

THE TRANSFORMATION PLAYGROUND

REINVENTING BUSINESS PRINCIPLES



WHITEPAPER



**STUDIO
ZEITGEIST**

The Transformation Playground works for you

We believe that any organisation must be able to adapt. Any organisation can thrive in an environment of permanent change. To guide organisations along a transformative path, we use the Transformation Playground. It helps professionals understand the most important principles of doing business in a time of permanent change. The Transformation Playground will empower your organisation to scan and analyse trends in a profound way. Once you grasp the mechanisms of the Transformation Playground, you will better understand your customer's needs, get ahead of the competition and benefit from important developments, rather than suffer from them.

In this whitepaper, we hope to help you understand the trends that apply to your organisation. If you wish to get ahead and benefit, the services offered by Studio Zeitgeist may be of help. Do e-mail us in case you are interested.

Colophon

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Introduction

If you are a board member guiding a large company into the future, a business developer eager to find business opportunities, an HR specialist interested in new ways of working, or a starting entrepreneur, you will need to understand the economic, social and technological realities around you. The environment that you and your business operate in is harsh, unpredictable and difficult to analyse. However, you should give it a try, since the feasibility of your business is on the line: about 50% of the S&P 500 will be replaced in the next ten years.

At Studio Zeitgeist, we have seen society and markets transform during the past decade and have not tired of clarifying the evolution of doing business in today's world. We are convinced that although complex, the organising principles of our economy and society are intelligible, as long as the complexity is somewhat reduced by looking at the bigger picture.



'The organising principles of our economy and society are intelligible.'

The Transformation Playground is an outcome of our efforts. It is a tool that helps you get a grip on what our studio believes to be the seven most important and influential organising principles of the economy and society of today. This whitepaper explains why and how these organising principles have an impact on organisations, and what you could do to adapt.

We hope that a better understanding of the principles will be to your advantage in your work. Through this document, we hope to inspire you to reflect on doing business in a world of constant change, and to work together with you and your colleagues to find a suitable answer.

We are open to suggestions and critique. Do not hesitate to drop us a line!

Farid Tabarki

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Executive Summary

In this whitepaper, Studio Zeitgeist elaborates on its model of the Transformation Playground, which has seven 'organising principles' in the outer ring, four perspectives in the middle ring, and a core. In this summary, the seven principles and the core trends are summarised.

Decentralisation and Transparency

In the core of the Transformation Playground, two important trends define the development of society and economy. Radical decentralisation, based on the idea that 'one size does not fit all', is the situation that usually a smaller scale of operation is more feasible and more useful than the larger scale of old. Radical transparency combines the abundance of information with curiosity of individuals and technical possibilities.

Both developments amount to a new order of business and social relations that may be described as the 'liquid society', a term used extensively by the Polish philosopher Zygmunt Bauman, e.g. in his book *Liquid Modernity*. In this liquid society, an important driver for these changes is technological development. Still conforming to Moore's Law, many aspects of technology double performance at the same cost in 18-24 months.

From Solid to Liquid

Sociologist and philosopher Zygmunt Bauman held that modernity has taken a step further and has become liquid. In the liquid society, 'change is the only permanence, and uncertainty the only certainty'. This has profound consequences. Time becomes more significant as social change takes place as an ever-increasing pace.

We propose the model of the diopticon ('the many watch the many') as a tool to help design competitive working methods in a liquid reality. It is a logical next step from the panopticon, a power relation in which the few watch the many.

The liquid reality as profound consequences for management, the nature of work, and the functioning of markets.

From Process to Play

In a large organisation, processes and protocols may be a hindrance to creativity, rather than a powerful enabler. They will therefore have to give way to a more playful attitude, which allows the spirit of the workers to wander more freely, see things from different angles and come up with fresher ideas. Failure should be an option, as long as it is the result of fair play.

Companies can engage in serious gaming, or employ methods which use elements from gaming in their daily practice.

From Transacting to Participating

Institutions collapse as the individual emancipates and takes on multiple roles. At a quick pace, consumers become part of the production process, becoming prosumers. Citizens help shape the world around them, cooperating with authorities and organisations around them. In turn, organisations need to shed their institutional feathers and become receptive to participation.

The motivation of individuals to participate is not different in a company-consumer relationship than in an institution-citizen relationship. Participation is first and foremost fun for those who engage in it. On the other hand, proper participation requires an investment from the organisation that wishes to invite its constituency to engage in it.

From Closed to Open

In a constantly changing society, organisations will need to open up, since closed strategies become less effective. Opening the window to the outside world can be refreshing, but many leaders find it challenging: the outside world looks back, right inside your organisation.

Radical strategies of openness include open source development (of software and other products and services) as well as a community-driven 'commons' approach.

Various platforms and collaborative environments, e.g. in entertainment, use open elements in their strategies. Some of them are hugely successful.

By forming alliances and partnerships and removing patterns, companies may open up to selected parties. Thus, they can find opportunities more easily and pace up innovation.

From Scarcity to Abundance

We live in a world of potential abundance of energy and information. Although the distribution of resources is very unequal, there is enough for everyone.

The abundance of data comes with legal challenges, e.g. on liability and property.

With the abundance of information and knowledge, the need for real-time communication increases. People communicate unimpeded, often helped by smart and lean social media platforms. Organisations should adapt to this new dynamic reality by finding opportunities to transform static data into dynamic data.

Form Product to Purpose

Organisations should carefully find an answer to the question what they are on earth for. Companies should do more than make money, but build enduring institutions that require them to look beyond the walls of the office and address concerns of the world outside.

Although fundamentally based on a moral choice, purpose can be powerful tool. Through customer satisfaction, it may increase profits, drive changes to the brand and help with the formulation of a strategy. Purpose is becoming a competitive asset, enabling organisations to distinguish themselves in their industry.

From Hierarchy to Hubs

The traditional pyramid structure with its hierarchy set in stone gives way to more liquid modes of organisation. All work should contribute to transformation and is organised in hubs of exactly the right size.

In new models of management, the role of the middle manager is disappearing. Algorithms may already take care of many of the tasks of general management.

A useful way to look at effective organisations is to take a network perspective, which is based on the notion that economic action is embedded in a social structure. Building the right networks in which the company operates should be part of corporate strategy.

The smallest hub is the individual, who wants to be in the driver's seat of her or his own career development. Allowing talent and initiative to flourish in an organisation requires a fresh mentality at the top level.

Transparency & Decentralisation

Two trends are at the core of the Transformation Playground:
transparency and decentralisation.

Studio Zeitgeist believes two important trends define the society and the economy: radical decentralisation and radical transparency. Both amount to a new order of business and social relations that may be described as the ‘liquid society’, a term used extensively by the Polish philosopher Zygmunt Bauman, e.g. in his book *Liquid Modernity*¹. An important driver for these changes is technological development.

Radical decentralisation

Radical decentralisation ultimately means that ‘one size does not fit all’: usually a smaller scale of operation is more feasible and more useful than the larger scale that used to be the only scale to effectively operate on. Because both individuals and teams can connect, interact and disconnect so easily, usually a small, workable and human scale works best to solve problems in companies, neighbourhoods or other groups. Decentralised structures allow for co-creation, co-decision and co-development in unprecedented ways. From self-governing structures within companies to on-line encyclopaedias that are accessible to anyone, ‘power to the people’ does not carry its usual heavy political connotation any longer, but rather underlines the

‘Decentralised structures allow for co-creation, co-decision and co-development in unprecedented ways.’

empowerment of the individual and the full use of her or his talents. Every individual's career path is made to measure and may meander in unforeseen directions.

Radical transparency

One of mankind's greatest virtue is curiosity, which connects decentralisation to what Studio Zeitgeist dubs ‘radical transparency’. It comes down to this. There is a lot to know, the knowledge is easily accessible and there are plenty of people eagerly waiting to hear about it. How a company functions, how the value chain operates, where to find the nearest restaurant which has received good reviews – all these things are up for grabs, and people use this opportunity gladly, although many organisations have a hard time coming to terms with it. But they will have to. Wikileaks and other major scandals and major breaches of old-fashioned secrecy may obscure the fact that the clue to true innovation likely sits in your pocket: your mobile phone conforms to the definition of the supercomputer in the 1980s.

Radical decentralisation and radical transparency combined lead to a society in which people and organisations interconnect and interact at an unprecedented scale. We call this new society the ‘liquid society’. It is the underlying reality of all of the seven organising principles that we work out in this whitepaper, most literally ‘From solid to liquid’ on the next page.

From Solid to Liquid

In the new liquid reality, people quickly make connections and break them again.

Markets have fundamentally changed, first from physical to virtual places to sell and buy goods, and now into a reality that seems constantly adrift. It's hard to picture your organisation as a building built on rock anymore; it's rather a ship on treacherous water. As a result, trying to consolidate a market position is like rowing on the ocean: full of uncertainties, but with uncharted territories waiting to be discovered. People make new connections and continuously reinvent themselves.

Becoming accustomed to the liquid society is not easy for people and organisations used to a rather predictable society, with rigid building blocks that constructed a solid fabric of social order. Now, the building blocks have begun to melt. One of the

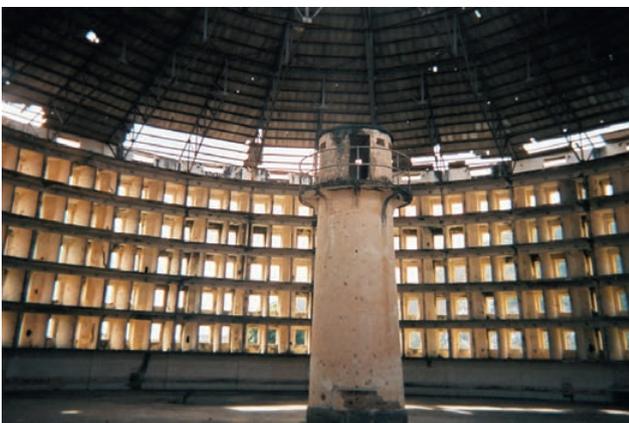
causes is the fast pace of technological development, which has made instant global communication a possibility in just decades and has taken down industrial monoliths in only years. The liquid society has allowed new corporate giants emerge in revolutionary new fields of economic activity. Simultaneously, individuals and small groups can change social reality and reach the masses in a way never before possible.

Studio Zeitgeist has coined the term *diopticon* to describe a situation in which the many regard the many, and can instantly form connections and break them again just as easily². The diopticon provides a fertile ground for new opportunities.

Liquid society and the diopticon

On 9 January 2017, the prolific and insightful sociologist and philosopher Zygmunt Bauman passed away. In his view, modernity has taken a step ahead and has become liquid. In the liquid society, 'change is the only permanence, and uncertainty is the only certainty', he argues³. This has profound consequences. Time becomes more significant as social change takes place as an ever-increasing pace. As Bauman says: 'Descriptions of fluids are all snapshots, and they need a date at the bottom of the picture.'

Although the liquid society brings myriad opportunities, Bauman warns that without proper access to them, the liquid society will create castes of haves and have-nots. The latter, who often face



In Scotland, the police are like the wardens in Jeremy Bentham's panoptical prison: they do not only look at you through CCTV on the street, but they even talk to you through a built-in microphone.



Cryptocurrencies such as Bitcoin and the relatively new Gulden illustrate how trust is minted in a new way. Using blockchain technology, the authenticity of every virtual penny is guaranteed.



The Dutch service Burgernet is a quite literal example of the diopticon. Through an on-line platform, everyone can keep an eye out for everyone else in order to supplement police surveillance. In 2016, missing 21-year-old Maurits, who has Down's Syndrome, was found by vigilant Burgernet users.



Everyone with a bike may be a delivery girl or guy through platforms like Deliveroo. Anybody with a decent car can be a taxi driver with Uber, although not all cities allow the practice.

barriers as concrete as walls along borders, lead 'wasted lives'⁴.

Likewise, organisations should take care not to be wasted when the rock-hard structures of old come down and make way for fluidity.

'Organisations should take care not to be wasted when the rock-hard structures of old come down.'

Our model of the diopticon, which can be a tool to help design competitive working methods in a liquid reality, is a logical next step from the panopticon. The latter concept, developed by Jeremy Bentham in the 18th century, is in its most literal form a round prison with a guard in the 'inspection house' in the middle, who oversees all inmates in the cells along the round wall⁵. French philosopher Michel Foucault used it as a metaphor for a power relationship between the few who see everything, and the many who are under constant surveillance⁶.

In the diopticon, the many look at the many, a situation which offers endless opportunities, but may be scary for some.

Transparency in the diopticon

Liquids are translucent; liquid society is transparent. One cannot expect a diopticon to be as opaque as the panopticon of old.

The diopticon is a perfect conduit for talent and passion. When people learn to apply its principles, they learn how to recognise the contribution they can make and the talents and skills they have. Life long learning becomes part of an ambitious person's lifestyle.

Many modern markets also show how this process of 'melting' works in practice. On-line marketplaces such as eBay, Airbnb and Uber all allow for a merger of roles. One individual might be a seller and a buyer, a hotelier and a guest, and a taxi driver as well as a passenger. All these systems rely on a new currency of trust: although money still speaks, so do testimonies on travel websites and appreciation rankings on professional exchange websites.

'Although money still speaks, so do testimonies on travel websites and appreciation rankings.'



Frank van Massenhove, the highest official of the Belgian Federal Social Security Service, introduced a new way of working into a traditional bureaucracy. The hot desks in the Service's new offices are a visible innovation, but are by no means the only innovations Van Massenhove has introduced. Employees assess their bosses, who are also present in the same physical space. The employees determine their own working hours and where they work. Van Massenhove gathered ideas from all over the world and blended them together to create a unique, revolutionary cocktail.

Operating in modern markets, with many actors eager to play, organisations must pace up their internal proceedings as well. As a logical consequence, internal structures will have to melt as well.

Liquid management

Management guru Ikujiro Nonaka, in his book *Managing Flow*, holds that leadership is not about rigid administrative control, but a flexible distribution of managerial tasks in which the leader is determined by the context⁷. Nonaka specifically addresses knowledge-intensive firms, in which employees need to be creative and take personal responsibility. Many such firms have barriers in place that effectively stop the free flow of creativity and leadership. They will have a problem, as it will become next to impossible to stay ahead of the game without allowing for an acceleration. In solid structures, such acceleration is increasingly unlikely to happen.

A company's leadership should carefully consider the design of at least three things. First, time is no longer a mechanism of control over employees, but a volatile factor of production that easily slips away. Second, building a successful company is not done primarily in brick and mortar, but in fluid social structures. Third, physical buildings need to be adaptable; today's office will no longer function properly in a couple of years' time.

The future ahead

► Organisations should understand that time has lost its traditional meaning. No longer a constraint that serves to force employees, but a currency to use efficiently.

► If you are successful in designing and developing a marketplace where levels of trust and of transparency are appropriately high, the diopticon is effectively at work: the many see the many, and make connections with them. Thus, new value is created. The next challenge is monetizing this value.

► The same logic applies to physical surroundings: they no longer serve to anchor people to the organisation they belong to, but they should serve as temporary surroundings that serve people for a specific task at hand. Modern working environments offer various types of spaces that workers and their guests can use.

► Walls between departments and between top and lower levels need to become permeable, sometimes in a literal, usually in a figurative sense.

From Process to Play

Playful, intuitive and fair rules of the game will enhance corporate success.

Well-defined processes and protocols might serve well on an airplane, but in a large company they will sooner be a hindrance to creativity than a powerful enabler. They will therefore have to give way to a more playful attitude, which allows the spirit of the workers to wander more freely, see things from different angles and come up with fresher ideas. When you play, you can win or lose, but losing is OK. Even more than in the past, failure should be an option, as long as it is the result of fair play.

This playful attitude may come down to using a concrete set of tools: serious gaming, playing around with status within companies, exploring the unknown and working with energisers and ice-breakers during meetings. It may also reflect the way an organisation deals with its clients. Figuring out what a client really wants, might at some point

require you to switch roles, and investigate what is fundamental about your mutual relationship.

When organisations choose to engage in this kind of playground, however, it is very important that the set of rules is clearly defined, at least at the beginning: rules may and should sometimes be changed, but not arbitrarily. Players in a game are vulnerable, much more than they used to be in traditional processes with clearly defined tasks and responsibilities. Designers of these games have to bear that in mind. They should also consider that the political, economic and legal realities in which our companies operate, are usually far from compatible with a playful way of working. With changes of the system coming about only slowly and sluggishly, being creative and adaptive are key.

Experimenting towards an unsure future

Business research is often concerned with defining types of entrepreneurs. In a lucid study, academic Greg Fisher discerns two different styles of entrepreneurship, which may apply to both individuals and organisations⁸.

One type is called a causator. With a clear goal in mind – say, developing a new car that is 10 % more energy efficient than the competitor's model, the businessman makes a meticulous plan. The assessment and aversion of risk, and return on investment, are the keys to the financial strategy. Other players in the field are seen as threats.

The second type Fisher dubs an effectuator. This type of entrepreneur might have a general goal in mind (establishing a successful restaurant, or providing an essential tool in the energy transition) but will start with



Startup Bootcamp turns the pressure on: with only a weekend to spare, clear rules are set out among participating startup-minded people. Ideas get voted on, and the winners are further developed into usable opportunities.



As you can usually learn more from your own and someone else's mistakes, 'Fuck-up nights', originally a Mexican concept, are organised to showcase and discuss massive failures.



Dutch company IJsfontein has developed serious games for years. On-line and off-line activities are combined to achieve maximum results.

available resources. The process is experimental, with affordable loss as a financial driver. The effectuator will look for partners to team up with.

Being an effectuator involves more risk, but allows the entrepreneur to react much quicker to changing circumstances. With an unsure future, every realistic form of doing business should encompass some effectuator elements.

Serious Gaming

All the hype in courses, seminars and recruiting, serious gaming is unlikely to disappear from the corporate scene any time soon. For a reason: a proper game can strengthen the cohesion of teams by bringing out strengths and weaknesses of the people involved. It may also allow people to learn, by looking at a problem from a different angle.

Serious games will generally include elements of simulation and role-play, and often of skill.

Still, serious gaming shouldn't be used too often as a one-off solution. Rather, experimental and playful elements should be integrated in daily routines, or be revisited every once in a while.

Many signature working methods used in trainings, team-building exercises and inspiration session use elements of gaming: the pressure is on, the cycles are quick and the participants are invited (and sometimes pushed) to think outside the box. A Socratic dialogue, a design thinking session or a an opportunity development contest have these 'playful' elements.

The future ahead

► Not every organisation is receptive to the same playful working methods: each organisation to its own experiments and games. Some companies that use methods employed by startups and in educational projects, may come to realise that their company is not ready for them. New methods should have exactly the right levels of experimentation, competition and playfulness.

► A game will often have an independent, but all-powerful facilitator. If such dictatorship is temporary (as it was in its original Roman form) it may not be so bad after all. Rather than using corporate

hierarchy or appointing a taskforce, an organisation may choose to allow an individual or small group to be temporary curators of an area, a project, or a workplace. An element of competition is brought in by having potential curators pitch against each other. The winner, as usual, takes all, but only until the project is over.

► Although not every individual is equally competitive, almost everyone likes a game from time to time. A take-away from that insight is that the pressure cannot always be on.

From Transacting to Participating

Institutions collapse as the individual emancipates and takes on multiple roles.

The roles of the individual user, consumer, client and citizen evolve. At a quick pace, consumers become part of the production process as prosumers. Citizens help shape the world around them, cooperating with authorities and organisations around them. In turn, organisations need to shed their institutional feathers and become receptive to participation.

Since these new forms of participation are based on trust, the currency used to reflect the trust must be clearly defined and rigorously safeguarded. The so-called 'reputation economy' reflects this: users

'Any person can be consumer, citizen, co-owner and expert.'

must work hard to gain and keep trust. Organisations, on the other hand, must work hard to keep their customers and users close and give them trust.

The anonymous transaction,

once the cornerstone of the economy of large corporations, may one day disappear. We can already rate the local baker on-line; it may be a matter of time before she or he will be able to rate us.

Also outside the consumer market, reputation and interaction will become more important. In crowd-funding, smaller and bigger investors can actively engage in the day-to-day operations of the companies they fund. This requires transparency and honesty, but in return increases the value that organisations can harness to improve what they are doing.

In sum, the transition from transacting to participating implies that roles are melting together. Any person can be consumer, citizen, co-owner and expert, all in a reciprocal relation to institutions and companies, and all at the same time.



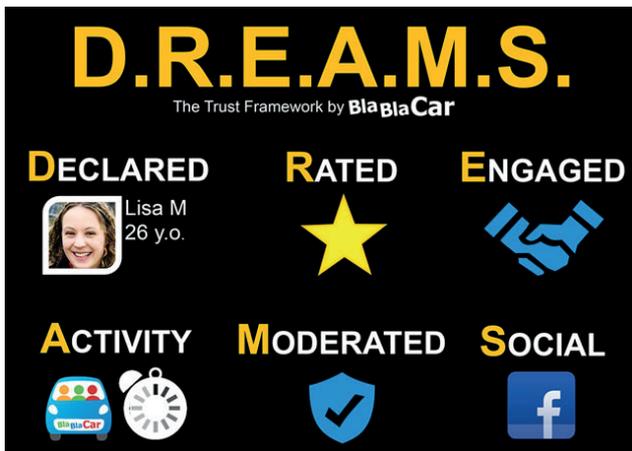
Wisconsin beer brewer Mobcraft allows users to submit recipes for beers. The community may vote, pledging (with their creditcard) to buy the beer they vote on if it wins the ballot.

The blurring lines between consumption and production

In a participatory economy, the individual is empowered. Customers are involved in producing and sharing goods, property, capital and knowledge with an economic or altruistic purpose. The resulting blurring of the boundaries between production and consumption is pushed forward by the proliferation of information and communication technologies.

Many enterprises, those offering digital products or services in the first place, depend wholly or partially on content generated by individual users.

The blurry lines between consumption and production fuelled the rise of the 'prosumer'. This term was first coined by Alvin Toffler, an American writer and futurist.



A well-functioning trust management system was invented by car-sharing platform BlaBlaCar. To create a thriving community of car sharing users, the company had to build a trust mechanism ensuring the user's safety. The resulting D.R.E.A.M.S. Framework provides several tools to build trust: identity declaration, peer-to-peer ratings based on rideshares, financial commitment via pre-payment services and integration with social media profiles.



In an attempt to set up a decentral investment fund, Ethereum technology was used, which offers the same levels of decentralisation and individual autonomy as Bitcoin's technology. The more a person would invest in the DAO, the more votes she would receive. Collectively, \$ 168 million was invested. Hacker activity regrettably caused the project to fail, with \$ 50 million stolen.



At Burning Man festival in the Nevada desert, sharing is the norm. Only icecubes are for sale; all other things are for free. The buzzwords of this sharing practice is 'decommodification' and 'gifting'. The festival organisers believe that people are intrinsically generous.

His vision of the prosumer has become reality as we are acting out multiple roles on a daily basis⁹. We participate by interacting and transacting with each other by using services and products that need our participation in order to be successful.

One of the key elements essential for the shift from transacting to participating is the role of trust between people and organisations. Researcher Rachel Botsman explains the evolution of trust, from personal trust on a local scale during medieval times, via the modern trust in institutions, to a very complex modern-day trust with help from technology¹⁰. We may now trust algorithms and avatars, while we used to trust the local shopkeeper, or the government.

According to Botsman, in order to enable transactions or interactions, people must trust the idea of an organisation, the organisation itself and the other user. Organisations should actively seek to organise this trust.

Decentralised trust is managed in different ways. Marketplaces connecting strangers with the purpose to transact with each other face the key challenge the create mutual trust between strangers. This is critical for a number of reasons such as reaching liquidity, sustain growth and guarantee high quality transactions. To accomplish a minimum of decentralised trust, marketplaces utilize trust management systems.

As research shows, participation comes in shapes and sizes: it may vary from a few features open to users to a new social fabric in which individuals can switch to any possible role¹¹.

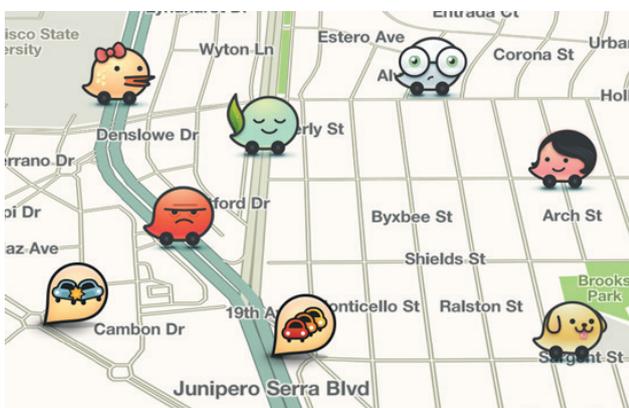
Cutting out the middleman

The Byzantine Generals Problem can be roughly summarised as follows: if trust is essential for success while you don't know whether you can trust all stakeholders that are required to create the success, you need a system that ensures this trust. In other words, organising trust is hard work and requires an elaborate structure with many middlemen.

Now, genuinely decentralised, autonomous organisations have become possible. They facilitate economic cooperation and participation of individuals worldwide. Although blockchain technology can be abused by those hiding behind the anonymity it offers, its principles may lead to renewed trust, authenticity and individual empowerment.



The Bristol budget simulator enables people to explore the council's budget and consider how GBL 60 million could be saved from the council's budget over a period of three years.



Waze is the biggest community-based traffic and navigation application. User cooperate to share the most accurate and timely data in order to save time and fuel, and to avoid police.

Motivations to participate

Researchers have tried to find out why people want to participate and put their time and energy into collaboration with fellow users and with companies. According to Molly Wasko and Samer Faraj, people are firstly internally motivated to participate because it gives them enjoyment. 'In terms of intrinsic motivation, software developers contribute to open-source projects as a result of enjoyment and feeling of competence'¹². Secondly, people participate because of sustainability: participation taps into people's principles and values. Thirdly, people join participatory systems because reputation provides a strong extrinsic motivation. Other research confirms that gaining reputation among like-minded people is a factor why people participate in collaborative models¹³. Lastly, people participate because of economic benefits. The rise of the gig-economy, e.g., is partially depending on people that need more than one job to have sufficient income.

The insight that pecuniary benefits are of relatively little importance in participation, may help understand that the division between commercial and non-commercial participation becomes just as blurry as the lines between individuals' roles. Participating in local government adheres to the same principles as participating in an open-source project as a programmer, or in the design of a new workspace in an organisation. In all these instances, people want to be taken seriously, build a reputation, and be rewarded, usually in kind.

The future ahead

- ▶ Proper levels of participation require proper levels of resources allocated: to genuinely allow users, employees, citizens and customers participate, is costly. Resources should be used to empower the user to have multiple roles, to establish trust between unknown people and organisations and lastly to bring out intrinsic and extrinsic motivation.
- ▶ In order for an organisation to create a participatory relationship with its users and

stakeholders, it must create an environment in which trust is managed transparently.

- ▶ Participation should lead to follow-up on the part of the organisation that fosters it. In other words, organisations need to harness the value from participation and transform it into value that answers to the company's value proposition.

From Closed to Open

Innovation, property and corporate strategy all need to be opened up.

In a constantly changing society, organisations will need to open up, since closed strategies become less effective. Opening the window to the outside world can be refreshing, but many leaders find it challenging: the outside world looks back, right inside your organisation.

Many companies now look carefully outside; some engage in a fundamental overhaul of their business in order to stay afloat. They may form alliances with other companies, even forming a network of former competitors to jointly innovate. They might shorten the value chain in their industry by providing an efficient platform, with smaller suppliers doing the donkey work.



A few years ago, Tesla made a bold move by opening up its patents to all players in the value chain, in order to accelerate the rise of sustainable transport. Thus, the automotive industry followed the example of the tech industry, which showed with AOSP (Android Open Source Project) that an open strategy fastens adoption and development. By applying this strategy, Android became the industry standard.

Many successful start-ups of the last years successfully employ open strategies. Wikipedia may be used and adapted by all, Android is the industry standard open application platform, and PLOS ONE is a successful academic journal with open access. Being open pays off.

In order to become truly open, not only the window but also the door needs to open. In terms of the contemporary company: secrecy and closed development will cease to be the winning concepts. Software development and, more recently, 3D printing illustrate this very well: by relaxing copyright and patenting and by working together across value chains, products get better, supply lines get shorter and innovation paces up.

Radically open strategies

It may not come as a surprise that radical openness has illuminating and early examples in the technology sector. In an enlightening essay called *The Cathedral and the Bazaar*, computer scientist Eric Raymond describes a new model of making software, departing from the traditional, closed and proprietary way (the cathedral), moving towards a collaborative, open and shared way (the bazaar)¹⁴. A small core group of programmers takes care of coordination, while all users have free access to the source code and may submit changes to the software. Usually, such open-source software may be distributed freely. Raymonds model, used e.g. for the Linux operating system, requires an open, collaborative spirit on the part of the professionals involved. Although crowd-sourcing (usually with help of technology) now finds broader use, the model of the bazaar may be applied more widely.

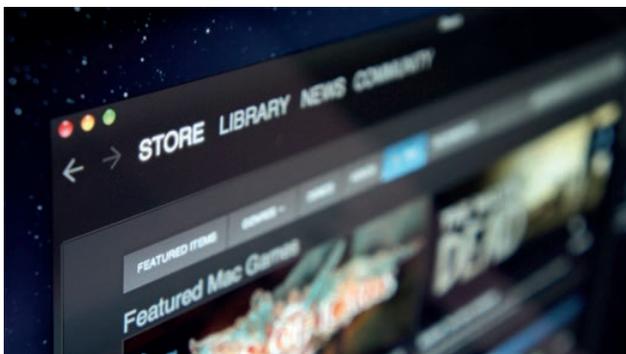
A related concept is the commons. It primary deals with



The PC revolution, bringing the computer to millions of households, saw the birth of the open source movement. Pioneer Linus Torvalds launched operating system Linux, the most widely used system as of 2016. As 78% of the world's companies use some variety of open source software, it can hardly be argued to be a niche.



Shapeways provides individuals with its internal resources to develop products. These products need to comply with the standards set by Shapeways. It's only then that the product will be added into Shapeways's market.



Valve Corporation used to develop videogames until the moment it launched Steam, a digital distribution platform for PC. This platform enables game developers to publish games independently. Once a game has been programmed it is ready for distribution on a massive scale at low cost.

access, but inevitably comes with responsibilities for users. Creative commons specifically refers to text and images available for free, often with some restrictions such as the right for the creator to be recognised as such. The concept of the commons can be applied broader: e.g. to organise energy production distribution in a transparent, democratic and sustainable way in a specific area.

The bazaar for software development and the commons approach are both based on the premise that mitigating central control and providing access to the many lead to higher value for all. This also applies to open strategies that do not have this label, but nevertheless open up intellectual property, standards and working methods.

Platforms and collaboration

Openness comes in degrees: products and services do not need to be 'free for all' to benefit to some extent of the principles of openness. Many platforms, usually relying on technology for the efficient facilitating of numerous interactions, demonstrate this.

Youtube and Spotify provide powerful platforms for digitised services: video and music, respectively. In these cases, the available content is abundant and the marginal cost to distribute it is practically zero: distributing 1000 songs on the internet costs only a fraction of distributing them on CD, and the cost of distribution of 1000 copies of the same song is equal to that of 1000 different ones. Thus, not only do platforms allow for scale, but also to mass-customisation.

A model to combine platformisation with standardisation is the co-market strategy. This strategy focusses on enabling third parties to use the internal resources of a host organisation within the restrictions it sets.

Openness as an innovation strategy

Opening up formerly closed R&D and product development departments can help in becoming more competitive. Henry Chesbrough, executive director of the Garwood Centre for Corporate Innovation, names three reasons why this is the case¹⁵. Firstly, he states that access to capital has become easier because of the increase of venture capitalists. Secondly, there are more possibilities to externally test new ideas: good ideas are widely available and the monopoly on useful knowledge is largely gone. Thirdly, third parties absorb more opportunities to test new ideas. Innovation ideally takes place within a network of firms.



Github and PatientsLikeMe are collaborative communities.

Partnerships between organisations can be formed for strategic purposes, to cut down transactions costs or to enhance learning¹⁶. In this case, the degree of openness might be restricted to only two partners which operate towards the rest of the world as a 'black box'.

Two environments seem to be particularly suited for outside innovation: collaborative communities and competitive markets¹⁷. In collaborative communities, users have an intrinsic motivation to contribute and participate, as they strive to apply knowledge to create more of it. In competitive markets, actors have an extrinsic motivation to contribute and participate: actors compete among each other and cause the creation of an inventory of value.

The future ahead

The organising principle 'from closed to open' teaches us that organisations can no longer only focus on their internal processes, but need to let the outside world in, and to work together with other parties. By opening up, organisations will be part of the transformation, rather than the observer or victim of it.

► Organisations should be on the look-out for opportunities that combine some level of open access to resources, and the use of platforms. A good example is 3D printing. It benefits from design repositories as open platforms, and thrives by speeding up cycles of innovation

by shortening the time to build new prototypes. 3D printing has effectively shrunk the value chain to a 'value circle'.

- There is no template for a successful platform: each platform should have its own design, based on the values, motivation, knowledge and needs of its users.
- Because innovation happens at an ever accelerating pace, open innovation will become a necessity where closed innovation is still possible today. Sooner rather than later, organisations should take the plunge and open up.

From Scarcity to Abundance

We live in a world of potential abundance of energy, information, and more.

Although not every citizen notices it, we live in a world of at least potential abundance. The ability to fulfil our basic needs has, at least in the affluent regions of the world, increased dramatically, at a much lower cost than ever before. In the last decades, the cost of food and of electricity have decreased by at least a factor ten. The cost of communication measured in bytes has dropped exponentially and will continue to do so. Energy increasingly comes from the sun and the wind, which comes in an endless supply.

Granted, the distribution of resources world-wide and nationally is very unequal: although there is enough food on the planet for everyone, about

as many people suffer from malnutrition as from obesity. Something comparable is the case with information: because of the ‘information gap’ many people in developing countries have limited access to the internet, whereas in the north the access to data, information and knowledge is considered to be self-evident (and some even suffer from information overload).

Energy shows another imbalance. Current economies of scale all depend on non-renewable, finite resources such as coal and oil. In the next decades, the world’s energy economy must and will make a transition towards sustainability and self-sufficiency.



Jack Andraka, a 15-year-old boy, created a method to flag the early stages of several types of cancer at a fraction of the costs, speed and which is way more sensitive than existing methods. He said that he consulted Google, Wikipedia and Youtube to create his method. In developing his opportunity into a start-up, he proves that accessing information and creating knowledge is within reach of the many.

Information and Moore’s Law

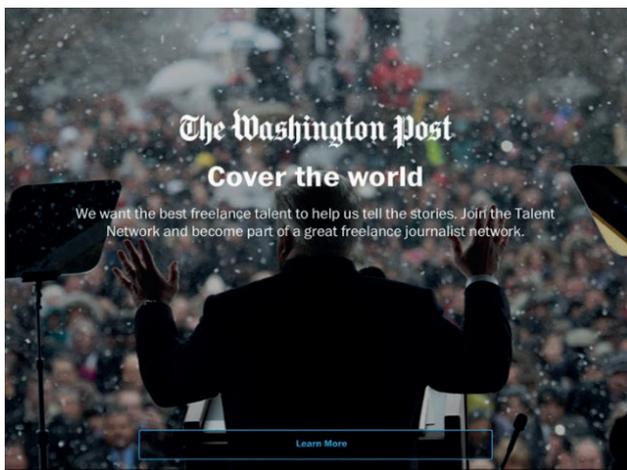
Information and communication technologies underpin the rapid expansion of services and products that have disrupted our economy and changed our lives. All information technologies ride Moore’s Law, which states that the processing power of the technology becomes twice as powerful in 18 to 24 at the same cost. This has had serious consequences for a variety of industries since the majority of general purpose technologies are digital these days.

The exponential growth of data will only accelerate in the next years as networks will become more heterogeneous. As the Internet of Things emerges, not only billions of people are on-line, but billions of machines will be as well. Together, they will produce plenty of data, information and knowledge.

The projected growth of data in combination with increasingly powerful algorithms has the potential to uncover tacit knowledge and turn it into explicit



When a customer tweets KLM, a reaction within 40 minutes is guaranteed. In this way, the company meets the growing demand for rapid response.



The Washington Post launched Washington Post Talent Network. An algorithm creates a network of talent which makes it easy for editors of the journal to find the right writers for the right occasions.



Developed by Alliander Sustainable Area Development, HEAT is a computer-assisted tool that enables multiple stakeholders (such as housing corporations) to explore, simulate, visualise and discuss heat grid projects.

knowledge. Systems for capturing and managing information and knowledge are a must for any organisation, as big data is applicable in every industry.

As access to data and information is democratised, many ethical and juridical challenges lie ahead. The unequal distribution of data is one of those. Although in principle, anyone with the right set of skills can utilize information and knowledge in ways that suit their goals, the information gap between the rich and poor, and the skilled and unskilled, severely limits the inclusiveness of the information economy. Secondly, the regulation and safety of data and information deserves close attention: companies and governments try to protect their secrets; individuals their privacy. Intellectual property, still dating from the beginning of the 20th century, deserves an overhaul. Finally, the emergence of artificial intelligence provides an interesting challenge: with driverless cars finding their ways on the streets, many issues of liability will arise.

From static to dynamic

With the abundance of information and knowledge, the need for real-time communication increases.

People don't need a traditional intermediary to communicate, but can talk to one another unimpeded, often helped by smart and lean social media platforms.

Organisations should adapt to this new dynamic reality in at least two ways. First, their communication will need to be quick, even real-time. Customers will not wait a few days for an answer anymore. Secondly, corporations should use the potential to create accurate and real-time information, created by the abundance of data. New markets will be opened in which knowledge on demand is the key as people find out that it makes their life more efficient.

Grids of abundance

In his work 'The Zero Marginal Cost Society', American economist Jeremy Rifkin sketches a future of abundance in both information and energy¹⁸. He sees two 'uncanny parallels' between the development of the internet and that of energy. First, the development of renewable energy sources shows an exponential growth in relation to solar and wind energy, while geothermal energy, biomass and water lie ahead. Second, although start-up investments are very high, the marginal costs of producing and distributing energy, like information, are negligible.

According to Rifkin, internet and energy merge into an Energy Internet that will turn the way we generate and



ReGen Villages attempts to build self-sustaining residential communities by making use of abundant resources such as solar power, rainwater and home waste food. The first 25 houses will be built by the end of 2017.

distribute energy in society upside down. 'When Internet communications manage green energy, every human being on Earth becomes his or her own source of power, both literally and figuratively.'

As a generally applicable megatrend, Rifkin identifies the continuing decrease of marginal cost, the extra cost per new unit. Due to continuous innovation, this cost approaches zero, meaning that market forces, the foundation of the capitalist system, no longer function. In the entertainment industry, in publishing and communications the reduction of marginal costs has almost put an end to the traditional, profitable model. It will go much further. 'Within the next two to three decades, prosumers in vast continental and global networks will be producing and sharing green energy as well as physical goods and services, and learning in online virtual classrooms at near zero marginal cost, bringing the economy into an era of nearly free goods and services.'

The future ahead

► In a world of abundance, a different mind-set is required. Organisations should question themselves how they can invent systems and cultures that turn tacit knowledge into explicit knowledge. The possibilities of applying it are endless with an infrastructure in place that captures real time data. This can be done because 'piggybacking' on existing technologies may increase the pace of innovation.

► Organisations should consider how they can move from static to dynamic knowledge and information. This transition will require a significant investment in time, money and energy, as well as a mentality change within the organisation.

► The creation of an infrastructure that enables people to become energy self-sufficient is illustrative for the decentralisation of the utilities sector. This scenario is not an unlikely one, although costs of solar panels and storage of energy must drop in order to reach a penetration rate of scale. This is currently happening: according to 'Swanson's law' the price of solar panels drops by twenty percent with each doubling of shipped units¹⁹. However, the current energy grid is designed in such a way that it is not fit to efficiently distribute energy produced by a great number of micro producers.

From Product to Purpose

Organisations with a clear purpose out-perform companies which lack it.

The question ‘What am I on earth for?’ might have a spiritual ring to it, but in the case of organisations the question is quite down to earth.

Rosabeth Kanter, recounting her research in Harvard Business Review, stresses that organisations which ask and answer this question properly, perform much better than companies which don’t²⁰. The days of ‘the only business of business is business’ are over. Instead, Kanter stresses that in purposeful organisations, ‘society and people are not afterthoughts or inputs to be used and discarded but are core to their purpose’. Corporate leaders should therefore ‘deliver more than just financial returns; they also build enduring institutions’.

For organisations to endure, it makes sense to look beyond the walls of the office, and perform a comprehensive inquiry into the impact of the organisation on the

world outside. Such comprehensiveness lies at the core of the Sustainable Development Goals, which might serve as a source of inspiration.

Purpose is a more comprehensive concept than vision (‘what should the organisation look like in some years’ time?), mission (‘what are we going to do?’), principles (‘what are our do’s and don’ts?’) and values (‘what should our corporate culture be like?’). Purpose goes beyond all these questions by raising the fundamental question as to the reason of the existence of the organisation. Ultimately, purpose is based on a moral choice.

However, purpose can also serve as a powerful tool. Through customer satisfaction, it may actually increase profits, drive changes to the brand and help with the formulation of a strategy. Thus, purpose is becoming a competitive asset, enabling organisations to distinguish themselves in their industry.

‘Purpose can be a powerful tool.’



Ryan’s Toy Review, in which 4-year-old Ryan reviews toys, often scores more than 50 million hits on its Youtube videos. It is a clear proof that marketing has fundamentally changed. Instead, toy producers should ask themselves: how do we make children happy?

Purpose and the customer

Customers are less easily persuaded by marketing, since markets are mature, advertisements are everywhere and people have myriad sources to base their choices on. As a result, they demand authenticity and have higher expectations of organisations they connect with. They are well-informed and curious and they seek products and services with uniqueness and meaning.

All this goes at the expense of brand loyalty. According to a 2015 study by digital and consumer loyalty firm Catalina, 90% of the leading household goods brands are losing market share on consistently low growth categories²¹.



Google has a clear mission: 'To organise the world's information and make it universally accessible and useful'. This mission offers endless possibilities for product diversification and shows that companies can diversify and even run cross-sectoral projects without being at risk of alienating their brand's identity. One step further would be to translate this mission into a purpose, which likely will have the word 'people' in it.



The commoditisation of purpose is put in practice by Unilever. Their stated corporate purpose: 'The highest standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact.'



Since 2014 CVS pharmacy made a decision that costs two billion dollars annually. The pharmacy chain decided to stop selling tobacco. This decision is in line with the company's purpose to help people on their path to better health.

In order to connect with (potential) customers, organisations must therefore define a corporate purpose that makes a clear choice of the target group of customers, and target them with an authentic message that conveys this purpose, well aligned with the customers' personal belief set, principles and their own sense of purpose.

Purpose does not require a very strict focus on one or more related products. On the contrary: many companies are successful with a huge and diversified portfolio, as long as they can convey a coherent and truthful message to the customer base.

A fifth wave of commoditisation

Commoditisation is the process by which goods of economic value become commodities in the eyes of the customer. Joseph Pine describes four waves of this process in Harvard Business Review, using the example of a birthday cake²². In the first wave, represented by the agrarian model, mom would procure the ingredients and make the cake from scratch. In the second wave of the goods-based industrial economy, she would buy a mix of ingredients. The service economy gets hold in the third wave; now the cake is bought from a bakery at relatively high cost. The fourth and final wave, according to Pine, is the experience economy: the whole birthday party, including cakes, is outsourced to a specialised company.

'The fifth wave of commoditisation is characterised by the emergence of purpose as an organising principle.'

One might argue that the fourth wave of commoditisation has overstayed its welcome. The financial crisis of 2006 was a turning point. The public opinion blamed politics and corporations, especially banks, for ruining the economy and overstepping their mandate. A general distrust in government, business and media ensued. High expectations on the part of customers turned into high scepticism and distrust. The commoditisation of experiences backfired as negative experiences forced customers to find and create alternatives.

A way out of a situation of low trust is the realignment of brand and customer purpose. Therefore, we believe that the fifth wave of commoditisation is characterised by the emergence of purpose as an organising principle of business and marketing.



Seventh Generation, producer and distributor of environmentally safe household products have a mission: to leave the world a better place, up to the seventh generation to come. This impacts responsibility and safety.

Sustainable purpose

In 2015, the Sustainable Development Goals (SDGs), also called the Global Goals, were adopted as the follow-up mechanism for the Millennium Development Goals.

The SDGs cover both environmental and social issues, and address poor and rich countries alike. For each country, organisation and individual, it provides concrete goals to achieve and steps to take. Thus, sustainability becomes more than window-dressing for organisations who wish to impress. Rather, an outward look becomes natural for companies, and their customers will expect it.

The future ahead

- ▶ Running a purposeful organisation requires maintenance. In a perennial dialogue with employees and with customers, the company should define and refine its purpose. The effort required is significant, but the rewards may be huge.
- ▶ The Sustainable Development Goals (SDGs) are a valuable source of inspiration to help define an organisational purpose, and to design concrete actions to help foster it.
- ▶ In some cases, the process of defining a purpose will lead to a diversification of products and services, in others it might lead to a more focussed portfolio. It is increasingly unlikely that a portfolio will remain stable over time.

From Hierarchy to Hubs

Hierarchies belong mostly to the past.

Work, organised in hubs, must contribute to transformation.

The traditional pyramid structure with its hierarchy set in stone gives way to more liquid modes of organisation. All work should contribute to transformation and is organised in hubs of exactly the right size.

In management, all too often much energy is devoted to fitting people into existing structures. For maximum transformation, this practice has to be reversed. Organising people around a common target or idea requires a different mind-set, with the individual, the organisation and society as points of reference.

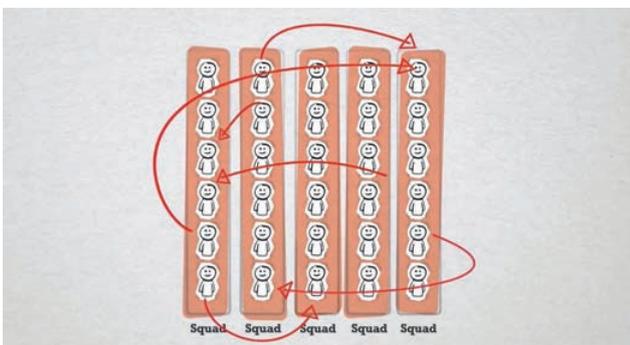
Many companies already work with fluid teams, with flat management structures and with self-steering teams. Ultimately, however, the movement from hierarchy to hubs is not about the exact power structure within a company. It is rather about entrusting tasks to groups of people in a dynamical and organic way, with the potential to adapt to new

realities in an instant. Work is made to measure around a goal or an idea with workers regrouping according to their talents, and to flexibility.

Organisations should learn to figure out how to form and link hubs in the most efficient manner, creating maximum value.

Ultimately, the individual is the smallest hub in the network. He or she is eager to be connected to and engaged by workplace and colleagues and in the process becomes loyal to the organisation. He or she wants to walk an individual career path that is fulfilling and valuable. A strong focus on the talents of workers is paramount, which takes none of the 'old-economy' certainties for granted.

'Work is made to measure around a goal or an idea.'

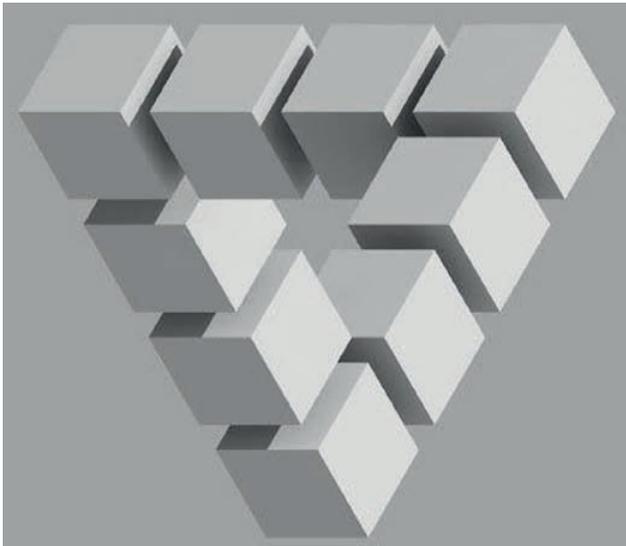


Agile, another management idea that originated in technology, has now been adopted by organisations such as ING. The 'ING way of working' revolves around self-managing squads grouped into tribes.

Management: empowered teams

In new models of management, the role of the 'boss', the traditional middle manager, is disappearing. Workers no longer see value in reporting to managers who add no value of their own. Algorithms may already do much of the tasks of general management²³. Increasingly, leadership and responsibility are embedded in roles within teams.

Management theorist Henry Mintzberg coined the term 'adhocracy' in the 1980s to describe teams that assemble and dissolve on an ad-hoc basis and share final responsibility within the team, as opposed to the 'machine bureaucracy' and comparable configurations with hierarchy and processes cut in stone²⁴. An orthodox application of



Holacracy is a specific form of democratic corporate governance using autonomous circles. It is applied by various corporations, including but not limited to technology firms. Shoe manufacturer Zappos, e.g., is famous for applying the model.



OuiShare started as a small Parisian hub in 2012 and now operates in 50 countries. Workplaces like these are characterised by enabling networks to flourish. Companies can learn how to use the same mechanisms within their organisations.



One way of implementing talentism in an organisation is to start a mentoring programme, connecting young potentials with seasoned professionals. Mentor Scout has provided an online mentoring technology platform for more than 10 years, serving corporations such as Toyota, United Technologies and Xerox.

Mintzberg ideas is the model of holacracy²⁵, dissolving hierarchy almost entirely.

Frederick Laloux, in describing the development of organisations, identifies the Teal organisation as a soulful and authentic organisation. It relies on self-management (no-one is anyone else's boss), wholeness (people are allowed to be human) and evolution (the organisation's purpose develops organically, and should be aligned with the corporate strategy)²⁶.

In sum, technological and social innovation continue to make the (middle) manager obsolete, with myriad opportunities to empower both the organisation and the individual, in an increasing range of corporate activities.

Networks: effective links

A useful way to look at effective organisations is to take a network perspective, which is based on the notion that economic action is embedded in a social structure. In this view, networks consist of both hubs or nodes (the points within the network, usually individuals or groups) which are connected by edges or links (the lines between the points). In academic literature, social networks have been found to impact entrepreneurial outcome, which in turn influences network development over time²⁷. As research in technology companies shows, the discovery of business opportunities, the acquisition of resources and the securing of legitimacy all depend on how the network is structured, governed and used²⁸. However, quantity and quality of network ties should be carefully balanced: in technology companies pursuing radical innovation, strong ties have been shown to be more helpful to discover opportunities and to secure resources, but weak ties are more important to gain legitimacy. Companies should ascertain carefully how to mix 'embedded relationships' (ties with a high level of trust and transparency) and more formal arms-length relationships²⁹.

Closely studying and moulding the networks in which the company operates should be part of corporate strategy. The use of software tools, big data and on-line platforms can be helpful in mapping networks and providing ideas for change.

The individual: talent and attitude

In recent years, writers have asked if capitalism is now being replaced with talentism, making talent effectively a new production factor³⁰. Indeed, companies have an increasing need to provide their employees with opportunities to lead fulfilling and challenging lives. The membrane between private and professional life becomes



JLabs is an intrapreneurship lab by Johnson & Johnson. Startup companies get access to Johnson & Johnson expertise and data, and may develop new products and services based on them. In doing so, the company ensures that a fresh, entrepreneurial wind blows through the organisation.

permeable. This can be a challenge, since workers want to be in the driver's seat of their own career development and job descriptions are hardly adequate. It may also provide a great opportunity to find the right roles for workers, which utilise their talents to the fullest.

Talent alone will not change the world: in order to contribute to transformation, people need the right attitude and a sound level of courage. The term 'intrapreneurship' refers to such an attitude, in which employees depart from customary ways of doing business within existing organisations³¹. Such entrepreneurial spirit can only arise if the organisation allows its employees enough space to form alliances (also outside the company) and actively seek new opportunities.

Allowing talent and initiative to flourish in an organisation requires a different mentality at the top levels. Leadership and vision now comes from the bottom-up, and those in the boardroom should open the doors and listen carefully.

'Workers want to be in the drivers seat.'

The future ahead

- ▶ Solutions may sometimes be as easy as to physically remove the walls between offices and make sure people with very different backgrounds and expertise meet one another for a cup of coffee. Also, organisations have to beware of 'group-think' and actively make sure that groups of people with a high level of diversity work together on common goals.
- ▶ Organisations should find a proper mix of close and weak ties within the networks within their organisation, and with the outside world. This may require studying, visualising, discussing and changing the nature of the network.
- ▶ If talentism is to be a core value of the company, no 'old-economy' certainties should be taken for granted: remuneration might have to be re-invented, the 9-to-5 work day could be abolished, and the values of the company must flexibly align with those of the workers.
- ▶ Management overhauls may dramatically fail. The more extreme a management model, the higher the risk of a dramatic failure.

Value

Money has always been a virtual representation of value. No bitcoin or banking crisis is needed to understand that the real kind of value lies not in a banknote, but in real things that people appreciate. This is increasingly true today. Without forgetting their balance sheets, organisations need to tune in with values in a broader sense. Society has values, workers have values, and some things of value are still uncovered, waiting for an adventurous explorer to find them.

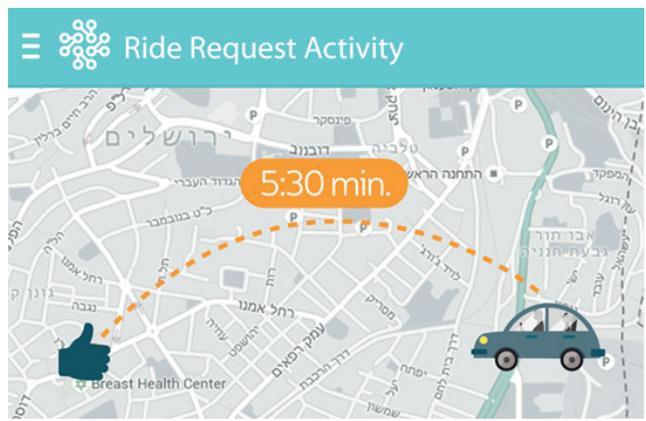
For a long time, ‘the only business of business is business’ was a slogan of businessmen, usually in appropriate attire. Value therefore was understood solely in terms of money. This attitude has changed since it has become obvious that we are depleting our natural resources, but has also suffered severe damage since the banking crisis. There must be something more important to do in life than trying for eternal economic growth. We have to look for new forms of value. In the transitions Studio Zeitgeist describes, many of such new values may

be discerned. The quest to use people’s talents is worthy in itself, as is the desirability for people to take responsibility in their professional careers, even if they are not in the top ranks (which may be superfluous in the first place). Consumers have values, too. They will influence their buying habits because of environmental concerns, or social behaviour of a company. If openness should be viewed as a value in itself, as it very well may be, then window-dressing won’t be enough. Genuine change in production patterns is needed and will happen sooner or later. Happily, many common-sense sustainable solutions require more creativity than capital investment. Companies that take their role in society truly seriously, will have no difficulty with the only kind of communication that will work nowadays: with a clear message, authenticity and taking a genuine interest.

‘The quest to use people’s talents is worthy in itself.’



The added value of Airbnb is the management of trust between hosts and guests.



LaZooz, an ride-sharing service, uses blockchain technology and a social matching algorithm.

People

People come in shapes and sizes. For companies, the most important ones are the people that work for them, the people they do business with, and the public at large. The role they play in relation to the organisation has changed over time, and will change further at an accelerating rate. They can no longer be 'the others', they should be part of 'we'.

People are at the heart of every company. It is only a shame that for so long, they have been regarded as commodities rather than participants in all aspects of an organisation. To face the challenges of the time, workers should be held in a higher regard. The development of their talent counts; they all have different ideas about the course they want their life to take and they need to be able to work in such a way that it makes them happy and gives them a sense of fulfillment. As the Transformation Playground elaborates under 'From process to play',

allowing people to do whatever they want, is a bad idea.

Instead, motivating people requires a set of adaptive rules. People should be taken seriously and if they are allowed to be experimental and playful, fair play is crucial. Fairness and authenticity are just as important in establishing new forms of communication with customers, both individual consumers and corporate clients. 'Power to the people' means that people want to take up all of their roles in a meaningful way. Organisations can do this by being as transparent as they can, and listen very carefully to the people involved, no matter if they are business relations, customers, employees or members of the general public or press.

'Motivating people requires a set of adaptive rules.'



The Socratic dialogue is a good way to promote listening and inclusion.



Many Millennials understand that an authentic personal narrative is worth more than a job title.

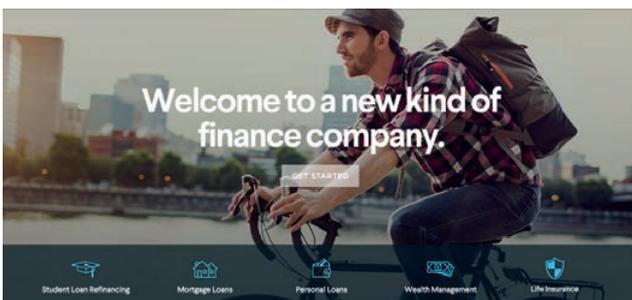
Identity

The identity of an organisation can be seen as a photograph. All of the aspects that are constantly in flux are suddenly frozen in time. Rather than an image of the organisation to try and protect, it should be used as a thought experiment only. Tomorrow, the organisation's identity will be different. The most far-reaching question an organisation may ask itself from time to time is: what do we really want to stay the same for the time being?

It would be unwise to easily discard the company's name, logo, pay-off and the like, all belonging to a brand that was carefully established at high cost. Still, in a world with such a rapid pace of change, it is unwise to try and protect a company's identity against the tides of the time. Mission statement, organisational structure, product or service range and other things are subject to a quicker change than you might expect. For instance, the organisation might form new alliances with outside partners,

based on a totally new value proposition. Such a strategy will usually require the organisation to set aside many of its organisational principles, allow for new people to come in, work together with even more unexpected partners and do all kind of things that the monoliths of the past were quite reluctant to do. Beware of Xerox, which believed that making photocopiers was part of its identity, and which made them recognisable for their clients. The result was that they refused to continue the development of a computer operating system that would have put them on the forefront of technological innovation. Any of your clients will soon understand a new mission statement, even if you openly admit that it's quite likely to change again in a couple of years' time.

'What do we really want to stay the same for the time being?'



Fin tech company SoFi endeavours to be a truly social company with its customers.



Profit more and more comes with a purpose, as Bridges Venture co-founder says.

Learning

A good organisation is a learning organisation. Through learning, a great organisation innovates disruptively: changing the market in such an assertive way as to surprise and surpass all its competitors. All organisations, big and small, should aspire to learn in all their operations. Standing still is a guarantee to be out of business before you know it.

Innovation has been possible since the industrial revolution, but it has become a regular economic reality since the advent of the personal computer. Moore's Law dictates that computing power doubles every 18 to 24 months, and it has been in force since the sixties. This has made the internet possible, and will make sure our society is in for some surprises in the time to come. This example does not imply that your organisation needs to be in the technology industry to feel the effect of the 'steady

drumbeat of innovation' (a term by Brynjolfsson and McAfee)³². Imagine a quite recent past: doing your accounting without a computer, having a room full of secretaries typing up documents; the absence of the photocopier.

Learning is relevant for every part of a bigger company. HR specialists need to connect organisational with individual learning. The shopkeeper needs to stay on top of the development of his product range to stay in business. The public sector needs to relearn how to serve citizens well.

Studio Zeitgeist strongly believes that learning plays a pivotal role in all parts of society.

'Through learning a great organisation innovates disruptively.'



Successful scientist Johannes Haushofer published an extensive resume of failures.



On-line learning group Coursera emulates Netflix as it taps binge-watching habits.

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