THE MIX MANIFESTO

Reinventing the Technology of Human Accomplishment

Why not?

What law decrees that our organizations have to be bureaucratic, inertial and politicized, or that life within them has to be disempowering, dispiriting and often downright boring? No law we know of. **So why not build organizations that are highly adaptable, endlessly inventive and truly inspiring?** Why not indeed. That's the goal that lies at the heart of the Management Innovation eXchange (MIX).

→

www.managementexchange.com

Management 1.0: A Mature Technology

There's a lot that's broken about the way most organizations are managed—but make no mistake, management is one of humanity's most important inventions. It represents the methods and tools we use to organize resources to productive ends. Management is, simply, the technology of human accomplishment, and over the last century it has made an immense contribution to global prosperity.

Problem is, most of the fundamental breakthroughs in management were made decades ago. Workflow design, project management, variance analysis, budgeting, financial reporting, performance appraisal, divisionalization, brand management—these and a host of other notable inventions trace their origins back to the early years of the 20th century. Truth is, much of what passes for "modern" management was invented by individuals who were born in the middle of the 19th century.

Those early management pioneers were obsessed with two problems. First, how do you get semi-skilled employees to do the same things over and over again with near-perfect replicability and ever-increasing productivity? And second, how do you coordinate those efforts in ways that facilitated the large-scale production of complex goods and services?

The first question was answered by de-skilling and routinizing work; and the second by developing reporting and accountability relationships that maximized control and minimized deviations from plan. Thus was born the modern bureaucratic organization—Management 1.0.

Management 1.0 rapidly became a global standard—and remains so to this day. The tools and processes of management are remarkably similar, whether you work for a global manufacturing company, a high-tech start-up, or a government department, and whether you work in Tokyo, Frankfurt or New York.

Yet today, leaders in organizations the world over find themselves facing unprecedented new challenges—gnarly problems that lie outside the performance limits of Management 1.0.

New Imperatives

Today's forward thinking leaders face an array of perplexing challenges that lie outside the performance envelope of management as usual.

Accelerating Change. In a world that is all punctuation and no equilibrium, organizations must become as adaptable and resilient as they are focused and efficient.

Hyper-competition. In an open and dynamic economy, where organizations must compete with "everyone from everywhere," organizations must learn to innovate boldly and incessantly.

Knowledge Leveling. In an increasingly flat world, where knowledge advantages are fleeting, organizations must find ways of inspiring individuals to willingly contribute the gifts of their initiative, imagination and passion every day.

Heightened Accountability. In an age where executives are widely perceived as selfish and irresponsible, and where the social impact of every business decision gets rapidly dissected on the web, organizations need to be driven by an acute sense of their social obligations.

Here's the problem: Management 1.0 wasn't designed with these challenges in mind. As a result, within just about every organization there are management processes and values that . . .

→ Reflexively perpetuate the past while discouraging pre-emptive change.

→ Deify conformance and alignment while paying only lip service to innovation and experimentation.

→ Demand obedience but do little to encourage extraordinary contribution.

→ Honor the demands of some stakeholders while dismissing the interests of others.

> Changing this will require a fundamental reassessment of a century's worth of management theory and practice. In addition to these new imperatives, organizations are also confronted with a seismic shift in workplace expectations—a shift that heralds a fundamental realignment in the relationship between the individual and the institution.

New Expectations

The generation now coming of age is the first to have grown up on the Web. For them, the Internet isn't a tool, it's the operating system for everyday life—and it has profoundly shaped their expectations about work, power and collaboration. Those beliefs are defining the agenda for all leaders and organizations:

When someone writes a blog, no one asks if they have a journalism degree.

All ideas should compete on an equal footing. On the Web, every idea has the chance to gain a following (or not)—and no one has the power to kill a subversive idea or squelch an embarrassing debate. Ideas gain traction based on their merits, rather than on the political power of their sponsors.

Contribution should count for more than credentials. When someone posts a video on YouTube, no one asks if they went to film school. When someone writes a blog, no one asks if they have a journalism degree. None of thetraditional status differentiators—position, title, academic degrees—carries much weight on the Web. It's what you contribute that counts, not your resume.

Hierarchies should be built bottom-up rather than top-down. Every netizen knows that online some individuals command more respect and attention than others—and have more influence as a result. But they also know these individuals weren't appointed by some superior authority. They earned the approbation of their peers through service to the community. On the Web, authority trickles up, not down.

Tasks should be chosen rather than assigned. The Web is an opt-in economy. Whether contributing to a blog, working on an open source project, or sharing advice in a forum, people choose to work on the things that interest them. Everyone is a free agent.

These beliefs won't be easily surrendered. That's why millennials will migrate to organizations that embody these post-bureaucratic sensibilities—and it's why organizations that cling to their legacy management practices will be at a serious disadvantage in attracting talent.

print share www

Why not?   New Imperatives   New Expectations   New Possibilities   Moonshots   The MIX   Join the MIX   Appendices

New Possibilities

Now, thanks to the power of the Web, there is a third option — the distributed network.

Here's the good news. Not only has the Web transformed expectations about work, it has also created new ways of mobilizing and coordinating human beings. Before the Internet, we had only two choices when confronted with the challenge of animating and aggregating human effort—create a market or build a bureaucracy.

While markets are great at unleashing initiative and passion—picture the frenzied madness of a Wall Street trading floor—they're not very good at complex coordination tasks. A market will never build a jumbo jet or a corporate IT system. Bureaucracies, on the other hand, are great at coordinating complex activities, but in doing so, they sacrifice initiative and creativity on the altar of conformance and control. Now, thanks to the power of the Web, there is a third option—the distributed network.

The Internet has spawned a Cambrian explosion of new organizational life forms—including Wikipedia, Intrade, Digg, Facebook, Innocentive, Topcoder, Twitter and more than 160,000 open innovation projects. The fast-evolving social technologies of the Web— blogs, mash-ups, online forums, crowdsourcing, folksonomies and wikis—are extending the range of human creativity and collaboration in ways that would have been unimaginable a decade ago.

On the Web, we observes amazing feats of management that require little or no management oversight. We finds complex organizations that thrive with little or no organizational structure. This raises the hope that, with a little imagination, it may finally be possible to overcome the troublesome trade-offs that have bedeviled management theorists and practitioners since the pyramids were built.

For the first time in human history it may be possible to coordinate complex activities without incurring the response lags and political frictions that come with centralization. It may be possible to build highly efficient organizations without turning human beings into automatons, to get discipline (where it's required) without cinching people into a straitjacket of rules and procedures, to reap the benefits of specialization without building silos and fiefdoms, to be focused without becoming myopic, and to do things at scale without becoming inflexible.

To achieve this promise, we'll have to do more than apply a thin veneer of social networking technology over our tradition-encrusted management structures. What's required is the managerial equivalent of gene replacement therapy. Woven into the DNA of the Web is a matrix of values that emphasizes **community, freedom, flexibility, transparency, meritocracy and self-determination.** Unfortunately, these aren't the values that typify the average Fortune 500 company. That's why the Web is adaptable, innovative and inspiring—and most companies aren't. Nevertheless, the fact that human beings have managed to build something that is not only complex and intricate, but also malleable and regenerative, should make us optimistic that we need not forever be prisoners of organizations that are de-motivating and dehumanizing.

Management Moonshots

So where do we start in reinventing management? Not with today's "best practices," that's for sure. We have to be more ambitious than that.

As managers, we have been too quick to dismiss the unconventional and too willing to accept the incremental. We must resist the temptation to be satisfied with the status quo. We must nourish our discontent with Management 1.0, and face up to the fact that not even the "most admired" companies have it all figured out.

We need the guts to dream big, even if we have to start small. Geneticists dream about conquering disease. Environmentalists dream about unpolluted streams and clean, pure air. Computer experts dream about machines that can think and learn. Social activists dream about a world free from injustice. So, as managers, what should *we* be dreaming about?

What big, meaty problems should be exercising the imagination of newly minted MBA grads, harried project leaders, disheartened middle managers, stressed-out executives, and all the other human beings who know they can't do what needs to be done alone? We need to ask, what is management's equivalent to the challenge of putting a human being on the moon?

That was the provocative question that brought 35 of the world's smartest management thinkers and executives together at a 2-day conference in May 2008.

In a series of pre-conference interviews, each of the attendees was asked to address two questions:

First, what is it about the way large organizations are structured, managed and led that most impairs their capacity to adapt, innovate, and engage, and limits the value they add to society?

And second, given that, what bold goals would you set for 21st century management innovators?

More →

We must nourish our discontent with Management 1.0, and face up to the fact that not even the "most admired" companies have it all figured out.

We need to ask, what is management's equivalent to the challenge of putting a human being on the moon?

Management Moonshots continued...

The results of the interviews were circulated to the attendees in advance and then vigorously debated over the course of the conference. The end product, which emerged after several rounds of post-event synthesis, was a roster of twenty-five "moonshots for management"—ambitious objectives for reinventing one of humankind's most important social technologies.

Here they are, arranged thematically:

Mend the soul of business

- Focus the work of management on a higher purpose
- Embed the ethos of community and citizenship
- Humanize the language of business

Unleash human capabilities

- Increase trust, reduce fear
- Reinvent the means of control
- Amplify imagination
- Enable communities of passion
- Capture the advantages of diversity
- Take the work out of work

Foster strategic renewal

- Make direction bottom-up and outside-in
- Experiment more often and more cheaply
- Create internal markets for ideas, cash and talent
- De-politicize decision-making
- Disaggregate the organization

Distribute power

- Build "natural," flexible hierarchies
- Redefine the work of leadership
- Create a democracy of information
- Expand the scope of employee autonomy
- Encourage the dissenters

Reshape managerial minds

- Strengthen the right side of the managerial brain
- Retool management for an open, borderless world
- Rethink the philosophical foundations of management

Seek balance and harmony

- Develop holistic performance measures
- Transcend traditional management trade-offs
- Stretch management timeframes and broaden perspectives

You'll notice that not all these moonshots are new; many focus on long-simmering problems that are endemic to organizations of all sorts. The purpose in highlighting them is to inspire a search for new solutions. The hope is that by leveraging the Web as a platform for innovation and collaboration, we can provoke new thinking around these critical challenges and uncover unconventional practices that can point us towards new solutions. **That's the goal of the Management Innovation eXchange (MIX).**

The MIX:
Accelerating the evolution of management

The design brief for the MIX was simple: Exploit the technologies of Web 2.0 to help accelerate the development of Management 2.0. The Web is a great tool for sharing what works and working together on what might—that's why the MIX is both a clearinghouse and a community.

A clearinghouse

A significant number of companies around the world are experimenting with radical new management practices. However, the traditional process by which management innovations get discovered, documented and disseminated is haphazard and inefficient. As a result, the vast majority of managers are either unaware of these unorthodox practices or familiar with only a tiny subset. Radical management practices, when encountered, are often regarded as isolated deviations from the norm rather than harbingers of a dramatic paradigm shift. The MIX aims to change this by assembling a substantial inventory of radical yet practical management practices that can serve as templates for all those around the world who are eager to escape the limits of management as usual.

A communitiy

There are potential management innovators in every organization. Often these folks have great ideas and lots of passion, but feel isolated and disenfranchised—most don't sit in a corner office. The MIX gives creative thinkers the chance to share their breakthrough management ideas with a network of like-minded peers and interact with world-renowned management experts. The goal: to foster the sort of inspired collaboration that can help turn a nascent idea into a practical blueprint for management innovation.

The design of the MIX reflects our belief that everyone wins when everyone shares. It has been built to showcase management breakthroughs and to celebrate the accomplishments of management innovators. It is organized around the management moonshots, making it easy for individuals to zero in on the problems that matter most to them. It's open to anyone and everyone, because paradigm-busting ideas often come from unexpected places. And it's peer based—it's up to the community to decide which ideas are truly groundbreaking and which are merely ho-hum.

More →

⌂ 9 of 13

print share www   Why not?   New Imperatives   New Expectations   New Possibilities   Moonshots   The MIX   Join the MIX   Appendices   ← →

The MIX:
Your Chance to Hack Management

The MIX is, first and foremost, *yours*. There are lots of ways to get involved:

1. Share a success story

Has your organization (or one you know) successfully upended management dogma and made real progress on one of the moonshots? If so, write up a short case and post it on the MIX. Help managers around the world learn from your bleeding edge example.

2. Propose a radical fix

Do you have a bold idea for tackling one of the moonshots —a new approach that has potential but hasn't yet been tested? If so, share it on the MIX (even if it's half-baked) and invite others to help you make it better.

3. Help identify a barrier

Have you come across something in your organization that's frustrating progress on an important moonshot? Describe the issue you're dealing with in detail, learn how other MIXers are addressing it in their organization, and get their help in finding a way around it.

4. Contribute to The MIX LIST

Have you come across an article, a presentation, a blog, or a video that has stretched your thinking about how to lead, manage, or organize? If so, post a link and share your find with other MIXers.

5. Question, comment and build

Innovation is a social process where every thoughtful contribution helps move the conversation forward. If you care about reinventing management, jump in and add your thoughts to the MIX.

Dream Big

Life is too short to work on inconsequential problems. That's why we've committed ourselves to helping you and other like-minded mavericks reinvent management. Like you, we're frustrated by the fact that organizations are often less resilient, inventive and inspiring than the people who work within them. But it doesn't have to be that way—not if we're willing to throw off the shackles of precedent, not if we're willing to aim high, and not if we're willing to take a few risks.

Here at the MIX we're dreamers. We dream of organizations that are capable of spontaneous renewal—where the drama of change is unaccompanied by the wrenching trauma of a turnaround. We dream of organizations where an electric current of innovation pulses through every activity, where the renegades always trump the reactionaries. We dream of organizations with noble goals and collaborative cultures, where every individual feels inspired and involved. Of course, these are more than dreams; they are do-or-die challenges for every organization that hopes to thrive in the tempestuous times that lie ahead.

We need a management revolution that is no less radical than the one that spawned the industrial age 100 years ago. This is a daunting challenge, but we can take heart. Those early management pioneers faced an even tougher uphill climb: They had to turn independent and free-thinking human beings into semi-programmable robots—and as any cubicle dweller will tell you, they succeeded all too well. But unlike our forebears, we are working with the grain of human nature, rather than against it. We are trying to make organizations more human, not less. We know that the only way to build an organization that's truly fit for the future is to build one that's truly fit for human beings—fit for us, our colleagues, our friends and our children.

So what's it going to be? Whine about what's broken, or invent something better? Don't stand for the status quo. Join the MIX.

10 of 13

print share www   Why not?   New Imperatives   New Expectations   New Possibilities   Moonshots   The MIX   Join the MIX   Appendices

Join the MIX!

Come learn from a global community of innovators—and help shape the future of management.

🌐 Visit the MIX at www.managementexchange.com

f Find the Management Innovation eXchange on Facebook

t Follow us on Twitter @hackmanagement

✉ Contact us at info@managementexchange.com

👥 Meet the MIX team at www.managementexchange.com/team

🏠 11 of 13

print   share   www

Why not?   New Imperatives   New Expectations   New Possibilities   Moonshots   The MIX   Join the MIX   Appendices

Appendix A:
What is Management?

Managerial work lies at the heart of every organization. This work typically entails:

- Setting & programming objectives
- Motivating & aligning effort
- Accumulating & allocating resources
- Coordinating & controlling activities
- Acquiring & applying knowledge
- Building & nurturing relationships
- Defining & tracking metrics

Management innovation refers to anything that changes the way this work gets done, or who does it.

In large organizations, the only effective way to change the nature of managerial work is to alter the rituals and routines that control that work. Typical management processes include:

- Strategic planning
- Budgeting
- Project management
- Employee training and development
- Performance reviews
- Compensation and promotion
- Knowledge management
- Internal communications
- Risk assessment and mitigation

It's important to recognize that the work of managing doesn't have to be done by people who have formal managerial roles. At the MIX, when we use the word "management," we're not referring to a group of people who sit near the top of the organizational pyramid. Rather, we're describing the tools, methods and processes that are typically used to carry out the work of managing.

Appendix B:
The Renegade Brigade

The following individuals participated in the MLab-sponsored conference on the Future of Management, held May 29 and 30, 2008 in Half Moon Bay California:

Eric Abrahamson	Columbia Business School
Chris Argyris	Harvard Business School
Joanna Barsh	McKinsey & Company
Julian Birkinshaw	London Business School
Tim Brown	CEO, IDEO
Lowell Bryan	McKinsey & Company
Bhaskar Chakravorti	Harvard Business School
Yves Doz	INSEAD
Alex Ehrlich	Morgan Stanley
Gary Hamel	Management Lab
Linda Hill	Harvard Business School
Jeffrey Hollender	CEO, Seventh Generation
Steve Jurvetson	Partner, Draper Fisher Jurvetson
Kevin Kelly	Co-founder, *Wired*
Terri Kelly	CEO, W.L. Gore
Ed Lawler	University of Southern California
John Mackey	CEO, Whole Foods
Tom Malone	MIT

Marissa Mayer	Google
Andrew McAfee	MIT
Lenny Mendonca	McKinsey & Company
Henry Mintzberg	McGill University
Vineet Nayar	CEO, HCL Technologies
Jeffrey Pfeffer	Stanford University
CK Prahalad	University of Michigan
Leighton Read	General Partner, Alloy Ventures
Keith Sawyer	Washington University
Peter Senge	MIT
Eric Schmidt	CEO, Google
Rajendra Sisodia	Bentley University
Tom Stewart	Booz & Co.
James Surowiecki	*The New Yorker*
Hal Varian	University of California, Berkeley
Steven Weber	University of California, Berkeley
David Wolfe	Wolfe Resources Group
Shoshanna Zuboff	Harvard Business School (retired)