

ExO Attributes

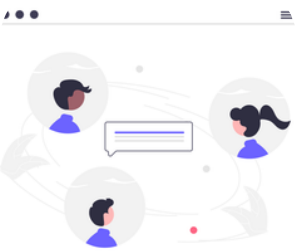
Transcription



So now that we understand the basis for exponential organizations, let's look at what it takes to actually make one and build one, what are the components of it? There are three basic components to an ExO there's MTP, their scale and ideas. The most important is the MTP or what we call the massive transformative purpose.



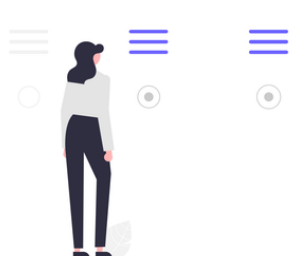
Every single exponential organization has this. It's a tagline with a, with a social purpose wrapped into it that is your North star, gives you the why that Simon Sinek talks about, why does your organization exist? So Google is "Organized the world's information". Uber is "Everybody's private driver". Ted is, you know, "Ideas worth spreading". And it's really great for acquisition and talent management, it's really great to give you a constant perspective where the world is going. Most importantly, it keeps the organization, instead of focused on internal politics, focused on external delivery. So in a fast moving environment, you have to have an MTP that allows you to scale.



One of the thesis I have about why Blackberry failed is they never had a massive purpose. They kind of got to this incredible point of having phones everywhere, but weren't able to kind of keep it going because they didn't have that broad objective. So you have to be aiming to deliver fundamental transformative value to the world and think about what is the core problem that keeps you up.



So that's the MTP.



The second component is the acronyms. SCALE which are five extra analogies. And this allows you to keep a very small resource footprint and use one or more of these to scale very quickly outward.



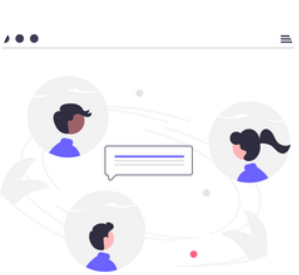
So the S is Staff on demand, Uber does not hire its own drivers for example. The C is Community and crowd, TED uses community very effectively to scale, externally and globally. XPRIZE uses the crowd to source ideas for his competitions. The A is for algorithm, Google is really good at using Algorithms to kind of deploy all over the world to scale, their capability.



The L stands for Leveraged assets, Airbnb does own its own bedrooms as an easy example or Uber doesn't own its own cars. And by not having to manage that, it allows you to you just scale very quickly.



And the E is for Engagement, a digital feedback loops, gamification to keep your community engaged, incentive prizes, to turn a crowd into community. And so use of some or all of these, the more, the better gives you an ability to keep a small resource footprint and scale very, very quickly outwardly.



The third component which is the acronym IDEAS. gives you another five characteristics. And this set is really about managing your internal control framework and driving culture. So the first one I is Interfaces, Uber has very specific and customized interfaces to manage its drivers or Apple with its app store developers. The D stands for Dashboards real time metrics that track your organization in real time, because when you're scaling this quickly, you want real time information so that if something goes wrong or you see a huge opportunity you can fix or capitalized very, very quickly. The E is for Experimentation. Now, a, this is about taking risk as an organization and constantly pushing the boundaries, but it also incorporates things like the lean startup methodology, where you want to constantly iterate your processes, to keep them up to speed with what's happening in the external world.



The A is for Autonomy or decentralized org structure ,decentralized decision making. The more you can decentralize the more that that scales, right? Zappos allows their customer service people to fully decide, how best to satisfy the customer. In the military this is called commander's intent



You say here's what we're trying to achieve, but you've got local knowledge you decide how to implement and execute against that. And so decentralizing allows you to scale and very quickly, because people can act on their own information, requires a lot of trust, but that's another characteristic that comes part of this autonomy.





The last one, which is Social technologies is all of the tools like Slack, Yammer, chatter. That allow you to create an enhanced peer to peer and community building, peer to peer communication and peer to peer collaboration inside your organization.



We have very good evidence today that peer to peer participation and collaboration are much more valuable than the traditional top down messaging patterns we've had in all of our organization.



So these three components, MTP ,SCALE and IDEAS comprise the 11 characteristics of an exponential organization, the more, the better, but you have to have that MTP. And so brands are morphing into this, right? Paul Pullman ordered every brand in Unilever to have an MTP. And now the five most profitable brands are the ones that have done it the most.



So all of these have MTPs, then you have a SCALE for scaling externally and IDEAS for managing the internal control framework.

