

THE STARFISH AND THE SPIDER

The Unstoppable Power of Leaderless Organizations

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The Web site for this book is at www.starfishandspider.com.

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MAIN IDEA

In the natural world, if you cut off a spider's head, the creature will die. A starfish is different though. If you cut off one of its legs, not only will the starfish grow another leg but that leg which was cut off will also grow into a completely new starfish in and of itself.

The same phenomena is now starting to emerge in business. Most companies have historically tended to be "spiders" – they have rigid hierarchies, top-down leadership with someone who is in charge calling the shots and a well defined corporate structure. A few noteworthy companies are now emerging which are structured more like "starfish" – they are leaderless organizations without a rigid hierarchy or other trappings of conventional business. These new starfish-style businesses are growing in power and influence because of the impact they are having on one industry after another. In any competitive battle, starfish organizations always outperform the more traditional spider-style organizations – usually generating devastating results for the market incumbents.

In just the same way as species need to keep evolving to flourish in nature, the key to a vibrant future in business is for established companies to start incorporating some starfish principles into their business mind-set. If you can form a hybrid business organization which takes the best spider features but also incorporates some effective starfish principles into the mix, you can come up with a robust business strategy which will position you advantageously for the future.

The key is to evolve and adapt rather than risk becoming extinct yourself.

"This is about what happens when there is no one in charge. It's about what happens when there's no hierarchy. You'd think there would be disorder, even chaos. But in many arenas, a lack of traditional leadership is giving rise to powerful groups that are turning industry and society upside down. In short, there's a revolution raging all around us. The harder you fight this force, the stronger it gets. The more chaotic it seems, the more resilient it is. The more you try to control it, the more unpredictable it becomes. Decentralization has been lying dormant for thousands of years. But the advent of the Internet has unleashed this force, knocking down traditional businesses, altering entire industries, affecting how we relate to each other, and influencing world politics. The absence of structure, leadership, and formal organization has become a major asset. The rules of the game have changed."

– Ori Brafman and Rod Beckstrom

1. What is a "leaderless organization"? Pages 2 - 3

A leaderless organization is one which is completely and totally decentralized. People remain part of one because they subscribe to its underlying philosophy rather than due to any contractual or formal arrangements. There are no entry requirements to join a leaderless organization and nobody actually owns it or makes money from it overtly. In all, leaderless organizations are an entirely different kind of way to structure a business which would be easy to dismiss as being only hypothetical if it wasn't for the fact they are becoming more common and more successful.

2. Examples of leaderless organizations Pages 3 - 4

Contrary to whether or not they make sense from a practical perspective, there are already a large number of decentralized organizations thriving in the business world. To understand how successful this approach to business is, you just need to keep your eyes open.

3. How does a leaderless organization function? Page 5

Like starfish, decentralized organizations stand on five legs:

1. Circles which are independent and autonomous.
2. A catalyst who initiates a circle.
3. An underlying ideology.
4. A preexisting network which can be accessed.
5. A champion who gets things done.

Decentralized organizations can function alright without one or two of these legs but when all five are working together, the organization can really take off.

4. What are the key advantages of decentralized organizations? Page 6

If a decentralized organization enters your industry, your natural reaction will be to hunker down and hope you can ride out the storm. That strategy never, ever works. The starfish will always win. Instead, if you want to compete, there are a few concrete options you can try:

1. Try and change the starfish's ideology.
2. Do whatever it takes to centralize the starfish organization.
3. Become more decentralized yourself.

5. What does this mean for me? Page 7

As ambiguous as they may first appear, the potential impact of decentralized organizations is too powerful to ignore altogether. You have to develop some new options which will help you respond against starfish attacks today and in the future. Usually, the best way to do this is by using a hybrid strategy which combines the best of both the centralized and the decentralized worlds.

6. The "new rules" of business when fighting leaderless organizations. Page 8

As more and more starfish-style organizations come into the commercial arena, the rules of the game of business are going to change considerably. This is a case where to be forewarned is to be forearmed. Instead of trying to preserve the status quo, find ways to flourish and prosper under the new rules.

