

CREATING EXTRAORDINARY ORGANIZATIONS

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Volume 1, Letter 3
July 18, 2003

This letter is written for those pioneers who want to move beyond the ordinary to the Extraordinary in creating business organizations.

Please feel free to pass this letter on to anyone you think would like to join this journey to Extraordinary.

Sent only to recipients who have personally opted to receive it. To change your sign-up information, please follow the instructions at the end of this letter.

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THIS ISSUE:

IS YOUR ORGANIZATAION LESS THAN EXTRAORDINARY BECAUSE YOU DON'T HOLD THESE BELIEFS?

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Welcome to Letter 3 of Creating Extraordinary Organizations. I thought by now you might be wondering what I mean when I talk about an Extraordinary Organization. Since it has a very special and unique meaning, I want to share some of my thoughts about it.

Before starting, I just want to make clear that I use the word "organization" to refer to the people who carry out the activities of a business, company, firm, enterprise and so on. A business or enterprise is the "combination" of its activities and the organization of people who perform them.

As for an "Extraordinary Organization," you literally cannot understand what I mean if you hold the standard set of beliefs about how to design, create, and operate organizations. It takes a fundamental change in the beliefs you hold about organizations and enterprises to "get" what an EO is.

To upgrade our thinking we need to break organizations and enterprises down into pieces or elements. Some of these are elements of what we are designing. Some of them are elements of what we think about in order to design the former. What we believe about each of these elements affects how we design. In fact it may even limit what we are able to consider in designing.

To date I have identified at least two dozen of these elements about which EO beliefs differ from traditional ones generally called "Command and Control". Obviously, I can't cover them all in this letter.

However, I do want to talk about three that are essential to becoming Extraordinary. I discussed them in the article "Your Company Does Not Exist," but they are so important I want to revisit them.

Element 1: The Reality of Enterprises and Organizations

C&C believes they are real as shown by statements like, "Company X laid off 10,000 workers" or "The company's mission is to own the market." But where is the company? Close your eyes and think of your company or business. Now ask yourself, "How does it look, feel, taste, smell, or sound?"

There are no answers because it is just a mental construct to which we have given some legal, but not physical reality. The actual physical "things" like plant and equipment are just that, "physical things." They certainly are not the "enterprise."

Nor is the organization real. Where is it when everyone goes home at night? It is only a force field made up of the relationships between its members. EO believes when they are not interacting or at least thinking about the organization or the enterprise, these two "entities" literally do not exist.

Why does this matter? Because to be Extraordinary people need to accept responsibility and accountability for their actions. When someone says that Company X laid off those workers, they are at best incorrect. Some set of people made a decision affecting 10,000 other people. Don't hide behind an imaginary shield called "the company."

Element 2: The Purpose of an Enterprise and Its Organization

C&C believes, of course, that the purpose is to make a profit. More specifically, these days business people believe in profit for the benefit of shareholders not members. There is a rising sentiment that the shareholders are not the primary beneficiary, but virtually all business people still see profit for shareholder benefit as the driving motive.

Does that fit with the reality of how organizations and enterprises come into being? No. An organization begins when a founder needs the help of others to fulfill his or her personal needs. These others join because they believe doing so will enable them to fulfill their own needs. Together they develop an enterprise as a means for doing this. Therefore, EO believes every organization is established to benefit the set of individuals who create it.

Element 3: Authority

I am sure this is the most controversial area for shifting beliefs. There are no more firmly held beliefs in the C&C world today than that authority is hierarchical and flows downward from a single point. Furthermore, this hierarchy is broken into two classes -- "managers" and "workers." Without hierarchy and class we would have chaos and failure. EO believes that neither of these is necessary and both are detrimental.

To help you understand this EO stance let's look at three EO "supporting" beliefs related to the Authority element that lead to that conclusion. In each case I will also point out the C&C belief.

EO Belief — All men are created equal; they are endowed by their creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness.

You certainly recognize this excerpt from the Declaration of Independence. We built our country on these "self-evident truths". It states a belief in equality, the primacy of fulfilling individual aspirations, and a classless society as the basis of our way of life.

EO thinking about creating organizations starts here. C&C thinking does not. It puts the enterprise before the individual and "managers" before "workers."

EO Belief — No individual has the right to control the actions of another unless the other is totally incapable of self-care and then only to do so for the full and complete benefit of the other.

About the only situations where control of another is legitimate are those involving very young children, the very old, or those so ill or injured they cannot function for themselves. These conditions do not exist in organizations. Therefore, EO believes no person has any inherent right to control another person. C&C clearly does.

Of course, in practice there are times when one person needs to do what another wants. Where do we get such authority?

EO Belief — Authority to control any aspect of another person's life can only be granted by that person who may withdraw it at any time.

C&C believes authority comes from one's position in the hierarchy with the "management" class always over the "worker" class. EO believes it comes from a "contract" between two parties. Someone grants it in return for something from the person to whom they give it.

For instance, I may want to learn something from you and grant you the right to tell me how to do it. However, if you fail to help me learn, I will stop following your instructions.

Taken together, these three beliefs add up to a simple conclusion -- a single class with no hierarchy, i.e. democracy. There is a lot of talk these days about "flatter hierarchies." That is like talking about being a little bit pregnant.

At this point you may be saying these ideas won't work. There is mounting evidence that they do; but I can't provide even a fraction of it in this letter. This is certainly a topic for further letters, articles, links, and other sources of information.

My web site already has links to sites, such as the Sudbury Valley School, and to articles that provide this kind of information. To see this information just go to:

<http://www.extraordinaryorganizations.com/Information/index.html>

You are probably also asking, "What about the elements of customers and profit?" Customers are essential. If no one wants what you produce, you have no enterprise. Profit is essential. There is no such thing as a non-profit business. If you don't take in more than you spend, you cease to exist.

Only through a successful business can members fulfill their aspirations. Without a customer who needs their services they have no way to have a business. Without exceptional business activities they cannot provide those services. For members to win, everyone must win. I will talk more about the three dimensions of business activities -- business, customers, and members -- in my next letter.

I know I have covered a lot of controversial ideas. I hope that you will think about them and while doing so ask yourself questions like these about organizations and enterprises:

Do I really believe "they" are real? Do "they" really act or do people?

Do we really create "them" to make profit? Or are "they" just a means to benefit those who create "them"?

Do we really need hierarchies and classes in "them"? Or would a democracy be more consistent with the founding principles of our nation and also more effective?

One of the primary intents of this E-letter is to bring you questions like these and to make it possible for you to see the world of organizations and enterprises through a completely different set of beliefs — an Extraordinary one.

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COMMENTS AND INFORMATION

On Line Interview On Creating Extraordinary Organizations — On Monday, August 18 I will be interviewed live by Jim Warren of JD Warren Associates LLC. This will be from 10:00 - 11:00 AM PDT on VoiceAmerica.com. The subject will, of course, be "Creating Extraordinary Organizations. For more details go to

http://www.jdwa.biz/media_voiceamerica.html

Building an Interactive E-letter — I would like this E-letter to become more and more interactive and useful. To do this it needs to evolve according to the needs and desires of its community of readers. For instance, I would like to see one part of it devoted to answering reader questions. In order to further this evolution, please send me any comments, questions, or suggestions you have at:

<mailto:eletter@extraordinaryorganizations.com>

Enlarging the EO Community — I also believe that the larger the community of readers we have the more ideas we will have to exchange and build on. You can help add readers by passing this letter on to others you think would like to receive it.

HTML Version — EZMailPro, who delivers this letter for me, is coming out soon with a new version that will send HTML with a Text version for those who cannot receive HTML. As soon as it is available, I will be using it.

Yahoo Group — A Yahoo group "eogroup" is set up. It is not set up as a public group so I have to invite you to join. I am working on a link to do this on the EO web site; and when this letter goes HTML, there will also be a link here. In the meantime, if you want to join, please send me an e-mail at the link above, and I will send you an invitation so you can sign up.

E-Letter Archive — You can view PDF versions of all published Creating Extraordinary Organizations letters at:

<http://www.extraordinaryorganizations.com/Eletter/index.html>

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As you receive this I will be leaving for three weeks in Europe. However, Letter 4 is already queued up and ready for delivery on August 8. It will continue our look at organization and business elements and beliefs. Until then, thank you for joining me on this leg of our journey to Extraordinary.

Be Well and,
Be Extraordinary!

Don Yates
Extraordinary Organizations

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You will automatically be added to the list and will receive an acknowledgement that will give you, as a thank you for subscribing, the link to the published article "Your Company Does Not Exist - Notes on the Extraordinary Organization".

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