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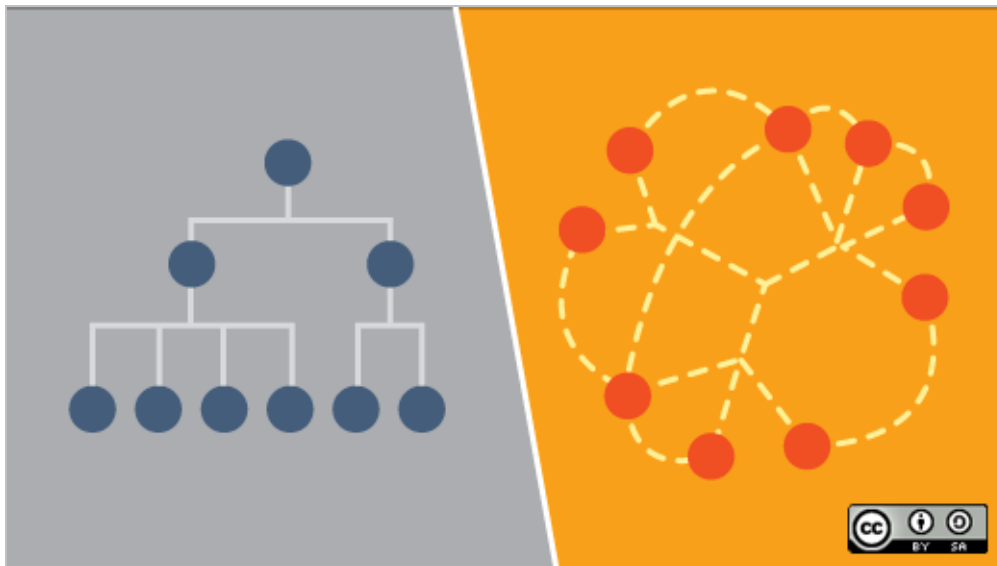
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# There's a better way to run a company




Posted 20 Aug 2015 by

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In June, author and Red Hat CEO Jim Whitehurst appeared on an episode of theCUBE, where he shared his thoughts on leading an open organization and the future of organizational decision making. Below is a video of that appearance—on Wednesday, June 24, 2015—along with a transcript of the conversation for the first six and a half minutes. *This is a partial transcription.*

## **Jim Whitehurst interview with theCUBE at Red Hat Summit 2015**

**Introduction** Live from Boston, Massachusetts, extracting the signal from the noise, it's theCUBE covering Red Hat Summit 2015. Brought to you by Red Hat. Now, your hosts, Dave Vellante and Stu Miniman.

**Dave Vellante (DV):** Welcome back to Boston everybody, this is day three of the Red Hat Summit, day two for theCUBE. I'm Dave Vallante with my cohost Stu Miniman, this is theCUBE and we're here live at Red Hat Summit. theCUBE goes out to the events, we extract the signal from the noise. The man that's here, Jim Whitehurst, CEO of Red Hat. Great keynote on Tuesday night, thanks so much for having us here and thanks for this great conference. How are you feeling?

**Jim Whitehurst (JW):** I'm feeling great. It's great energy, we've had a lot of great announcements, customers seemed happy. So it's been phenomenal.

**DV:** We are at the dawn—the dusk of the industrial revolution, the dawn of the information revolution. I love that quote and it's so true. We live in this time where, you know, machines have always replaced humans in the industrial revolution and now we're entering this, what some call, the second machine age. Talk a little bit about your keynote and some of the key messages that you gave the audience.

**JW:** Sure. What I think we're seeing is information literally breaks loose from the physical assets that they're tied to, whole industries are coming apart and changing. We're going from horizontal structures to vertical structures and companies like Uber and Zipcar are disrupting companies like Ford and GM. That's interesting in and of itself, but when you think about how you solve that problem, the way we solve those problems in the past is we've had management structures at companies that need to figure out what to do next. The problem is the traditional management structures were built for the auto industry of old, or the industrial evolution. It was people coordinating, people doing relatively rout tasks in pretty static environments with relatively uneducated assembly-line workers.

Now, when we think about when organizations have to focus on information analytics, they have to change quickly, they need to innovate; we all know bureaucracy doesn't foster innovation. If corporations need to exist or organizations need to foster creativity, what does that look like? So, we need to have a rethink of mindset, management, process, culture in large organizations to focus on agility and innovation rather than just efficiency.

**DV:** You're a practitioner of that open organization, you wrote a book about it. I haven't read the book, Stu's read the book. We've got a copy of the book. Actually, if you wouldn't mind holding it up there.

**JW:** Absolutely.

**DV:** Nice and high there, so everybody can see it. Yeah, first of all congratulations on writing the book. It's not an easy task, especially when you got an organization to run. As I said, I haven't finished it. Stu, you've read it but we're inspired by that kind of vision. As a practitioner, what catalyzed you writing that book?

**JW:** Well, for Red Hat, we believe if we have anything valuable, it's incumbent upon us to share it. I've given a particular gift and that was I came from a traditional structure. I ran Delta airlines before coming to Red Hat, which is as military a traditional structure as you can have. I come from a classic, Harvard business school trained, white

shoe consulting firm background. I thought I knew how to run a company, I thought I knew what management was.

I come to Red Hat and my first month I thought, "This place is chaos. I've never seen anything like this. They brought me in to be adult supervision to clean it up." What I learned over time is it's actually a great way to run a company and I use the analogy: you put a frog in water and you heat it up and it will never jump out. That's what's happening to a lot of managers. The world's changing around them and they don't realize that they're part of the problem in terms of how they manage and lead. I was thrown right into boiling water to see such a different structure and I recognize there's a need for a change so I've jumped out.

It was such a gift given to me, having a chance to see that there's a better way to run a company, I thought it was important for me to tell that story. It's really a book about how Red Hat is different and how we've applied open source principles to running a company rather than anything that I've done. It's a book more about what I've learned versus what I've done.

**Stu Miniman (SM):** Jim, I was struck as I read the book that so much in technology, we talk about the new technology, but we know it's kind of the people and the organizational structures and how we go about things that are some of the hardest parts. What I really thought was a great case study in the book is how we interact with each other. You said one of your roles there is being the head debater. It's challenging when you say: anybody can come in here and say that something's not right, ideas can come from any layers inside the organization or outside of the organization. It's tough for people to get away from what they done. Could you maybe give us a little bit of insight as to how you moved from the "I'm used to the way decisions used to be made" to how we need to make decisions in the future.

**JW:** It really is tough, it's tough because people in general are too nice. People don't want to tell somebody, that's a bad idea or a dumb idea. There are a few people like that, but 95% of the world wants to be nice and they want to get along well with people. You have to kind of create that edge. If you think about being a leader, if you really want to get the best out of your people, part of what you have to do is create the context where the right decisions get made, right? That requires that you make sure that you have open, frank conversation. Ed Catmull recently wrote a book called Creativity Inc. where he talks about Pixar. He has a great quote and I'll munge it up a little bit but it's basically:

If there's more honesty at the water cooler than there is in the conference rooms, then you have a problem.

As a leader, several things you can do. One is take the other side of a debate like push your people and make them recognize that they need to debate. If they won't debate, start the debate. Because once you get it going, they're much more likely to truly engage with you on it. You got to celebrate, you actually...it sounds painful, but when somebody disagrees with you, it's painful, but you actually need to give a positive reinforcement. So I say, "Thank you for bringing that up, that's a real interesting opinion. I appreciate the fact you disagree, let's have a conversation."

You got to celebrate it because when others see that you are celebrating and thanking somebody for being frank and challenging you, it makes them more likely to do it. It's like a fly wheel, you get it going and it ultimately comes built in your culture and you can accomplish truly amazing things when people are really willing to have open, frank debates.

**DV:** Transparency in organizations is really sort of a new watch word. You're seeing a lot of successful companies that... I know, for instance, ServiceNow that the chief management at ServiceNow, very focused on transparency. You guys used to have that same ethos.

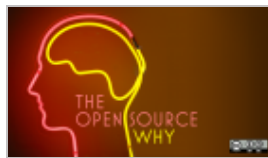
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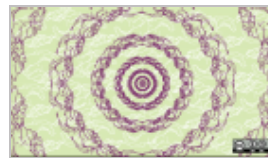
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sgtrock on 25 Aug 2015

Hi, Jim;

Your story sounds interesting and I'd like to know more. Unfortunately, the only link that I could find to buy the book took me to Amazon. Where can I find the ebook published in a non-DRM crippled format?

Thanks.

1 0



[Jason Hibbets \(/users/jhibbets\)](/users/jhibbets) on 26 Aug 2015

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Jason

1 0



sgtrock on 27 Aug 2015

Thanks, Jason! I did find it on HBR's website. Their FAQ indicates that all ebooks purchased directly from their site are delivered DRM free. Just what I wanted to see. :-)

0 0



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