchronous.



Imperative #2: Managerial Devolution



Devolution is a technical term for the decentralization of power.



When managerial powers—like the power to hire, fire, set pay, determine priorities, or change the organization's policies and structures—are dispersed out of the hands of managers and into the organization at large, we refer to this process as *managerial devolution*.



And when an organization carries this process to its logical conclusion, eliminating all of the coercive vestiges of a static dominator hierarchy, we refer to this organization as *fully devolved*.

Managerial Devolution of Governance



Self-Organized Leadership Teams

Anyone in the organization can announce an initiative to change something, and anyone can join. The ad hoc team has full authority to make any change in the org, so long as they are transparent about the process they went through.

Advice Process

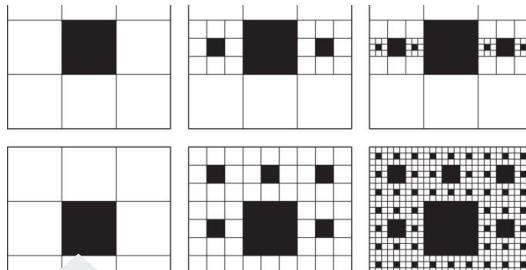
Anyone in the organization is allowed to make any decision, so long as the decision maker makes their thought process vulnerable to examination, critique, and invalidation by anyone who could be affected by the decision.



Holacratic Governance

A rigorously efficient process for the collective evolution of an organization's structure and roles. It enables anyone in the organization, at any time, to raise up an organizational tension and have it immediately processed and resolved.

Managerial Devolution of Compensation

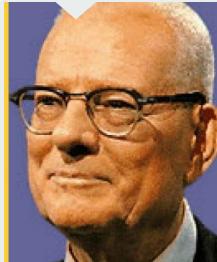


Fractal Compensation

In which everyone in the organization is a virtual company of one, complete with a balance sheet and a profit-and-loss statement. Salaries are a result of the negotiated commitments people make to each other along the value stream and the individual surpluses that results.

Deming Pay System

In which everyone in the organization receives a predetermined, transparent salary that is then automatically incremented every year through pre-determined, transparent annual raises. Profit sharing is also distributed equally among all members.



“

A bad system will beat a good person every time.

W. Edwards Deming



Self-Managed Pay

In which individuals transparently set their own salaries and determine their own raises at any time.



Imperative #3: Deficiency Gratification



The most monumental discovery of the twentieth century wasn't the theory of relativity or the discovery of DNA. It was the discovery that humans have needs that other animals don't.



“Deficiency-Needs”

Our need for predictability

Our need for a sense of stability and predictability in our lives—to feel like we can go about our day without the worry that someone or something is working against us.



Autonomy

Our need for equity

Our need to relate to others on the basis of equality and to not be disadvantaged by favoritism, discrimination, or domination.



Esteem

Our need for others to believe in us

Our need for others to believe in us as we follow our instincts and take risks—to support us, even when, and especially when, we fail.



Security

Our need for choice

Our need to control our own lives and lived experiences—to manage ourselves without the interference or domination of others; to decide from moment to moment and day to day what commitments we make and how we will go about honoring them.

Fairness

Our need for a positive self-image

Our need to feel good about who we are and what we are capable of—and our need to feel like those around us hold us in that same high regard.

Trust



Abraham Maslow, *Toward a Psychology of Being*

“Just as trees need sun, water, and food from the environment, so do all people need safety, love and status from their environment... The needs for safety, belongingness, love relations and for respect can be satisfied only by other people, i.e., only from outside the person.”

Deficiency Gratifying Practices



Peer-Pods

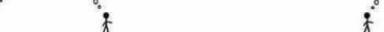
Self-managed groups of peers providing ad hoc coaching, mentoring, and support for each other in their careers.



What I think

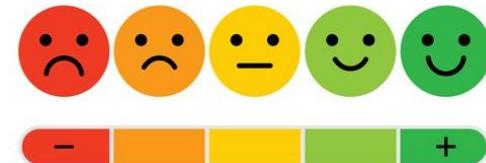


What I say



Check-Ins

Radical collaborators create a sacred space at the beginning of meetings for each other to vulnerably name what is distracting them or keeping them from being fully present in the moment.



Balance Scores

Collaborators start the day sharing a score between 1 and 10 for how balanced they feel between work, home, and spiritual life. It increases transparency, vulnerability, and empathy while also helping collaborators calibrate with each other's mental states.



Imperative #4: Candid Vulnerability



Candid vulnerability: the combination of *candor* (sharing what we think) and *vulnerability* (sharing why we think it --- i.e., the hidden chain of thoughts, inferences, beliefs, assumptions, and biases behind our statements).



How many times have you sat through a meeting where everyone smiles and nods their heads in agreement, yet afterward they gather in small groups to privately voice complaints, reservations, even outrage? How many times have you tentatively voiced a concern in a meeting only to see the recipient of that concern skillfully avoid addressing it while quickly steering the conversation onto a new topic? (And how many times have you done the exact same thing when someone voices a concern to you?)



Chris Argyris, *Organizational Traps*

Four values, known as ‘defensive reasoning’, govern the actions of most human beings:

1. Maintain unilateral control
2. Win and do not lose
3. Suppress negative feelings
4. Behave rationally

Candid Vulnerability (the opposite of defensive reasoning)



Seek valid, testable information

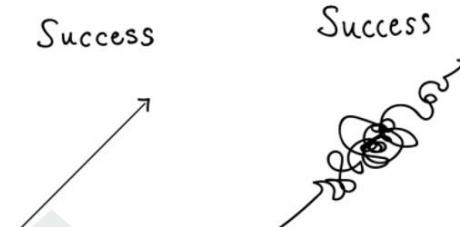
Instead of maintaining control over a discussion in order to ensure your position carries the day, you should seek out information that may validate or invalidate the particular approach that you are advocating.

Create informed choice in groups

Groups are constantly faced with choices, in which different people advocate for different paths. To create informed choice, we must share the hidden observations, inferences, and assumptions that lead us to advocate for our ideas in the first place.



Success



Monitor vigilantly to detect and correct errors in our approach.

Just because a group chooses a path does not mean the path was the right one. We should look for flaws or errors in our approach and, if we find them, we should be willing to admit that we've made a mistake.



The Four Imperatives:

Team Autonomy. Managerial Devolution. Deficiency Gratification. Candid Vulnerability.

Each imperative, on its own, is *necessary*, yet *insufficient*, for radical collaboration. It is only through the fusion of all four imperatives that radically collaborative organizations succeed.



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Partnership and equality are more competitive than domination and coercion.





Deliverables

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45K

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Target audience

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Team

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CEO

Berry Books

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Sales Director

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Process

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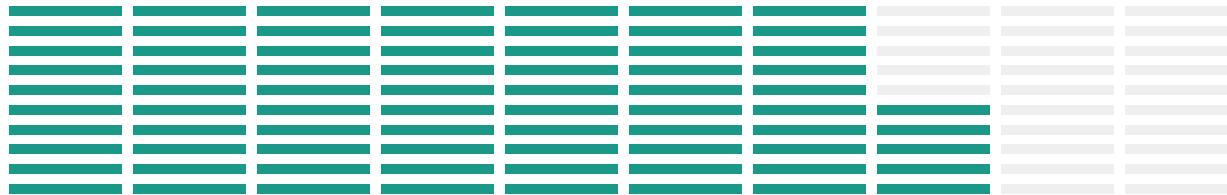
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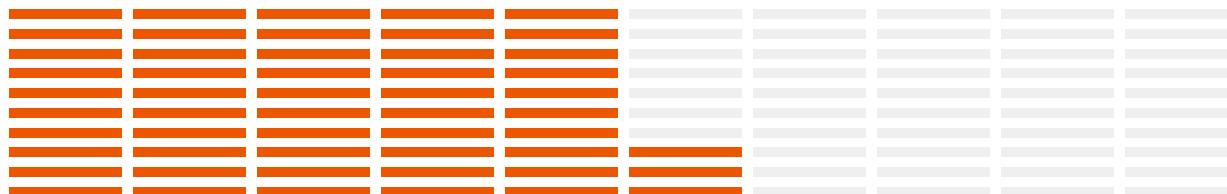
Trend 01



75%

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Trend 02



53%

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Problems to solve

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