

## CHALLENGING OUR ASSUMPTIONS ABOUT BUSINESS

### 1. INTRODUCTION:

#### FADING INDUSTRIAL ECONOMY & EMERGING CREATIVE ECONOMY

##### A. The Industrial Economy (20<sup>th</sup> Century) –

An economy based on the production, sale, and use of material goods or products.  
Business Profile

- Rapid growth in enterprise and subsequently in corporations happened, especially during first half of century.
- Big business came to the fore.
- Material ecology became central defining characteristic of organizations.
- Building things (railroads, steel mills) & producing physical goods was central.
- Businesses were dependent on & driven by material assets / capital.
- High cost of start-up and maintenance meant fewer businesses & less competition.
- Production design, processes and machines were central to success.
- Internal sufficiency was valued & outsourcing was not the norm.
- Command and control organizations were the norm – centralized intelligence.
- Pyramid organizations structured around reporting lines was most common.
- Reporting structure and work structure was synonymous.
- Organization structures were more static.
- Titles were reflective of positions rather than the work being done.
- Leadership and management responsibilities were position-centered and reserved for members of a select group.
- Advanced education of employees was not central to the prosperity of the organization.
- Minimal cultural diversity was present in most businesses.
- Higher employee to net worth ratio was the norm.
- Labor organizations had significant influence.
- Independent and more self-sufficient organizations were the rule.
- Extensive deliberation was valued.
- Delivering a product was the mindset.
- The power of the corporation had natural limits based on the access of clients/customers to places or products.
- Business base was primarily national.
- Material wealth increased as never before in history.
- Government involvement in business was limited.
- Businesses carried limited social responsibility.
- Design of buildings reflected hierarchy and material assets needed to do the work.
- For employees, business needs took precedence over personal needs.

##### B. The Creative Economy (21<sup>st</sup> Century) –

An economy based on the production, sale, & use of ideas & innovations.  
Business Profile

- Rapid growth in the power of ideas began happening toward the last quarter of the 20<sup>th</sup> century.

- Small business is coming to the fore.
- Human ecology is the central defining characteristic of business & organizations.
- Speed is valued.
- Providing ideas, information, & knowledgeware (data, software, etc) is central to the creative economy.
- Low cost of start-up and maintenance means many businesses and more competition.
- Intellectual property is central to success.
- Business is driven by and dependent on technology.
- Leadership & management as functions done by everyone in the organization is gaining in acceptance.
- Advanced education of members is central to prosperity.
- Webb shaped organization chart indicating work structure and integration points is gaining popularity.
- Reporting structure and communication structure are being separated.
- Titles are becoming more reflective of work responsibilities.
- Organization structures are more fluid and businesses more dynamic.
- Wider gap in prosperity between college and high school graduates.
- Greater cultural diversity present in the work force.
- Businesses are providing family related services to retain workers.
- Relational organizations will be the norm – decentralized intelligence.
- Businesses are becoming more and more interdependent.
- Businesses are dependent on intellectual capital.
- Serving the client / customer is becoming the mindset.
- Enduring relationships and close interactions externally & internally are more and more prevalent.
- Lower employee to net worth ratio.
- Few natural limits to the power of a corporation become the number who can become dependent on ideas-based assets is limitless
- Outsourcing is becoming more and more common.
- Business is global.
- Government is extensively involvement with businesses.
- Businesses carry significant social responsibilities.
- Labor organizations have very limited influence.
- Design of business facilities and space allocation is changing to reflect efficiency & effectiveness of interacting, integrating, sharing resources, and adapting to the ecosystem.
- For members, personal needs take precedence over business needs.

## **2. INTERPRETING THE MOVE: WHAT DOES THE NEW ECONOMY MEAN TO ME & MY BUSINESS**

- A. If you AND your business do not value creativity, ideas, and innovation above all else, you are unlikely to thrive or even survive in the 21<sup>st</sup> century.
- B. By default, if you and your business do not value people above all else and demonstrate the value, you are unlikely to thrive or even survive in the 21<sup>st</sup> century.

- C. If your business does not have an environment that is attractive to creative talent and you are not interested in creating this environment, your business will die a slow death from starvation.
- D. If your organization is still hierarchical, you will have a difficult time attracting and retaining creative people and competing with those who are structured in more informed ways.
- E. If your organization is not technology savvy, then the 21<sup>st</sup> century will be a mystery for you probably until it is too late.
- F. If your organization is still using traditional forms of leadership and management, you will likely have problems in every possible area.
- G. If your organization is a lone wolf and has not formed partnerships, alliances, relationships or networks, you will probably have a difficult time meeting the demands of your clients.
- H. If your work mindset is still functional rather than cross-functional, you will find much about doing the work, serving the clients, and retain good people problematic.
- I. If your business is still primarily command and control rather than in transition to a more relational culture, you are stuck in the 20<sup>th</sup> century and in danger of being passed up.
- J. Attracting, cultivating, and retaining talented, intelligent, and creative people is essential if your business is to compete and survive.

### **3. BUSINESS SUCCESS IN THE NEW ECONOMY: WHAT WILL IT TAKE TO BE TO BE SUCCESS**

#### **THE RELATIONAL ORGANIZATION: A LAZARUS MODEL**

- A. Creativity, ideas, and innovations drive business start-up.
- B. Healthy relationships result in creativity, ideas, and innovations.
- C. Spiritual awareness determines healthy relationships.
- A. Creativity driving business growth means members and the ideas they produce are the most valuable assets.
- B. Healthy relationships resulting in creativity means that members and the relationships they form are the foundation on which the business rests.
- C. Spiritual awareness determining healthy relationships means that self-awareness is the foundation on which our relationships rest.
- D. The business belongs to every member and every member must look after the whole.
- E. To look after the business requires three sets of skills: Membership Skills, Leadership Skills, and Management Skills.
- F. These skill sets are used to respond to the expression of needs in the seven areas critical to the life of the organization.
- G. These responses can be cultivated when data is not known or can be naturalized when data is known.
- H. Continued creativity, ideas, and innovations drive business growth.

#### **Additional Suggestions For Success in the 21<sup>st</sup> Century**

- A. Creating an organizational environment that is attractive to talented, creative people and that will enable them to grow is essential to recruitment and retention.
- B. To create this environment, your business must reflect the social realities and psychological awarenesses of the 21<sup>st</sup> century.

For example:

- Respect and appreciation based on expertise and experience
  - Importance of the individual and his/her unique giftedness
  - Opportunity for appropriate self expression
  - Equal and fair treatment both personally and professionally
  - Acceptance of strengths & weaknesses
  - Opportunity to build community and meaningful relationships
  - Small group or team based primary work units
  - Independence and self-determination
  - Interdependence and support
  - Personal and professional growth opportunities
  - High quality of life
  - Inclusion and involvement
  - Voice
  - Opportunity to make a meaningful contribution
  - Open, direct, assertive communication as a norm
  - Value for holistic nature of man – mind, body, emotion, and spirit
- C. Developing healthy relationships, both internal and external, must be a priority for every member of the organization because creativity is the result of healthy relationships.
- D. Because of interdependency inside and outside the organization, interpersonal skills are mandatory for success.
- E. Resources are devoted to developing membership skills.
- F. Structuring the business around the work rather than around the reporting or communication structure is important to the speed, quality, and adaptability required to compete.
- G. Minimize hierarchy of any kind in favor of more socially and intellectually informed structures.
- H. Build cross-functional rather than functional work structures so groups can be responsible for whole pieces of work or projects.
- I. Management and leadership must become a set of functions for which everyone is responsible.
- J. Titles should not be emphasized and should reflect the work rather than a position.
- K. Everyone must be responsible for taking care of the whole organization and for understanding the seven critical business needs.
- L. If formal positions do exist, these should not be given sole responsibility for direction and decision making and should serve as a resource for organization members.
- M. Structure the work around collaborative units and perform the work as collaboratively as possible.
- N. No member, regardless of tenure or position, should be given primarily undesirable work or primarily desirable work. Share all aspects of the work.
- O. Provide mentoring relationships for new members.
- P. The design of your facilities should enable easy interaction, integration, and adaptation.
- Q. The allocation of space should be based on work requirements and not on position, tenure, ownership, or informal punishment power.
- R. Your organization should reflect the cultural diversity of the community and that of clients or customers.

- S. Foster partnerships, alliances, and relationships with other businesses that enable you to better serve your clients.
- T. Remember you are serving clients not delivering products.
- U. Personal needs of members are important and understood as impacting the capacity of the organization to provide professional services.
- V. Technology is imperative to business success in the 21<sup>st</sup> century and should be kept current and members well trained. Technology cannot and should not take the place of all interaction and communication.