

Redefining The Nature of Business for the Millennial Age

Opinion Paper by Anton Chernikov and Giles Hutchins.

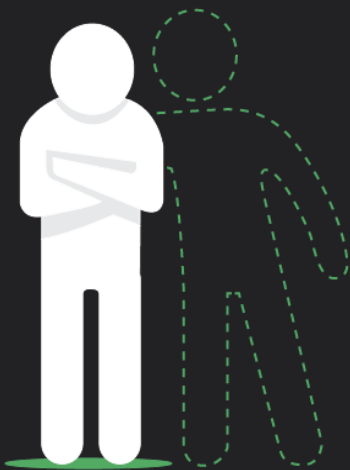


**NATURAL
BUSINESS
PARTNERSHIP**

THE EXPONENTIALS ⚡



The next ten years shall bear witness to social businesses outperforming traditional businesses in a big way, ***and the reason for this can be summed up in one word... 'millennials'.***





In this paper we argue for the need to close not just a skills gap in modern society, but also a **wisdom gap** as we seek to adapt and thrive in an increasingly complex and interconnected world.

Introduction

Over half the world's population is now younger than 30 years old. Two generations have now grown up with the internet. It doesn't take a degree in anthropology to notice that the world is very different today than it was 30 years ago.

The world of business is changing faster and faster. Describing these turbulent, transformative times is the now trendy managerial acronym VUCA (Volatile Uncertain Complex Ambiguous) – in short, business-as-usual ('BAU') is no longer an option for firms of the future wishing to flourish in 2020 and beyond. Some key drivers contributing to this context are: globalisation; digitisation; pressure on finite resources; population and demographic changes; the rise of social entrepreneurship and responsible business; and the millennials - sometimes called Gen Y's or digital natives, these 30 year olds and younger apply social media and collaboration tools in ways that disrupt BAU. These millennials are literally prototyping the future, contributing to exciting and emergent ways of operating and organising that challenge the orthodoxy of control-based management and ownership.

We are heading towards what economist Jeremy Rifkin calls the zero marginal cost society: a shift in business from ownership and control to access and value, where the emphasis moves away from selling stuff and towards providing value to a community of stakeholders in a fast-changing socio-economic environment where the marginal cost of production is reduced through creative commons, open-source, peer-to-peer networks of collaborators creating and delivering products and services at an unprecedented cost and speed.

A report by Oxford economists Carl Frey and Michael Osborne estimates that some 47% of America's jobs will be lost to automation over the next decade. Swaths of traditional office and factory jobs are being made obsolete. We are faced with two options: To hold-on tight and resist the wave of change engulfing us hoping that government subsidies and defensive strategies can prop up the status quo; Or, to seize this moment as an opportunity to do things differently, an opportunity to not just reinvent our systems of commerce and trade, but also to transform the very nature of how we operate both our organisations and our societies.

In 2010, 1.2 billion people were online globally. By 2020, that number will reach 5 billion. Nearly 3 billion more people, along with their collective intelligence, will be available for value creation and delivery via smartphones, tablets and internet cafes. We are on the verge of a new wave of revolutionary breakthrough technologies such as AI, robotics, nanotech, biotech, bitcoin, 3D printing, local manufacturing, composite material, biomimicry, green energy, cheap analogue sensors, big data, augmented reality, open learning, mobile everything and more. The capabilities being unleashed are unprecedented. There is a world of abundance and opportunity out there. However, the modern day graduate is significantly underprepared for this world. We are being trained in a command-and-control education system to work for BAU firms of the past. As we shall explore later in this paper, how we choose to approach education is one of the greatest barriers to accessing the abundance of the Millennial Age.



What we're witnessing in today's digitally enabled knowledge economy is a new breed of organisations that are scaling and generating value at a pace never before seen in business.

It is useful to remind ourselves that technology is just a tool. It can greatly facilitate the emergence of a socio-economic system that enhances our humanity, along with our sense of meaning, place and purpose in this ever-changing diverse world. It can enable us to have more autonomy and accountability for resources, creativity, labour and assets while freeing us up from domestic and professional drudgery. Technology can help us escape oppressive bureaucracy and control-based hierarchy in both business and government. It can catalyse empowering innovations, bringing products and services to people in novel ways, enriching value generation while creating new jobs and markets. It can emancipate us from the rat race of commutes to and from deadening places of work. It can help create time and space for us to explore our humanity in profound ways.

Yet, in the same breath, we know only too well that technology can also imprison and overwhelm us if we so choose to allow it. It can distract us from the very human emotions and relationships we need to flourish in this fast-moving world. It can lure us in, replacing empathy with superficiality. As our mobile devices overwhelm us with constant tweets, Instagram and Facebook posts, text messages, emails and more, we become entrapped in a techno-bubble quite divorced from the unfolding presence of the world around us.

In this paper we examine the implications of these technological and cultural shifts on our ways of working. We explore the need for educating ourselves not just in the technical and leadership skills required for this transformation, but also in the wisdom we now need to call upon as we seek to adapt and thrive in an increasingly complex and interconnected world.

From Control Hierarchies to Partner Relations

Uber, the world's largest taxi company, owns no vehicles; Facebook, the world's most popular media owner, creates no content; Alibaba, the most valuable retailer, has no inventory; Airbnb, the world's largest accommodation-provider, owns no real estate. The institutional and ownership powers of old are being challenged by the empowering effect of the network.

Technology is eroding barriers to entry. The internet makes it possible for customers to switch to better products in a heartbeat. **It's now possible for the tiny upstart to compete with and outperform corporate giants.** A case in point is the online marketplace Etsy which unleashes the skills of designers and makers around the world using a platform that helps them compete with big retailers and global brands. By giving people the chance to buy unique items directly from artisans who make them, Etsy doesn't just give these artisans a livelihood it also fosters relations between maker and buyer.

What we're witnessing in today's digitally enabled knowledge economy is a new breed of organisations that are scaling and generating value at a pace never before seen in business. Rather than using armies of people along with costly physical infrastructure, these firms of the future leverage technologies that take what was once physical in nature and dematerialise it into the digital, on-demand world. In this new economy the mindset required to succeed is going to be radically different from the industrialised, linear logic of old.



‘In times of turmoil, the danger lies not in the turmoil but in facing it with yesterday’s logic’

- Peter Drucker, management expert

The best people do not want to work in bureaucratic organisations. They want to be in a work environment that is agile and open to innovation. They want to see the impact of their work on a day to day basis. And most importantly they want a stake in the success they create.

30 years ago, if you wanted to reach a billion people, you needed to be Coca-Cola with employees in a hundred countries. Today you can be a kid in a garage who uploads an app onto a few key platforms. Your competition is no longer the multinational corporations overseas, it's the guy or gal in the Silicon Valley or Bandra (Mumbai) garage using the latest online tools to design and cloud print their latest innovation. And with this, our ability to influence humanity has been democratised.

Traditionally, value has been generated by owning more land, more equipment, more machinery, more people. Ownership was the perfect strategy for managing scarce resources and ensuring a relatively predictable, stable environment for mass production lines. For decades, scale and size have been desirable traits for enterprise. A bigger company could do more, the argument went, because it could leverage economies of scale and negotiate from strength. And with this comes control-based, linear and hierarchical management logic where functions of an enterprise are divided into disparate silos in order to maintain the illusion of control. As an organisation scales in size and complexity this mechanistic and hierarchical command-and-control logic begins to dominate.

Today, social technologies mean we can often achieve more with a lot less. Just read Whats App's story. When they sold for \$19billion to Facebook they employed less than 20 people full time. And it's not just the Silicon Valley e-commerce stereo-types, this applies to manufacturers too (e.g. Local Motors). Size brings unnecessary bureaucracy, overheads and costs that can detract from the value creation potential and agility of the organisation. **Countless case studies demonstrate that when bureaucracy exceeds a threshold, productivity takes a nose dive.** The best people do not want to work in bureaucratic organisations. They want to be in a work environment that is agile and open to innovation, exciting and creative, empowering and empathic, purposeful and passionate. They want to see the impact of their work on a day to day basis; they want to feel involved. And most importantly they want to feel a meaningful connection with the value they create, rather than feeling like lost cogs enslaved in the monolith of machine mentality.

No matter how much the mechanistic corporations raise their salaries or options, it will never satisfy our human hunger for passion and purpose. Unless these corporations radically transform their culture and governance, the millennial generation will work elsewhere.

Let's be clear, the point here is not simply one of size per se, it is one of mindset and culture. Big organisations can have cultures that rebel against the mechanistic reductionism of the day, for instance, Semco, Nucor or Morning Star. And as a result these organisations thrive within ever-changing landscapes. What is being explored here, is a shift in philosophy away from command-and-control 'power-over' hierarchies (a dominator logic) towards more self-organising, agile, locally attuned ways of working (a partnership logic) that empowers



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the individuals, teams and diverse stakeholder communities involved (what we call the 'partner ecosystem').

This presents a huge ideological and cultural challenge for the majority of today's organisations. Yet this is nothing more than our humanity deserves and is more than capable of.

Fit for the Future: Becoming Human

Abraham Lincoln famously said that 'the best way to predict your future is to create it'. We can spend our lives analysing trends and debating the impact that the millennial generation will have on BAU companies. Or we can use this moment as an opportunity to completely **reinvent the fundamental assumptions of business**. We think the latter is far more interesting. And for that, we need to completely transform the problem space and look at things from a radically different perspective.

We must seek to transcend the short-termism that is wired into our outdated GDP obsessed monetary system. It is draining our lives of the things that matter most. It fails to consider much of what ought to be counted, while at the same time counting things that we as a society and as individuals aspire not to produce.

'Consider a car crash: someone hits you from behind, wrecking your car and sending you to hospital. The whole episode boosts GDP. The surgery, the car repair, the back-and-forth with insurance companies - it all adds to economic growth... When we talk about numbers and not the people behind them, we end up with the wrong priorities.'

- Steve Hilton, Author of More Human

Robert Kennedy captures this point perfectly, '**GDP includes everything in short, except that which makes life worthwhile**'. Basing everything on numbers pushes everything towards mechanical bureaucratic systems rather than more organic approaches that put people first. We need to recognise the danger of prioritising numbers over people. As we transcend BAU capitalism, we will need to re-design and re-invent every aspect of society.

We need to apply a critical eye to our unrelenting quest for progress and how our leaders define it for us. Being bigger faster and cheaper... does this always equate to better? Just because something is more efficient, doesn't mean it's better. The misguided quest for efficiency has led to negative side effects that are only now being understood. In fact efficiency can undermine much of what makes us human. We should understand the limits of designing any system, product, service or environment without connecting with the people who will be involved in it on a daily basis as consumers, providers, recipients, residents, patients or students. The best way to solve problems is by starting with people: what they need, how they think, how they feel.



The insane reality is that we are all, to varying degrees, complicit in a system in which we lose our humanity. This way of working is so deeply woven into us that much of the time we barely question it. Yet we do sense, if for the briefest of moments, that something is badly wrong.

In short, we need to bring our perspective back down to a human scale. A great way to start is to reflect on the question: **‘what are the things we most value in our life right now?’**

When we ask this fundamentally human question the majority of us talk about our friends, family, community or something we have participated in and love doing. Mounting evidence points to our happiness coming from our sense of place and purpose within a social network of meaningful relations. Hardly surprising seeing as **we humans are innately social, empathic and loving creatures.** Hence the dehumanising effect of our top-down, centralised ways of operating and organising drive us up the wall, burn-us out and drain us of our creative potential.

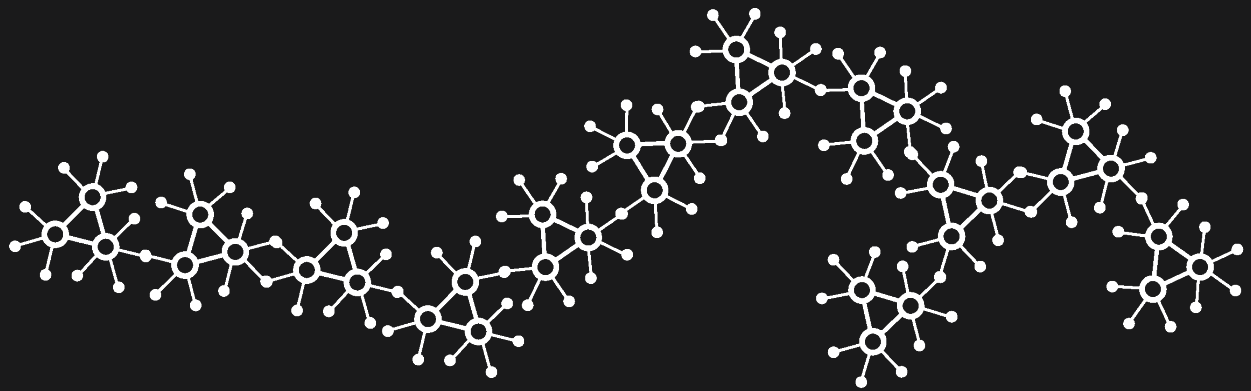
The millennial workforce demands a working culture that is fundamentally about becoming human in our ways of relating and generating value.

All too often today we find ourselves twisted down socio-economic pathways that force us to neglect the very things we genuinely value. We suffer exhausting commutes to spend large portions of our lives in workspaces that are soulless. These workspaces drain us of creativity, empathy, collaboration and sociality through silo’s, stress and relentless busyness. Time at work leaves us feeling so uncentered and numb that we all-too-easily grasp for stimulation in whatever time and space is left over just to feel fleetingly alive again. We neglect the meaningful things in order to pay the bills, holidays, cars, mortgages, material stimulants and escapades. The irony is that we don’t really enjoy much of what we purchase because the soulless work done in order to pay for it has largely dis-connected us from our deeper sense of self along with our sense of purpose and place in the world. Enter the contagion of consumerism in our midst; a society cut adrift from any authentic meaning, tossed this way and that by superficial egotistic whims.

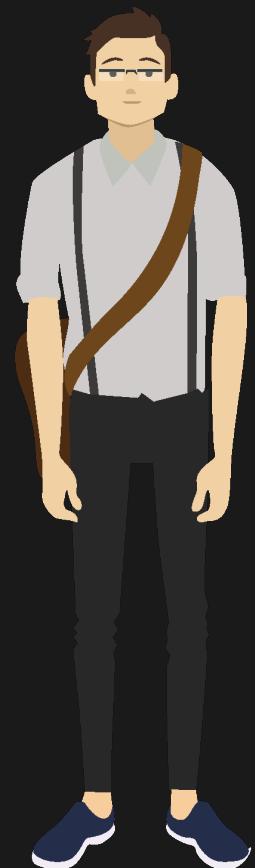
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What we crave for are more meaningful moments and life-experiences. More time to spend following our curiosity. More time to build nourishing relationships and friendship. More time to really experience the world as well as what is around us here and now. More time to enjoy the simple things in life, to be present with our loved ones, with our friends, acquaintances and strangers we meet along the way. Yet our working life starves us of what is most precious to us – time and space to become who we truly are – social, curious, playful and purposeful humans.

Fundamentally, these transformational times are demanding a transformation in human relationships away from the traditional control-based, top-down, ownership models rooted in the industrialised, centralised, monopolistic mindset of yesterday’s logic towards a more open, emergent, collaborative, entrepreneurial and socially-aware mindset typified by today’s millennials.



From the Millennial perspective the choice is simple. ***We say 'Yes' to Firms of The Future*** and we say 'No' to Firms of The Past.



Being social as a business is no longer a weakness or a cost or a 'nice to have' dispensed with in tough times; it's a core advantage and a prerequisite for a firm of the future. ***Tomorrow, nothing will be more expensive than trying to build a business driven by greed, control and dubious ethics.***





To succeed we must be agile, creative, alert, spontaneous and responsive – operating in refreshingly new ways while knowing when to apply the tried-and-tested methods of our past.

A Metamorphosis in our Midst

The Millennial Age shall bring a time of creative destruction and reconstruction that will be about winding down the unsustainable business models of the 20th Century and evolving new 21st Century business models that are fit for purpose.

Millennials have radically different career aspirations from their parents. Mindsets are changing. Passion, impact and freedom are winning out over money and power. Simply 'having a job' is no longer enough. We are entering a work revolution, where new technologies and digital platforms are unleashing new ways of earning a living. Today any home owner can use Airbnb to supplement their income. Any car owner can use Uber to become a part time taxi driver. Any fashion designer or maker can use Etsy to find customers for their products. You can also jump on websites like Elance, and Upwork, or just use your personal network, to take on some paid freelance projects. You no longer need to apply for a job to earn a decent living.

If organisations want to not just survive but thrive in these transformational times, continuing the way we run our business today will not be an option. To succeed we must be agile, creative, alert, spontaneous and responsive – operating in refreshingly new ways while knowing when to apply the tried-and-tested methods of our past.

Today's rapidly changing business environment calls for businesses that are more than just resilient to rapidly changing environments. These businesses need to learn how to flourish when faced with complexity and change.

This is what the radical philosopher Nassim Nicholas Taleb refers to as being 'anti-fragile', an organisational state that thrives on uncertainty; the risks, disturbances and errors fuel further entrepreneurialism and evolutionary learning – just like natural ecosystems which thrive through dynamic non-equilibrium. In this anti-fragile state, we do not fear change, we see it for what it is, an innate quality of life, the life-force enabling us to surf new evolutionary waves.

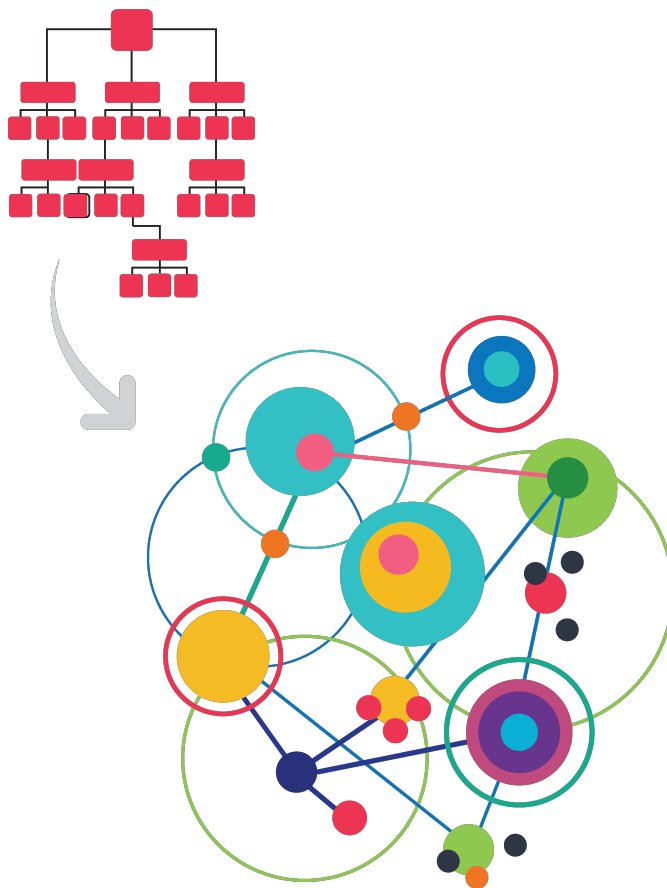
This shift in business is not simply a metaphoric shift from 'machine' to 'living' or a shift in logic from 'dominator' to 'partnership', it is a deeply personal and human journey, where work is no longer perceived through the lens of separation and competition but as an act of value creation within the context of diverse co-operative ecosystems. Work in this case becomes an extension of our humanity. We become much more conscious and aware of the impact our choices are making, and in doing so we are able to build the 'Firms of the Future'.

Firm of the Past

Economies of scale
Linear thinking
Silo'ed units of production
Measurement-focused
Dominator-model
Machine-mentality
Monopoly
Standardisation
Short term profit maximisation

Firm of the Future

Economies of flow
Holistic thinking & being
Ecosystems of inter-relations
Purpose-focused
Partnership-model
Living organisation
Diversity
Differentiation
Holistic value enhancement





It's time to get radical, to start with our own lives, our own passions. It's time to ask some simple questions and explore where they take us...

A Dynamic Future

'Any company designed for success in the 20th century is doomed to failure in the 21st century.'

- David S. Rose, serial entrepreneur

When it comes to preparing your organisation for the future we cannot offer you any definitive solutions or answers, quick-fixes or cookie-cutter one-size-fits-all thinking; after all, it's this kind of reductive thinking that contributed to our current insanity in the first place. No, it's time to move beyond yesterday's logic.

It's time to get radical, to start with our own lives, our own passions. It's time to ask some simple questions and explore where they take us...

What would happen if we all took time out for half a day each week to slow down and spend time in nature, to pause for a while, breathe-deep and ask ourselves what we'd really love to do with our days, weeks, months ahead? What would happen if we didn't rush to Pret at lunchtime but cooked a meal together instead? What would happen if instead of trying to earn more money we spent more time thinking about optimising the money we already have? What would happen if rather than talking about 'work-life balance' we started to share ideas about how to design a lifestyle that doesn't need 'work-life balance'? What would happen if rather than talking about CSR or 'sustainable business' we actually helped each other every day in our workplaces to relate in more honest and authentic ways while taking a deeper look into how our ways of working affect us and our neighbourhoods? These are all quite simple questions, and they lead us to becoming more human: more generous, more open, more collaborative, more creative, more empathic, more aware, more 'anti-fragile' – the very qualities that make us more effective in our 'VUCA world'.

Let's get even more radical. Let's transcend the old world concepts of employee, boss and job.

Why can't we all treat those we work with as partners? We sense each other out, and if it feels right, we agree terms on a project-by-project or month-by-month basis. We share the risks and we share the rewards. Yes, we may need some centralised functions but only light-touch ones that help facilitate the collaborative, joyful, human venture of these self-managing teams; teams that adapt to the ever-changing landscape with ease, sensing and responding through an ecosystem of partners brought together by a common purpose.

Partners, here, include all stakeholders whether they be full-time employees of the organisation, part-time employees or self-employed on a project-by-project basis, advisers, customers, suppliers, think tanks, local activists, charities, citizens, etc. The more diverse, inclusive and holistic the recognition of partners is, the better. The firm of the future is collaborative, decentralised, diverse, networked and multifunctional. It is adaptive, responsive and anti-fragile. Above all, it's a great place to work!



By talking about 'value' we shift the conversation away from inputs (hours worked) to outcomes (value created). All partners working on a specific project team are incentivised to continuously improve their individual and collective processes and workflows.

The key to thriving in this dynamic business ecosystem is relationships. Just as we find in nature, ecosystems that flourish through volatile times are ones where a diversity of relations forms through mutuality and reciprocity. It is semi-permeability of boundaries and diverse inter-relations that provide the life-blood to the evolutionary potential of natural ecosystems – this is the wisdom nature affords us. The same principles apply to our business ecosystems.

Human relationships flourish through trust and transparency, and trust is built through effective communication and fair honest action. Within the context of business, fairness does not mean paying everyone an equal share, it means adapting the way remuneration is shared based on value creation and contribution. This can be an ongoing adaptation which may need regular discussion with each project team demanding different partner involvement. The on-going communication process is a core part of the culture and feels less like a negotiation and more like an exploration into how fairness is best reached. Rarely do we walk out of the room feeling dissatisfied or exploited.

Vital to this partnership culture is the time-honored practices of conflict transformation, deep listening and heart-centered communication methods such as Way of Council. More recently, governance methods such as Holacracy and Sociocracy are being taken up by organisations the world over to help foster non-hierarchical ways of organising and operating.

A key point here is that by talking about 'value' we shift the conversation away from inputs (hours worked) to outcomes (value created). All partners working on a specific project team are incentivised to continuously improve their individual and collective processes and workflows. This does not mean we do away with all centralised functions, legal departments or employment contracts – there is a time and a place for such. Yet there is a radical change in emphasis from one of 'human resource management' towards nurturing a culture that is transparent, built on trust, open and clear on everyone's value creation and contribution, while also being deeply rooted in a shared sense of passion and purpose.

Vested interests in today's centralised, monopolistic organisations might well fight such a shift at every turn. They have much to lose, as the chance for getting away with inflated salaries while exploiting others rapidly erodes in such a transparent partner-based way of working. **Self-organisation is the antidote to bureaucracy, exploitation and middle management.** It requires people to take responsibility for their own actions. Managers can no longer use their status within a hierarchy to command, control and take credit for value they have not contributed.

As organisational specialist John Seddon notes: 'Command-and-control management has created organisations that are full of waste, offer poor service, depress the morale of those who work in them and are beset with management functions that not only do not contribute to improving the work, but actually make it worse.' The old organisational logic of yesterday is simply cracking under the pressure of all this turbulence. Yet, we all harbour fear of change. If we have spent our careers climbing an organisational hierarchy, often the last thing we will want to encourage when we obtain power is the dismantling of this hierarchy. We want to be able to claim back for all those years of hard-won maneuvering. And so the cycles of status-



Let's imagine an organisation of partners where no one has authority over another partner. You cannot command or order someone to do something. You have to clearly communicate how you believe your idea or approach will generate value and win over the support of fellow partners. Hierarchy is replaced by true leadership.

quo trundle on. Make no mistake though, complacency, inertia and threat-rigidity will only delay the inevitable. This wave of change now upon us will wash away the strictures of status quo whether we like it or not. Better to embrace the change rather than using vital energy clinging to old ways no longer fit for purpose.

The Perceptions of Change

"I think it's important to reason from first principles rather than by analogy. The normal way we conduct our lives is we reason by analogy. [With analogy] we are doing this because it's like something else that was done, or it is like what other people are doing. [With first principles] you boil things down to the most fundamental truths...and then reason up from there." Elon Musk, Founder of Space X and Tesla

One of the most effective ways to argue for change is to apply Elon Musk's 'first principle' method. Basically, start with the fundamentals we know to be true and work up from there. Let's define the fundamental truth within the world of work as this: the purpose of real work is to create value in the world (for yourself, for your customers, for your clients and for your partners). Therefore, if you are not contributing to the creation or delivery of value in some way you are not really working. If the mindset of going to work is solely based on the need to earn a salary and not the fundamental purpose of creating value, then we have a problem. And clearly, when we look inside most large organisations today, we have a sizeable problem. So what's the solution?

How about starting to view our work as a lifestyle; a means to explore authentic ways of realising our potential, forming relationships in ways we would wish to be treated ourselves, all while earning a living? What if going to work enhanced rather than undermined our humanity? What if the primary concern of any organisation was the collective wellbeing and growth of its partners? It might all sound a bit soft, especially when acculturated in today's insane mindset; but is this simply not basic common sense?

There is nothing more draining and soul-destroying than doing work we don't believe in. In fact doing this 'demotivating work' on a regular basis actually smothers our creative potential burying any real value creation under swathes of life-sapping bureaucracy.

Let's go further with this and imagine an organisation and its ecosystem of partners where no one can command or order someone else to do something. Instead, we each have to clearly communicate how we believe our idea or approach will contribute to the generation of value. And then we listen to and engage with each other about how to make it work. Hierarchy is replaced by leadership and authentic communication; or in other words radical common sense.



In the deepest sense, the distinction between leaders and followers is becoming meaningless. In every moment of life, we are simultaneously leading and following.

Millennial Leading

The Millennial Age demands new forms of leadership.

Once upon a time, the CEO would walk into an important board meeting with a predetermined answer. The goal was to present the big idea and tell the team what needed to be done. Now, the modern day CEO must accept the markets we all operate in are becoming too complex for one person to dictate answers. We are entering a new era of distributed, participatory and emergent leadership. Listening, questioning, coaching and facilitating are becoming essential leadership skills. The role of the leader is to keep everyone focused on the long term vision and purpose of the company while fostering the right community culture, not to remotely dictate or dominate strategy and operations. Today the best leaders acknowledge the wisdom and power of the crowd, and go into meetings with questions rather than answers, in order to let the best possible solution emerge.

There is no need to dispute that some people may be naturally more charismatic and inspiring than others, or that being trained in approaches to inspire, influence and lead people is not useful. Yet, what is emerging in this new world of working is a kind of leadership that calls upon something beyond natural charisma and beyond what you can learn in the classroom. It is a leadership rooted in the individual and their interconnectedness with their social, economic and environmental context. It requires not only deep self-awareness but also ecosystem awareness. From this foundation one then explores how best to interrelate with the wider community and participate in meaningful work. In other words, our sense of purpose, our passions and values act as our compass.

Without a compelling idea, without a powerful story, without a meaningful purpose the best people won't work for you, they won't partner with you, they won't tell their friends about the great work you are doing, and they won't be actively engaged in your community. No one will go out of their way to make that crucial introduction or to give you that much needed piece of advice. Being social, self-aware and soulful is not a weakness, it's essential if we wish our organisations to thrive in the Millennial Age.

In the deepest sense, the distinction between leaders and followers is becoming meaningless. In every moment of life, we are simultaneously leading and following. It is conscious and wise leadership, leadership by everyone that this world badly needs. Each of us has the conscious capacity to grasp for either ego-driven command-and-control management or to reach beyond into more authentic, soulful ways of working that treat others as we'd wish to be treated ourselves.



When trust, not authority, is the currency that drives action, partners will begin to invest their time into building open, deep and more soulful relationships with each other.

It's time to confront the man in the mirror, stepping beyond our ego-driven fears with heartfelt courage:

Fear-based leading

Authoritarian
Leader-follower relation
Motivated by power
Blame culture
Risk-averse
Adversarial
Competitive
Command and control
Dominator-mode

Courage-based leading

Emancipation
Co-creative relation
Motivated by passion and purpose
Compassionate culture
Pioneering
Inspirational
Empathic
Improvisational
Partnership-mode

Empathy, Soul and Trust

Our emerging firms of the future require more than intellectual and technical skill, they require emotional intelligence (EQ) and spiritual intelligence (SQ), without which our IQ crumbles away amid the turbulent busyness of everyday.

Oxford leadership specialist Danah Zohar and psychotherapist Dr Ian Marshall have explored SQ in detail. They note that the early part of the 20th century was fascinated with IQ – our intellectual or rational intelligence which we use to analyse and solve logical problems. By the mid-90's however, neuroscientists and psychologists became increasingly interested in our EQ – the emotional intelligence that makes us aware of how we feel and enables us to empathise with others and the wider world. At the turn of the 21st century, it is SQ that is now in the spot light, with an increasing recognition of its foundational importance in allowing us to derive a sense of place and purpose, of meaning and value within our unfolding lives. Our SQ is our foundational compass, which helps to nourish both our EQ and our IQ.

When trust, not authority, is the currency that drives action, partners will begin to invest their time into building open, deep and more soulful relationships with each other. Subtle signals of discontent and resentment will be noticed and addressed early on as a matter of highest priority. Nothing is more detrimental to a project than a lack of trust and alignment between the founding partners.

Sometimes all it takes to deal with conflict or a lack of motivation is to openly share our concerns in a human and honest way. Perhaps we need a change and want to pursue another project or venture. Perhaps we have a personality clash with a new member of the team. These moments are powerful insights for learning and growth. Sometimes the best option is to create some distance. There are no ultimatums or 'you're either with us or against us' thinking. Sometimes we simply need to listen to each other.

How often in today's busyness do we pause to listen – really listen, look someone in the eyes and feel them with our open heart while freeing our distracting ego-minds from thoughts of 'me and my projections' so that we can really empathise with each other?



The wellbeing and personal growth of the partners in the ecosystem are the life-blood of the culture. And regularly sharing personal stories, dreams, aspirations, learnt lessons and lived experiences of what it means to be in partnership is what makes the culture thrive.

This brings us to an important question: **How do we build an organisation if everyone is an empowered ‘free agent’?**

The story of the shepherd and his sheep offers a great analogy. One can build a fence to keep all the sheep from straying or one can build a wonderful well so the sheep never stray too far from it.

The well is culture, values, collective purpose, shared passion, sense of community – this is the brand, not some externalised marketing make-up, but the deep resonance of the organisation, what it feels like to be a part of this tribe of partners. The wellbeing and personal growth of the partners in the ecosystem are the life-blood of the culture. And regularly sharing personal stories, dreams, aspirations, learnt lessons and lived experiences of what it means to be in partnership is what makes the culture thrive.

The fast-growing on-line retailer Zappos has a fascinating approach to developing culture. It pays new recruits \$2,000 to quit, makes customer service the responsibility of the entire company, operates through non-hierarchical ‘holacratic’ governance and seeks to change the world. It has been listed as one of the best companies to work for and CEO Tony Hsieh views happiness and sense of purpose as its key organising principle. Quite different but just as radical in its humanity is the multibillion dollar Brazilian company Semco. There are no job titles, no written policies, no HR department and all employees are associates who set their own salaries and working hours. Everyone shares in the profits and everyone knows what everyone else does. Semco and Zappos join a growing number of companies transforming towards a more participatory, self-organising, emergent way of working bonded by strong culture.

Whilst on the surface, diverse, networked, emergent organisations may appear more chaotic and difficult to manage; they are vibrant places for people to become self-empowered and self-managing through a mutual understanding of how to behave in line with one’s core values and purpose. More effort and communication is required in the short term. However, the impact over the long term is exponential.

Beyond Monoculture

‘The organisation of the future will be an embodiment of community based on shared purpose calling on the higher aspirations of people.’ – Dee Hock, founder of VISA

The essence of community - its very heart and soul - is the concept of non-monetary exchanges of value; things we do and share because we care for others, and for the good of the place (our shared environment). Community is composed of that which we don’t attempt to measure, for which we keep no record and ask no recompense; for this very reason, firms of the past struggle to build resilient communities. The old mindset is, ‘if it can’t be measured, it can’t be managed and therefore it’s so much easier to pretend it doesn’t exist.’ Imagine if we used this same logic in a romantic relationship, or while raising our children or when dining with friends.



As more complexity emerges within and all around us; holding tensions such as control-freedom, structure-flexibility, competition-collaboration will be essential if we want to design solutions that transcend the current paradigms.

Firms of the future are wiser than this flawed logic. They understand that the partnership and community-based organisational models we've been exploring in this paper require a level of maturity and not everyone will feel comfortable with it. Some of us may require and actively seek out environments that are more hierarchic and control-based for the security and sense of certainty it may provide. Yet it is our belief that more and more millennials will prefer the partnership based ethos and so will join forces and creatively contribute with passion and purpose in such ecosystems.

What is important to note here is the diversity of approaches that are emerging rather than a one-size-fits-all mono-culture – it is this very monocultural mindset that we are evolving away from. It is also important not to get overly reactionary against each and every aspect of the firm of the past as there are useful qualities within yesterday's logic as tried-and-tested protocol, measurements and processes that can be applied for certain situations within our emerging firms of the future. It is a general openness to sensing what works best for the ever-changing context. For instance, we cannot just abandon generations of project management and delivery experience. We still need KPI's and metrics to keep us focused and on task. However, a more balanced approach is often required that acknowledges the limitations of using only metric-logic, and **the potential wisdom that often comes from our intuition, emotion, sociality and soul.**

Firms of the future learn how to operate in a great variety of ways, and the key to their success is their adaptability of different approaches for different contexts. As more complexity emerges within and all around us; holding tensions such as control/freedom, structure/flexibility, competition/collaboration, quantification/qualification, analytical/intuitive will be essential if we want to design solutions that transcend current paradigms while flourishing in the stormy seas ahead. The emerging millennial landscape will be home to a concocting blend of top down, quantised and centralised aspects along with self-organising, empathic, locally-attuned aspects.

Make no doubt though that the tide is turning towards new forms of governance such as Holacracy, Sociocracy and B-Corp as well as a great variety of home-grown approaches that defy yesterday's logic. **The simple philosophy is: the more open and generous we are with our knowledge, networks and skills, the more value we create for ourselves and the world around us.** If we live with a spirit of abundance, we create abundance. If we live with the suspicions of scarcity, we will continue to struggle for an ever smaller share of a diminishing pie.

Know Thy Self

The lifeblood that nourishes and strengthens trust within these firms of the future is open, transparent communications. What undermines this trust is our own egotistic-mentality; our ingrained and partly unconscious 'me versus others' state of mind that undermines our empathy and openness while fuelling our greed, vanity, jealousy and fear. As organisation specialist Fredric Laloux notes, 'Many of the corporate ills today can be traced to behaviours driven by fearful egos: politics, bureaucratic rules and processes, endless meetings, analysis paralysis, information hoarding and secrecy, wishful thinking, ignoring problems away, lack of authenticity, silos of infighting, decision-making concentrated at the top'. **If we allow our egos to run rampant, then**



Without these new ways of being, our new ways of doing will not last long, as before we know it we will be crying out for the outdated crutches and shackles of control-based hierarchy.

our partnership approach will be undermined at every step, and before we know it we will have nothing more than ‘old wine in new bottles’.

Self-awareness is crucial here in helping us sense when this very natural occurrence of ego-awareness within us wells up to such an extent that it becomes egotistical, crowding out our empathic attention, and deeper creative and soulful potential. Ego-awareness is an important part of who we are, and its development goes hand-in-hand with mature self-awareness. The problem comes only when this ego-awareness begins to dominate our state of mind, turning into egotism where we accentuate the ‘I’ of ourselves as separate from and in competition with our environ, and with this separateness comes a feeling of hubris or victim which further exacerbates this sense of separateness. Hence we justify manipulative exploitation and domination while suppressing our deeper more soulful awareness. In doing so, a scarcity mentality creeps in and abundance becomes a distant dream. Developing our ability to tame or transcend this ‘ego’ in different contexts and pressured situations is the journey towards self-mastery and wisdom.

In many ways the journey ahead of us is about learning to tame this willful ego of ours, and quieten the chattering monkey-mind, while learning to sense the subtle perturbations of our heart and soul, and learning to listen to the deeper needs of those around us. It is a profoundly challenging and emotional path, but it is well worth it.

Old ways of being

Ego
Power over
Competition
Control
Separation
Scarcity mentality
Patriarchy
Fear

New ways of being

soul
power with
symbiosis
co-creativity
synchronicity
abundance mentality
empathy
love

Without these new ways of being, our new ways of doing will not last long, as before we know it we will be crying out for the outdated crutches and shackles of control-based hierarchy. It is only through exploring our inner depths and cultivating self-awareness that we attain real wisdom. The wise prophets and philosophers throughout the ages knew the importance of this, hence why the ancient Greeks and Egyptians displayed the phrase ‘Know Thy Self’ above their greatest temples.

Self-aware, humble and honest people are easy to trust. They give off a confidence, an authenticity, an inner calm that is contagious. These are the people you want to work and learn with. These are the people you want in your tribe of friends and partners. In order to sustain firms of the future we need to be nurturing wisdom as well as cleverness. Here is where experienced coaches, mentors and facilitators can greatly contribute by helping hold a space for the soul to emerge and the ego to be kept in check.



Words make us smart. Emotions and intuitions make us wise. Today's world has too much cleverness and not enough wisdom.

"The great leaders have always been great listeners".

- Richard Branson, Founder of Virgin

Perhaps one of the most essential skills for taming the ego is deep active listening. Instead of thinking of listening as 'not speaking' or just 'hearing', think of listening as an exercise in deep focus and immersion that involves all our senses. Genuine listening involves giving 100% of our energy, focus and attention to someone else. As we master the art of listening we will be able to go beyond the words that are being said and tap into the deeper meaning behind what is often left unsaid. We learn to notice the energy and emotions in the room. We maintain good eye-contact. We make human connections, soul-to-soul, and from here trust flows. It's simple really, but not necessarily easy.

Remember this truth: Words make us smart; emotions and intuitions make us wise. Today's world has too much cleverness and not enough wisdom. By embarking on our uniquely beautiful yet challenging journey to Know Thy Self, we open up to our IQ, EQ and SQ. We can start to tune into our somatic awareness (bodily sensations, suppressed emotions, past traumas, shadow aspects), our soulful awareness (a subtle, intuitive sense of our deeper Self, our compass soul-calling beyond the ego 'I'), and our social awareness (a rational, emotional and intuitive sense of the world around us). Each of us needs to take personal accountability for our own state of mind and way of relating with the world. It is here we get to the root cause of our carcinogenic culture.

'The intuitive mind is a sacred gift, the rational mind its faithful servant. We have created a society that honours the servant and has forgotten the gift'

- Albert Einstein, genius



The idea that still dominates education today is that we get trained for our careers in our late teens and early twenties and then we are done. This is crazy. Learning is for life.

Transforming our education system.

The Millennial Age demands a radical shift in our ways of educating so that we equip ourselves in these new ways of being and doing. However, today a large portion of business management education is equipping us for yesterday's logic. Nevertheless, there are encouraging signs of this shifting through pioneering social entrepreneurial education ventures cropping up and growing rapidly, as well as more established centres such as U:Lab in Cambridge Massachusetts, the dSchool in Stanford, Ashridge Business School and Schumacher College in the UK and The Do School in Germany. Mainstream universities ought to learn from and develop partnerships with independent educators like Hyper Island, Knowmads, Kaospilots, School of Communication Arts (SCA), Hive.org, Theil Fellowship, Trans4m University and more.

We are on the cusp of a paradigm shift from a silo'ed, top-down, mechanistic approach to education which teaches 'chunks' of subjects to its students; to a more tailored, integrated, applied, holistic, action-research approach to higher and further education aimed at providing flexible, adaptable, entrepreneurial, self-motivated, self-aware leaders.

Today there is a massive skills, mindset and wisdom gap. Our inability to match skills training to what the new world of working is demanding is undermining our evolutionary potential. We need to approach training and education in a fundamentally different way. Learning is for life. We should be constantly readjusting, retraining and reinventing ourselves throughout our lives and careers. Lifelong learning keeps your mind flexible, fresh and open to change. We have curated some inspirational links below:

[MIT Theory U : Transforming Business, Society & Self MOOC 4.0](#)

[Udacity](#)

[Plus Acumen](#)

[Codecademy](#)

[A great list of coding sources](#)

[Free Online Course Search](#)

[The Exponential Masterclass - Learn how to think like an entrepreneur](#)

Also here is a comprehensive list of some of **our favourite educational organisations and websites**

The world has changed, but school hasn't

It is important to critique higher education within the context of our primary and secondary education. Today students are still suffering through an industrial school system that believes that lectures, textbooks and exams are the best way to prepare the next generation for the world of work. We have a test-taking culture that shames failure and kills the impulse towards entrepreneurship and risk taking that we should most want to encourage. As Sir Ken Robinson frankly puts it, schools are killing our children's creativity and curiosity.

The problem is systemic. Our school system was designed during the industrial revolution to train a generation of office and factory workers. However, the world has changed. Many factory jobs are being automated by robotics. Many office jobs are being automated through



There is a world of abundance and opportunity out there. However, the modern day graduate is hopelessly unprepared for this world.

cloud-based software. The skills required to thrive in the 21st century such as creativity, teamwork, emotional and spiritual intelligence and entrepreneurship are radically different from the skills that were needed during our industrial past. There are, though, positive signs of budding transformation afoot.

Today's social technologies radically increase our ability to create things together, to pool our free time and particular talents into something useful. We can literally create new cultures of sharing and experimentation, without taking on all the costs traditionally associated with mobilising large groups. The opportunities before us, individually and collectively, are enormous; what we do with them will be determined largely by how well we are able to imagine and reward public creativity, participation and sharing.

There is a world of abundance and opportunity out there. However, the modern day graduate is significantly underprepared for this world. We are being trained in a command-and-control education system to work for BAU firms of the past.

With the help of the internet, more and more people can break out of this outdated education system. They can take online nanocourses on Udacity. They can learn to code in 12 weeks at Makers Academy. They can attend conferences and meetups to grow their own networks. They can self-organise hackathons with like-minds' and they can form creative commons hubs of co-innovation to prototype the future.

Millennials don't wait for the right job to come along. They figure out a way to create it for themselves.

Studio X : Welcome to the Future

The millennial generation is proactive, not reactive. We take responsibility for our own learning. We create our own jobs and careers. We design our own curriculum. We learn in the real world. Wouldn't it be incredible to design a space where the next generation of leaders can come together to live, work and prototype the future together? Could this space become a blueprint for the future university campus? **Studio X seeks to answer these questions.**

The goal is to bring the spirit of Tech City (London) to the British countryside by transforming an abandoned brownfield site into a modern live-work entrepreneurial hub. When people come to Studio X they will be stepping into the future. The architecture will seek to establish a harmony between the old and the new. Imagine walking through a grand dining hall into a robotics laboratory and then into a permaculture garden only to find yourself discovering the treehouse village above you.

Studio X seeks to provide a temporary home for some of the most talented and visionary minds. It is a place that fuses technology and nature. It is part eco-village, part accelerator and part business school. It is our belief that these forms of multi-purpose, entrepreneurial and high tech spaces will help to shape the universities or **'learning ecosystems' of the future.**



At every stage of education from kindergarten to executive leadership retreats we must encourage diversity, creativity, empathy and collaboration. We must learn to view competition within the context of co-operation and value-creation for all.

Conclusion

What we have explored in this publication is the new paradigm of work; a paradigm that is being driven by a new generation of digitally-enabled, entrepreneurial, socially-minded millennials.

We cannot deny there is a significant movement of talented people who are rejecting BAU practices and choosing to take a more entrepreneurial career path. We also cannot deny the transformational impact of exponential technologies. Disruption is no longer the exception, it is becoming the rule.

This paper is meant as a source of inspiration to anyone who is fed up with BAU and wants to do something different with their working lives. It is also meant as a call-to-arms to entrepreneurs, policy makers, social activists, cultural creatives and pioneering educators across the world. We need to address the growing skills and wisdom gap in society and the time is now.

If we want to address the global challenges of our increasingly complex and interconnected world, we need to learn how to be wise as well as smart, we need to cultivate soulful awareness and personal mastery as well as technical knowhow.

That's why at every stage of education from kindergarten to executive leadership retreats we have to encourage diversity, creativity, empathy and collaboration. We must learn to view competition within the context of co-operation and value-creation for all. To win at the expense of nature or the poorest in society is not a victory it is a failure of our humanity.

We need to be educating young people with the skills, mindset and courage to meet this challenge. We should be encouraging the next generation to ask the big questions. We should be introducing them to the latest technologies, whilst also nurturing in them the wisdom required to prevent these technologies from being used in harmful ways.

The best path is the road less travelled. This path is unique to each of us. Here are some parting questions to help us on the way as we enter the Millennial Age.

The Inner Quest

- What do I most love and value in the world?
- What is currently preventing me from living my dream?
- What are my greatest gifts and talents?
- What would I most like to change in the world?
- What impact do I wish to create?
- What gives me meaning, stimulation and energy?
- If all jobs paid the same what would I do?
- If I died tomorrow, how would my friends describe me; how would I like my friends to describe me?

The Organisational Quest

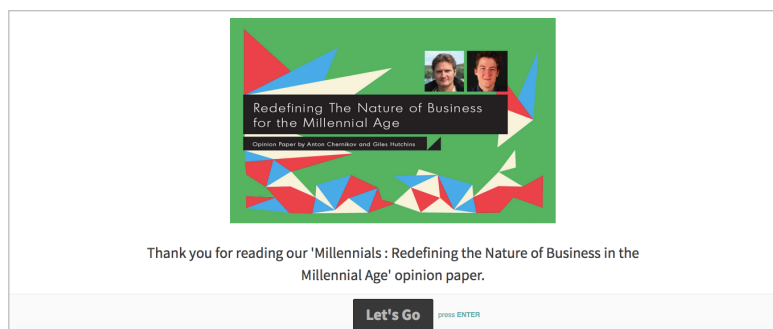
- What's our purpose as an organisation? Why do we exist?
- Why would a talented millennial wish to work for us over other organisations?

- How can we establish a co-operative and soulful culture?
- How do we enable fresh perspectives to enter the problem space?
- How do we form stronger bonds among the core team and across the wider partner ecosystem?
- What gives our community a shared sense of meaning and purpose; how does this differentiate us from other communities?
- What compels our partners (and members of the public) to contribute to the success of our enterprise?
- How can we actively convert ‘the crowd’ (general public) into community members?
- If we dare to dream, what does our firm of the future potential look and feel like?
- What if we think of our organisation in terms of the metaphor of music? What is the rhythm and beat of the company? How can we all play in tune while also being free to jam like all great Jazz musicians love to do?
- How can we become more anti-fragile while having more fun at work?

When we look at business through the lens of humanity we realise that meaning is way more valuable than money. When there is a purpose behind our work, it doesn't feel like work, it feels like play. Welcome to the Millennial Age.

Call to Action

In a truly ‘millennial’ spirit we intent to extend this paper into the digital realm. We want this paper to go beyond the words on this page (*or screen*) and to become **a catalyst for both action and connection.**



Please complete this quick **Typeform** to join an exclusive mailing list of fellow readers who want to continue the conversation. We will introduce you to likeminded people. We will share our latest projects and adventures with you. We will also invite you to events and workshops.

Perhaps in time this could become the start of a movement that brings together collaborators and partners from across the world who share our desire to redefine the nature of business in the Millennial Age.

We look forward to connecting with you.

About The Authors



Anton Chernikov is the Founder of The Exponentials. Anton travels the world helping impact driven entrepreneurs launch and scale their ideas. Over the last 4 years he has supported dozens of partner ventures and clients in securing over £4million in funding, investment and sales. Alongside his startup work, Anton has completed several long term consulting projects with clients from across the world. He also has a degree in Architecture from UCL.

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THE EXPONENTIALS ⚡



Giles Hutchins blends a wealth of business strategy, operations and transformation experience with pioneering new thought on leading, sustaining and flourishing in volatile times while drawing on ancient wisdom traditions and the timeless wisdom of Nature, so that organisations can unlock their creative potential and thrive in the uncertain years ahead. He is a recognised thought leader, speaker and adviser, applying twenty years of experience to his work at personal and organisational levels. Recently, Global Sustainability Director for Atos, and previously a management consultant with KPMG, he has helped transform a wide range of organisations (corporate, third sector, public sector and start-up). He co-founded **BCI: Biomimicry for Creative Innovation**, regularly guest lectures at leading Universities and Business Schools, and speaks at conferences and expert roundtables. He has been interviewed by the BBC and writes articles for a number of world leading sustainable business networks. Giles blogs at www.thenatureofbusiness.org and is author of the books The Nature of Business and The Illusion of Separation.

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**NATURAL
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