

BREAKING FREE! OVERCOMING THE ORTHODOXIES THAT STIFLE INNOVATION AND CREATIVITY

If you have come to help me because you feel called to help me, please go away. But if you have come because your liberation is bound up with mine, please stay and let's work together.

– Anonymous Aboriginal Elder

The art and practice of leadership is one of today's most talked about, important and controversial topics. One-third of all management textbooks published during the past decade have been about some aspect of leadership. Most of these are identical in almost all their underlying contentions, models and philosophies. Every year vast sums of money are spent on leadership development based upon the dogma these books promulgate. Yet for all the words, all the talk, and all the resources allocated to the nurturing of leaders and the practice of leadership, very little actually changes.

Truly great leaders are still in the minority. Great leadership, it seems, is a vanishing art. Meanwhile the cry for more leaders and better leadership grows stronger. Why is this?

Over the past decade The Hames Group has made it its business to work alongside and study some of the world's most remarkable and

uncommonly successful leaders – from all walks of life and in every part of the world. The findings from our research reveal not that the new wisdom of leadership is necessarily wrong; just that it doesn't go far enough! In the course of analysing the exceptional performance, passion, unbounded energy, creativity and longevity of human beings at the peak of their powers, we unravelled a code that still remains a mystery to most of us – hidden even to those who aspire to leadership and even less visible, it would seem, to those who actually write about it.

People who are as loved in their private lives as they are successful in their business or government positions, they discovered, instinctively apply a set of principles that go far beyond the orthodoxies of current leadership practice. *Break Free!* exposes this canon, describing an uncommon cognitive and behavioural alchemy in which wisdom, skills and know-how come together to create powerful leadership. *Five literacies* leadership. These tenets can be learned and practised and are indispensable to anyone assuming a leadership role today.

As described in *The Five Literacies of Global Leadership*, this canon comprises *Networked Intelligence* (the ability to connect with others and express the complexity of the ecosystem); *Futuring* (the ability to visualize and imagine future possibilities); *Strategic Navigation* (the ability to learn to adapt as fast as change itself); *Deep Design* (the ability to create wisdom through dialogue); and *Brand Resonance* (the ability to create attention that awakens your unique value to others). In themselves, these principles are not mind-blowingly different. Their frame-breaking nature is in the actual 'code' – the manner in which these literacies must be put into practise in order to effect transformation. In this regard we have identified a total of 30 orthodoxies, six within each of the five literacies, that must be overturned and replaced by more relevant alternatives. These are spelled out in practical terms in this book.

PAST WAYS

Over some 250 years of industrialization, western forms of capitalism have programmed us to accept a world characterized by the need to manage tangible things. Society, business and government have all evolved according to an economic worldview that determines much of *what* we do today, as well as *how* we do it. The era of economic growth and development, large urban infrastructures, mass production

and distribution, did not exist before the middle of the eighteenth century. We created it on the back of new technologies and electrical energy. But this world too is passing. Now we're busy creating a different kind of world – a digitally connected world where the power of the old sovereign state is giving way, albeit reluctantly, to the hegemony of big business. As in previous societal shifts of this kind, there is much turbulence and noise to distract us. If we take notice only of the headlines, screaming at us daily from television news or in the press, it is likely to bring only confusion and fear. If, however, we are able to develop a capacity to see the structural dynamics causing this shift, we will discover powerful driving forces impacting society, markets and organizations.

One of these driving forces is the power of networks. Unconsciously, most organizations are designed, managed and led using theories adapted from nineteenth-century reductionist science and logic. Subsequent beliefs typically suppose the environment to be one of relative stability, in which business goals and objectives can be calculated and controlled, and where the value proposition is poised between competition and productivity. Driven by the need for process efficiencies, linear analysis is used to institute 'rational' performance measures, financial targets and control mechanisms. A plethora of tools is used to dissect past behaviour so as to maintain absolute control over performance. Indeed management itself is often viewed as a control tool for dampening variation and keeping people in their place. With experience and skill, business objectives can be quarantined from external reality and results forecast in great detail. These forecasts then become the promise the company must deliver. Any unintended consequences are treated as an anomaly; while excessive costs and waste are alleged to be an undesirable, though inevitable, part of doing business. These orthodoxies have changed little in over a century.

PRESENT THOUGHTS

Science, however, has moved on and with it the assumptions we use to *sense* and *make sense* of our surroundings. Instead of investigating ever greater levels of detail, modern science has also started to explore the behaviour of whole systems and complex networks. The result is the advent of new knowledge that is overturning many old orthodoxies. This knowledge seems to correspond far more precisely with our

tangible experience and our familiarity of the world in all its richness, ambiguity and novelty.

Our actual experience of the world betrays life at the edge of chaos: a continuously emergent, highly contingent, nonlinear and exceedingly messy reality that can never be entirely foreseen or planned for. Everything is highly interconnected here, species live and die, and multiple latent futures are possible. From this perspective, markets and organizations are vibrant living ecologies that interact in highly complex, yet inherently chaotic, ways. If, as scientists believe, this is a better, more all-embracing explanation of the human condition, (in other words, to the best of current knowledge, this is how the world actually *is*) why have we not yet adjusted our approach to organizational design to better reflect these new beliefs? If the environment really is so dynamic, how can we organize and structure business so that we can extract value from this complexity? What intelligence do leaders and managers now need in order to focus organizational effort appropriately?

More inexplicably, what is it about this new paradigm (compared to the myths we zealously constructed over a century ago and that continue to delude us into believing we can control human behaviour) that creates such fear and resistance among managers? Could it be that the ego-driven status of manager carries with it such a sense of conceit that narcissism and greed have become the real force behind corporate life? Or perhaps the courage to compete in an 'extreme sport' (as the cut and thrust of international business is so often portrayed) is more thrilling than the business of relating, learning and collaborating to create a more healthy and prosperous society?

In either case, frustration with past limitations, and allegiance to a new collaborative paradigm for organizing and managing business, will inevitably fall to a few intrepid pioneers. They are already at work, growing exceptional corporations, doing far more than just minding their own business. Their aspirations are epic. Their desire to be a force for good, striving to lead where others reluctantly follow, is already changing the knowledge base of management in ways that are more in keeping with reality and infinitely more capable of transforming the role of business in our society. Above all, they are open to discover new ways of improving their organizations' performance. In this context, the new science of networks screams for our attention.

The imperatives for organizing and managing are utterly different if the environment is not as stable as we had once suspected. Customers display no loyalty and will not put up with the poor levels of service

they've endured in the past. Investors insist upon the probity of governance while activists scrutinize every move the corporation makes, ready to pounce on the slightest oversight. Pressures on the system from stakeholders these days are intense. There is nowhere to hide in a globalized world; no excuse for slipshod performance; no swift exoneration from a community expecting the highest standards of ethics from its business and government institutions. This is why more and more corporations are not seeking to respond to lawsuits, nor waiting to respond to community outrage, before initiating stakeholder appeasement policies that would have been out of the question just five years ago. For example, in April 2006 Coca-Cola announced it would pay its directors only if internally set goals for earnings growth were met, leaving board members at the world's largest soft drink maker with no compensation if targets were missed. On the very same day, diamond-mining giant De Beers said it was finalizing the sale of more than a quarter of its South African assets to black partners in a multimillion dollar deal, bowing to pressure to obtain more black ownership.

Conventional top-down leadership is far too slow and cumbersome in this high-risk environment. *Five literacies* leaders understand the emphasis must now shift from control to adaptiveness, from planning to navigation, and from hierarchy to network. The dead hand of regulation must be amputated wherever it exists so as to speed up learning and collapse operational response times. Whole-of-system capability and organizational purpose matter far more than control of individual work activity, standards and costs.

FUTURE PRINCIPLES

All of this implies a dramatic shift in corporate knowledge, local rules and behaviour. In order to embrace uncertainty and thrive in a globalized and chaotic world, the *code* that shapes the structures, relationships, strategic behaviours, working methods and organizational arrangements of the enterprise, needs radical reform. Surprisingly to some, the means best suited to doing business in this competitive and dynamic world is driven not by more rules and regulations, and not by increased competition, but by applying the principles of the *five literacies* – a deep understanding of cooperative social networks, globalization, strategic innovation and foresight – to the organizing of people, production and issues. By drawing from nature's richly diverse

and sustainable ecosystems, we find collaborative solutions to organizing and managing that are far better suited to today's dynamic conditions. By adopting this code of living systems, the distinctive social ecology of any enterprise can be brought more fully to life. In this sense, *the five literacies* are cooperative amplifiers. Preceded in each case by familiar orthodoxies and myths, many of which remain unchallenged and are credited for the incremental gains in efficiency and production still sought by the majority of corporations, the following 30 guiding principles comprise the cooperative behavioural code informing the design of future business.

A few words of caution may be appropriate here. For although this new behavioural code is cathartic it also represents a flight from reason towards a more open and transparent commonsense. The *five literacies* can dramatically weaken authoritarian power structures, change the nature of work by nurturing symbiotic relationships across the entire business ecosystem, strip away superfluous controls while emphasizing coherent reciprocity, and unlock community capability in ways that can never be anticipated and planned for in advance. Nor are they necessarily exclusive but can work successfully in conjunction with the more established myths and orthodoxies. For example, competition is still a reality we all have to deal with. It will not go away. In fact it is likely to increase quite dramatically over the next decade. But of course that is even more reason to understand and apply the *five literacies*.

For these reasons it may not be a comfortable or even sensible choice for corporations that depend for their survival upon slower, more predictable, management methods and tools. Not that there are many of those organizations left. It is unlikely to appeal to the more legendary consulting firms as it quietly usurps the need for their arcane expertise. Nor will it necessarily be acceptable to those executives who rely on managing by numbers: cooperative practices quickly expose how the fallacies of control exercised through costs, targets and standards build distortions into work systems. The cooperation and imagination needed to institute generative learning networks is guaranteed to disrupt these things. In the process it will transform business performance, revitalize energy and purpose in the realization of collective ambitions and unlock real-time responses to shifting conditions unequalled by any other means; all while fostering a spirit of mutual interdependence and shared intent among the community's members. In the not too distant future, we will most likely regard the technologies of entangled freedom as the orthodox wisdom; the right way to do things in business. Until then, those who take this path will be the pioneers. They are *five literacies* leaders.

LITERACY 1 – NETWORKED INTELLIGENCE

Definition: Networked intelligence is the ability to continuously connect with and relate to others in the process of sensing and making sense of complexity.

Assumption: Real-time intelligence from the broader business ecosystem is critical in remaining alert to the evolving dynamics of our world.

1. Orthodoxy: Business is brazenly competitive

It's a dog-eat-dog world out there. Head-to-head competition is the only way to guarantee business success. Globalization has created an even harsher competitive environment than before. All of our effort must now be focused on beating the competition – at any cost!

Break free: Cooperation is today's success amplifier

Head-to-head competition is mostly futile in today's globally connected world. Even a huge competitive advantage today guarantees nothing tomorrow. The speed of change is too fast. Although we still need to compete in established markets, collaboration to create new uncontested market space not only pays off – it is the best way to guarantee long-term viability.

2. Orthodoxy: Know your enemy

Our industry defines our competitors, while government regulators determine the conditions under which we compete. If we collect data about our competitors, act on this, and lobby government for change we will maintain our competitive advantage and neutralize any strategies our competitors might devise to erode market share.

Break free: Nurture friends

Competition arises out of nowhere, not just from our traditional competitors. The notion of an 'industry' is fast becoming an irrelevant concept in the context of global competition. In that context the entire

business ecosystem of dynamic knowledge webs (of which we are a part) is far more important. Although it would be foolish to ignore our traditional competitors we can work to make them less relevant by identifying our friends (and their friends) and by working closely with them to create new markets. By developing deep relationships with those with whom we can conveniently align – based upon shared values, ideals and passions, and always on the lookout for reciprocity and opportunities for collaboration, we can create greater wealth and well being for all stakeholders. Such *keynote* strategies will enable us to become business ecosystem leaders.

3. Orthodoxy: Maintain strong ties

We work through the company's hierarchy, maintaining good working relationships with our superiors who have the political power to ease or impede our career path. This means ensuring that the goals set by management are seen to be achieved and celebrated – even when we know that we could be doing far better. Management knows best.

Break free: Seek weak links

In order to be noticed in the attention economy we need to be visible. The greatest threat to our business is obscurity, not piracy. Seeking links across and beyond our company allows us to be noticed by many more people. Most of these will be weak links where there is a degree or two of separation. These are the most beneficial to us in terms of creating new business, learning new ways and imagining new ideas. Clusters of weak links amplify our influence in, and knowledge of, the outside world.

4. Orthodoxy: Align people around strategy

Strategic robustness guarantees us success. Consequently, our strategic plan and direction is the most important guiding document in our organization. From recruitment through training and operational planning to individual reward and recognition, the most critical performance factor is to get everyone behind the vision, all pulling in the same direction. Having simple goals that can be articulated easily and

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applying measurable targets to every aspect of the business will help align the entire organization behind this plan.

Break free: Allow people to self-organize

Knowing *who* we are and *what* is important to us are critical to success. But literal (or strict) alignment should be avoided – it can work against learning, forcing us into complying with decisions that are politically correct yet commercially inane. Business today is so dynamic we need to ensure that everyone has real-time intelligence at their fingertips, allowing them to act in the best interests of customers at all times. This means eliminating burdensome reporting procedures and instituting feedback and shared learning mechanisms for ‘stickier’ communication. It means encouraging our people to nurture relationships with anyone, anywhere, if that enhances decision making and shared learning.

5. Orthodoxy: Who knows what?

The war for talent is real. Success comes from what you know. This is why we select people for what they know and invest so much in education and development. We have strategies in place for employing and retaining the best talent available in the marketplace – based upon their skills and expertise. When these become redundant we find new people with new knowledge, thus keeping our skills base relevant and fresh.

Break free: Who knows who?

Success comes less from *what* you know, than *who* you know. We select people for who they are and how they can change us. By offering long-term contracts to extraordinary people with a capacity for learning we minimize recruitment costs and grow loyalty. In an age where knowledge can be easily found and new skills learned, the frontier is with those who think creatively, are passionate about their work and who have many connections across many networks.

6. Orthodoxy: Customer relationships matter

The market determines what products and services we can sell. Government regulators set out what we are permitted to do as a business. Our sales staff have excellent relationships with our customers. We have a large and talented back office staff that allows us to comply with the law and provide accurate and timely information to our board. Apart from suppliers and customers, the external relationships we have are formal and few in number. There is little point in cultivating relationships with government bureaucracies as they never listen to individual companies.

Break free: All relationships matter

The links and relationships we have are like vast tentacles into the business ecosystem and the broader community. We understand that it is impossible to know when these connections might be useful to us. Consequently we encourage all our staff to develop deep relationships, inviting them to link their personal networks into the company's broader networks. Knowledge nodes develop naturally within these living networks and we use these to help us innovate, create new opportunities and bring our work to the attention of the community at large.

LITERACY 2 – FUTURING

Definition: Futuring is the ability to imagine and express future possibilities while anticipating the intended and unforeseen consequences of our decisions.

Assumption: The future cannot be left to take care of itself. There is simply too much that can go wrong.

7. Orthodoxy: The future is 'out there'

It is plain for everyone to see that political and social events, as well as natural disasters, have caused things to be the way they are today. It is also clear that the future is beyond our control, unknown and unknowable, the seeds of the future are already sown. There is an inevitability about the future we cannot change, even though we may despair at the

consequences. Being beyond our sphere of control, we must simply do the best we can today and brace ourselves for the worst.

Break free: The future is ‘in here’

We have caused things to be the way they are today. It is the way we think and act that underpins the human condition. Nobody else is to blame. For that reason we know the future is not inevitable. If we are prepared to own up to our failings and apply our collective knowledge to address the appalling issues that currently beset us, we can create a better future for all of humanity.

8. Orthodoxy: Simplify and reduce variety

Adhering to the principles of continuous improvement we focus on reducing variety in all of our processes knowing that this will improve quality and lower costs. Talk about the complexity of today’s business environment being complex is misleading and wrong. We can ignore it because we have learned how to successfully identify and manage process variation.

Break free: Discover and embrace complexity

We do not confuse the need to reduce variety in customer-critical processes with the strategic necessity to respond to a constantly shifting and dynamic environment. While process improvement remains an important means of controlling costs we embrace the principles of complexity at a strategic level as this allows us to see and take advantage of new opportunities that might otherwise pass us by. Collecting intelligence from the whole business ecosystem of which we are a part enables strategic innovation, which is the lifeblood of our future viability.

9. Orthodoxy: Knowledge is an asset

Knowledge is critical to us, especially knowledge about our competitors and our customers. Consequently it must be managed by

professionals and kept tightly under lock and key. We use extensive interactive databases to ensure that what we know is captured, documented and archived in ways that can easily be accessed by those members of staff who have the authority to use such information.

Break free: Knowledge disseminated is an asset

Knowledge is changing faster than at any time in our history. It is impossible to keep up. Consequently we focus not on archiving facts, which quickly become redundant, but on creating, connecting, sharing and disseminating new knowledge as rapidly as possible across our entire network. Every employee as well as customers and suppliers are part of this knowledge-sharing network. This creates a business capability that is future-focused – responsive, adaptive and able to deal with high levels of emergence.

10. Orthodoxy: Let's be practical

Our resources are stretched merely to manage the day-to-day practicalities of our business. We do not have the luxury of spending too much time thinking about the future, especially when it is impossible to predict what will happen in such a fast-moving and volatile industry as ours. We pay our people to get the job done. That is our first and most critical priority.

Break free: Prepare for the unthinkable

Thinking the unthinkable, imagining new possibilities, using strategic intelligence to craft alternative scenarios, assessing risk and rehearsing what we would do if events did not turn out the way we hope or expect, is a critical and routine part of management practice in this company. It is one of the tools we use to help guarantee our long-term viability in a world turned upside down.

11. Orthodoxy: Continually improve processes

The best way to drive down costs is to continually improve all of our processes by using tools such as Six Sigma. Process improvements

result in fewer production errors, less rework and enhanced quality for customers.

Break free: Find tipping points

We know that any conditions for action (to change our system) are set by the conditions of the context. By constantly looking for small upstream leverage in that system, a richly complex and dynamically fluctuating environment, we can effect massive downstream change to everything that we think and do. Sometimes this is counterintuitive.

12. Orthodoxy: Today’s ‘killer app’ is technology

Technology is used in our company to aid efficiency and manage knowledge. It is controlled by a central IT group. Their role extends to determining the most relevant platform for us to use, providing training for staff and maintaining the system, all the while ensuring interoperability of the various technological components within the system.

Break free: Today’s ‘killer app’ is new social practices

We use the term technology to encompass all the tools we use in the business, from language through to computers. Technological gadgets are seductive but can also be a distraction. It is not the technology itself that is of most value to us but rather the new social praxis that emerges through its use. Wireless organizers, mobile networks and community supercomputing collectives all enable our people to act together in new ways and in situations where collective action was not previously possible. This is where the real value to our company is concealed.

LITERACY 3 – STRATEGIC NAVIGATION

Definition: Strategic Navigation is the ability to learn to adapt as fast as change itself.

Assumption: The world in which we live is inherently uncertain. We need to respond intelligently and in real time to issues and events.

13. Orthodoxy: Honour the cathedral

We define the organizational structure required by our strategy and then appoint the best talent we can get to head up each business line. We then require these managers to help shape an environment in which individual and company performance improves over time. As part of their role, they design plans and manage performance (through various procedures and controls) that need to be acted upon by other members of the organization. In this way we know that our plans are aligned and are being achieved in a manner befitting our company ethos.

Break free: Value the cafe

We realize that the most vital role for senior managers is to ensure the long-term viability of our business. They must spend time thinking, planning and innovating so that our company stays ahead of the competition. We help make time for them to undertake this job by delegating responsibility for operations to communities of praxis who are directly responsible for our product offerings and maintenance of our value proposition to all stakeholders. Self-organizing networks complement more formal communications mechanisms allowing us to communicate and share new knowledge instantly with anyone in the business. In this way we use our people's energy more effectively.

14. Orthodoxy: Organize for efficiency

From design and production to marketing and sales we ensure that our organization is as lean as possible. We see no room for duplication, non value-adding functions, or people who are not pulling their weight. We routinely review individual performance, shedding those who are underperforming and recruiting high-performing talent in their place. Organizing efficiently has allowed our people to focus on accomplishing tasks while giving shareholders confidence that costs

cannot escalate out of control. In this way we can be sure of achieving our strategic goals and keep the confidence of the market.

Break free: Organize for speed

The speed of change has meant that everything we once took for granted is no longer certain. The only option we have in this environment is to ensure that our organization is sufficiently flexible to be able to adapt to any surprise, regulation, new technology or innovation – whatever it is and whenever it occurs. Consequently our enterprise organizes in a way that allows us to be as flexible, nimble and adaptive as change itself.

15. Orthodoxy: Structure follows strategy

The linear sequence of events enabling best practice strategic management has been affirmed over the past 50 years. First we devise our overall strategy for the coming year, then we cascade that strategy through our business lines. Business unit managers are responsible for devising the most efficient operational plans, including structure, people and resources, for realizing the corporate strategy.

Break free: Strategy and structure are fluid

Linear sequences are almost obsolete today. All strategy is temporary and a real-time process requiring input from all of our employees. Structure is fluid, based upon affinity clusters or customer-facing, self-managing networks. We use a systemic approach to strategic management that engages everyone in the creation of new knowledge and the dissemination of strategic intelligence, alerting each other when we spot anything that might warrant a navigational response from the business.

16. Orthodoxy: Plan for every eventuality

We plan in great detail, both strategically and operationally. This builds confidence that we are doing the right things in the right way.

Strategies are created by the CEO and the leadership team and are cascaded into business units. Operational plans itemize what is expected of everyone in our business. Key performance indicators are used to ensure that our people achieve the objectives and targets set by management.

Break free: Navigate changing conditions

Today's business environment is so dynamic that it is impossible to think through every eventuality. Instead, we prepare ourselves to respond instantly to changes that we did not anticipate or that couldn't have been foreseen. Although we have a clear vision of who we are and where we want to go, most of our strategic decisions are made on the fly. We use a system of Strategic Navigation to ensure that we all make decisions based upon real-time intelligence.

17. Orthodoxy: Create a learning organization

We pursue the principles and practices of a learning organization using formal planning processes and functions to ensure that we capitalize on such learning. Although organizational structures are based on traditional compartments, we use training and development programmes to demonstrate the importance of learning in the context of process improvement and performance.

Break free: Speed up learning metabolism

Organizations do not learn. People do. Dissemination of new knowledge is more critical than the amount of knowledge being created and archived. We constantly look for new ways of speeding up the time it takes for our organization to identify, process and act upon new intelligence. In order to do this we have had to rid ourselves of anything that smacks of the management factory; create strategic partnerships between the business and functional experts; establish mechanisms for scanning, collecting and synthesizing intelligence; and make decisions based on this intelligence.

18. Orthodoxy: Business leaders know best

Our company comprises two types of work units: large customer-facing profit centres and corporate-wide Centres of Expertise (CoE) that provide shared services demanded by the business units. CoEs offer their services to the business units on an openly competitive user pays basis. Each business unit judges and pays only for what it deems necessary. This results in leaner, more commercially orientated functions, honing resources to the precise needs of their (internal) customers. Anything else is considered surplus to requirements.

Break free: We learn from the market

Our company comprises a network of learning cells organized in communities. Each cell of up to 30 people consists of business and functional experts who work closely together to understand and learn from the market while developing internal capability for optimizing business results in their segment. Real-time strategic intelligence is used by each cell to add value to all stakeholders in ways that resonate with the corporate ethos.

LITERACY 4 – DEEP DESIGN

Definition: Deep Design is the ability to amplify wisdom through transformational narrative underpinned by profound reflection.

Assumption: Collective wisdom is more potent than individual genius.

19. Orthodoxy: Focus on achieving tasks

Achieving tasks is what matters in today's world. We organize ourselves to deliver to customers in the most timely, efficient and effective manner. This means compartmentalizing the business into relevant functional areas, product suites and delivery channels, and by making sure that management control is as straightforward as possible. By focusing on tasks and management performance in this manner we

can ensure that all our processes are fit for purpose and that we meet customers' needs.

Break free: Ideas and passions matter more

Performance does not arise from the CEO or senior team – it is brought into life by the members of the organization and their willingness and ability to learn, take risks and commit to imagining new markets, new products and new levels of service to customers. By finding ways to liberate our passions, creativity and intellect we stand a good chance of composing the adaptive organization we need, rather than the bureaucracy convention would give us.

20. Orthodoxy: Do what you are told

Discipline, Order, Diligence, Obedience (Yes, dear reader that does spell DODO). These are the qualities we most admire and reward, and that enable us to meet our performance promise to shareholders. We must all adhere to the rules and guidelines set by senior management so that tasks are accomplished as planned and in an orderly fashion. This will assure our financial future.

Break free: Tell us what is possible

Human capability is unleashed not through following rules invented by others but through the freedom to imagine the unthinkable and make it happen. Unrestricted by other people's cautious goals, we constantly find ways to liberate our intellect, imagination and passions in the pursuit of our dreams. Growing our personal networks helps free our imagination while enlisting their support helps us lead healthy and fulfilling lives. In this way we know we can achieve extraordinary results, for us and for our businesses.

21. Orthodoxy: We tell people what is important

We have invested a lot in creating a vision and values statement that everyone in our business knows. It taps into the very soul of our organ-

ization and defines what our people stand for and what we regard to be important. We also have a range of guidelines covering every aspect of the business, that have been designed to make certain that all decisions made by anyone in the enterprise are ethical and that any actions taken by our employees cannot jeopardize company performance.

Break free: We spread ‘sticky’ messages

While a vision, values, rules and regulations can be helpful in clarifying our overriding purpose and ethos, we also recognize that it is impossible to account for every eventuality in today’s complex business environment. Consequently we encourage word-of-mouth epidemics of contagious (or sticky) messages to attract desired collaborative action across the organization. Appealing messages, whatever their origin, become sticky quite quickly: they are memorable and effortlessly continue to resonate and grow in strength throughout the organizational community.

22. Orthodoxy: Respect boundaries

We respect time-honoured boundaries. They discriminate between ourselves and other companies, between various internal working groups, and between one employee and another. Boundaries divide the organization into manageable compartments which then makes management easier.

Break free: Demolish boundaries

Our organization is difficult to cage: it is a boundaryless network, constantly changing, that reaches deeply into our strategic partners’ organizations and engages individuals who are not necessarily employed by us directly. This mirrors the reality of global business ecosystems. We find that the boundary enterprise liberates creativity and entrepreneurship in ways that are entirely unexpected and value adding.

23. Orthodoxy: Stick to what you know

We have invested a lot of money and effort in establishing the best ways to operate and manage our business. We know we are good at

what we do and we have improved this over many years to the point where we are market leaders. It is vital that we focus our strategy on the things we do best, rejecting anything that could be a distraction, or an impediment on our current performance. We owe this to the markets and to our shareholders.

Break free: Face the future with eyes wide open

Being blind to reality can create havoc in any business. We can best avoid this by constantly identifying the orthodoxies that are irrelevant and that simply do not work any more. This includes any competitive factors upon which our industry traditionally competes. We routinely challenge conventional wisdom, work out what is important to keep and what we can safely eliminate, and stop doing what isn't effective any longer. This ensures that we are constantly changing in alignment with new knowledge and new opportunities.

24. Orthodoxy: Measure individual performance

We find the best talent available and then invest substantial resources in their continuing training and development. External and in-house programmes coupled with personal coaching ensure that our people are able to do the job we ask of them. Our performance management system based on 360° feedback helps identify skills gaps and further development opportunities. This increases our people's skills base and employability while demonstrating the importance we attach to personal mastery and good management practices.

Break free: Develop capability

We invest in collective learning and nondirected knowledge creation. This assumes that the people we employ are highly motivated and able to exercise their initiative in helping us to build and remain a global learning community that can be used by all of our stakeholders to help grow the business, have fun and lead fulfilling lives. This learning community is responsible for generating and sharing real-time strategic intelligence, designing applications and solving local business needs with those applications. Knowledge forming at the local level then

feeds back through the community into a knowledge reservoir which, in turn, ensures that the broader business ecosystem remains healthy and viable.

LITERACY 5 – BRAND RESONANCE

Definition: Brand resonance is the ability to generate awareness and identity that awakens in others our unique authenticity.

Assumption: In the knowledge economy it is best to be seen and heard as a force for good.

25. Orthodoxy: The rules of business never change

The role of business has not changed – nor is it likely to change in the future. Our job is simply to grow the business, creating more value and improving returns to shareholders. The context is also the same as it always was, albeit global these days. Governments set the rules, society gives us a license to operate, and we run the business to the best of our ability. We have no other obligations. It’s as simple as that.

Break free: All strategy is temporary

We recognize that the global political, economic and social systems are shifting the rules under which we have traditionally operated our business faster than ever before. The speed of change is unprecedented in human history. The drivers of this change are profoundly transforming everything we have taken for granted. Nothing is exempt from change. Our job is to anticipate the consequences (both intended and unintended) of these changes as they impact our business and remain flexible enough to adapt to changing circumstances.

26. Orthodoxy: Control corporate messages

Communications from the leadership team to the rest of the organization contain crucial messages and directives. They explain how well we are performing against plan and where we need to refocus our

effort to fulfil our market promise. These messages are considered to be so critical that they are crafted by professional communications staff and delivered by the most respected executives in our organization so as to create the greatest impact.

Break free: Set free a communecology

The content of the myriad messages that flow across our company and out into the business ecosystem daily are only important for particular people. We do not attempt to try and control this content. On the contrary, we encourage the development of an unbounded communications space where everyone can share their views, critiques and aspirations with each other. We harness the most appropriate technologies to speed up the rate at which these messages and ideas diffuse throughout the enterprise and beyond, thus ensuring rapid and extensive reach across the business.

27. Orthodoxy: Best practice determines success

In a competitive world, the winners are those others try to emulate. If we benchmark our competitors we will be able to offer our customers a little more for a little less, thus nudging up sales. By achieving and maintaining best practice we can hold on to a greater market share, remain competitive and lock in loyalty from our current customer base.

Break free: We constantly redefine success

There is no such thing as a persistently excellent company – or industry for that matter. Furthermore, best-practice firms that take pride in their differences from each other often look the same to the market and invest in mindlessly competing on the same taken-for-granted factors. This cannot assure customer loyalty and only serves to raise costs. We must focus on our uniqueness by imagining uncontested market space and offering extraordinary value at low cost. A uniqueness that resonates on a personal level with our targeted customer categories is critical.

28. Orthodoxy: Focus on what you can get

Everything in our business is focused on growth and profitability. Our aim is to sell more of our products and capture more of our customers' wallet. We are vigilant in reducing costs, ensuring we do not over-design products and eliminating waste. We plough profits back into the business to constantly improve *what* we do and *how* we do it. This keeps our shareholders happy and provides current customers with what they tell us they need.

Break free: Focus on what you can give

Many companies have forgotten there is more to trade than mere money. Value today is measured in terms of company ethos and the willingness to do more than simply grow returns for shareholders. We value the efforts of our people in building each random encounter into a lasting social link that we will all benefit from. We give back to society in ways that make sense for the business and grow loyalty for our brand.

29. Orthodoxy: Control ideas

Some ideas are good, others not so good. Our managers exercise control over the introduction of new ideas so that valuable time and energy are not wasted on ideas that will not make a return on our investment in them. Ideas are invited from our staff on a continuous basis. These are regularly vetted and evaluated by a management committee but implemented only when we can be sure that the idea will benefit productivity and add value to the business.

Break free: Liberate ideas

It is often impossible to assess what ideas will work to create value in the long term. Consequently we have created an open market for ideas in our company where creators can be linked with potential buyers. We also encourage open-source development of ideas that have the potential to change the strategic landscape, create new uncontested market space, or enhance brand resonance.

30. Orthodoxy: We change the culture

Contemporary business is highly competitive. We need to be very nimble in order to take advantage of the rare market opportunities available to us. That means adapting to volatile change. As a consequence, cultural change is a vital part of our management strategy. We undertake an annual climate change survey, examining particularly the gaps between our espoused values and what actually occurs. We then design interventions to help shift the culture to align with our intentions.

Break free: Culture changes us

Culture is an emergent property of everything we stand for and do together – not an ideal to which we aspire. In order to maintain a unique presence and value proposition in the market we know that our culture, too, must be unique. We cannot afford for it to congeal into just one form. Uniqueness is provided by the collective nature of our working together. We encourage new members of our community to change us instead of requiring them to fit into our current culture. In this way we remain unique, continuously maturing, upgrading our capability and learning our way into better futures.

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