

A Little Easycracy



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A Little Easycracy

*Easycracy in
half an hour*

**Martijn Aslander
Erwin Witteveen**

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“It’s a good book,” they say. “Been on my ‘to-read list’ for the last year. I just haven’t gotten around to it. Could you, perhaps, summarize the highlights?”

Life is not easy for a busy manager. You’re constantly short on time. Easycracy sheds light on a new society in which organizations work smarter, better, faster, and cheaper. Shouldn’t that also hold true for the book itself? Tell the story anew in just half an hour. It’s only fitting in an age where speed is favored and entire election campaigns are summarized in a few words. Yes, we can! So, here it is: Easycracy in half an hour. If you miss your train, you’ll have finished the book before the next one arrives.

PRAISE FOR EASYCRACY

I think Easycracy is a beautifully written book, aimed at a broad audience with a message that I fiercely agree with. In my own book *The World Breaks Open*, which was published some time later, I came to similar conclusions. This cannot be a coincidence. Both books accurately reflect what is happening in the world at the moment.

Prof. dr. Wim J. De Ridder
Professor of Future Research
Twente University

PRAISE FOR EASYCRACY

I think Easycracy is a must-read for anyone who calls himself a leader or manager. For everyone else, it is an extremely interesting book that demonstrates how our world is changing and at what an unprecedented pace. Please take notice of the excellent way this book points out the implications of these immense changes for organizations.

Frans Roemen

Economist, management consultant, former executive board member of insurers.

1

Introduction

Like it or not, organizations are increasingly being managed from the bottom up, rather than top-down. We must learn to deal with new laws and opportunities. Control, hierarchy, and power are tools we inherited from the 20th century, and they're quickly losing their prestige.

The problem ►

Almost every problem in today's society is, in essence, a bureaucratic problem. There are plenty of people who already know the solution, but the implementation is (still) impeded by a suffocating web of rules and a lack of cooperation.

◀ **The solution**

Easycracy is a new way of working, organizing and collaborating in the 21st century, within the existing rules and conveniently utilizing the new possibilities that have become accessible to everyone thanks to the internet. And the great news is you can start tomorrow. Either by going straight through the existing bureaucracy or neatly around it in the surrounding gray areas.

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Two fundamental changes

Society has changed fundamentally over the past years. Nowadays, information is freely accessible and people are connected on a much larger scale. This combination of freely accessible information and interconnected collaboration is so powerful that there has been a surge of new opportunities to uncover solutions for the larger issues of today. That is, assuming we are prepared to let go of our old ways of thinking and our familiar ways of working.

We tend to work in organizational models developed during the pre-information age when knowledge was scarce and information successfully protected.

“Knowledge is power”, they said.

The typical 20th century hierarchical organizational model is based on this notion. Now, however, information has become so accessible that the old model no

longer makes sense. Now that we all have access to this information, haven't we all become powerful?

Swarming

An organization is a swarm of people, each of whom possesses different information and skills. Together, they form the human capital of the organization. The best organizations make the most use of this collective intelligence. Overlooking any aspect of human capital is as inefficient as a farmer leaving half of his field uncultivated. It sounds logical, and yet this is precisely what occurs in a hierarchical structure.

So what? Hasn't it worked just fine for more than a century? If every competitive organization is equally inefficient, can't it simply carry on this way for another hundred years?

It can, if nothing else changes. But things are changing. Ideas and information flow uninhibited. As a result, the entry barriers for newcomers have been virtually wiped out. Therefore, the competition is most likely to come from unexpected sources. Informal, collaborative swarms of people who know how to fully exploit their combined intelligence, for example.

The paradox of bureaucracy

Driven by the basic human need to hold onto acquired positions, many organizations have developed a complex web of bureaucratic rules and procedures. However, this very bureaucracy has a stifling effect, paralyzing the collective intelligence and hindering improvement. This creates is an opening for newcomers to the market. The need for security and control requires a new perspective: “It’s risky to be safe!”

2

**The
Easycratic
Library**

Nowadays, it's more profitable to share information than it is to safeguard it. With that in mind, we've given the thirteen books that provided us with the inspiration for Easycracy a prominent place at the beginning of this book, rather than hide them in a long list of references at the back.

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Sharing knowledge is power

In the future, success will be reserved for organizations and individuals who are able to make the best use of the information at their disposal. So it pays to create an environment in which information can circulate freely. The old adage “knowledge is power” has been replaced by a new paradigm: “sharing knowledge is power.” Why? Because in the pre-Internet age, it was more lucrative to preserve knowledge, sharing it only within a specific group. The possession of knowledge provided a competitive edge that could lead to power and wealth. In today’s transparent information society, this is no longer possible.

The great thing about sharing information is that it doesn’t cost a thing. On the contrary. While those who give money away end up with less money, those who give knowledge away are rewarded with more knowledge.

Combining knowledge

By combining knowledge from different sources and disciplines, surprising new insights and ideas emerge. In the hierarchical, vertically organized 20th century, it was impossible for information to flow laterally.

The thirteen books that served as major building blocks for the concept of easycracy are each well-established pieces of work, containing ideas that are hardly controversial. Yet these insights have only just found their way into business administration and management books and programs.

The list

Structural Holes - Ronald Burt (1992)

People and organizations have the tendency to move in closed circles. Between these circles are 'structural holes' which form a

barrier against the exchange of information between the circles. These barriers could be geographic, linguistic, or even the physical walls between departments within an organization.

Innovations and improvements rarely stem from a single brilliant and creative mind. Most often, they are the result of minor adjustments to ideas generated in another circle. Bridge your 'structural holes,' and immense progress is at your fingertips. The internet is the ideal vehicle for this bridging process.

Strength of Weak Ties - Mark Granovetter (1973)

Even in the information age we continue to communicate within our own trusted circle. This increases the speed of communication, but the content of this information remains unchanged. New information, ideas, insights, and suggestions usually come from people outside our direct sphere of

influence; people we are connected to, but don't know personally.

Thanks to the Internet, it has become extremely easy to maintain a connection with these loose acquaintances, as well as to collect new ones. In the world of the Internet, new ideas are largely spread by people positioned at the junctions between two or more circles.

Six Degrees - Duncan Watts (2004)

If you know 500 people, and each of them knows 500 people, you can easily reach 250,000 people through a single connection. According to a seventy-year old theory, you can reach the entire world population in six steps.

In the previous century, these steps could take quite some time. A year might pass before you had the opportunity to speak with someone or before a book was printed. But in this digital network society we are all

connected in real time.

Combine the knowledge from the three books listed above and a fascinating new worldview emerges. In the connected age, information and ideas can spread rapidly. Someone with a brilliant idea could theoretically reach the entire world in a day. The remaining ten books of the 'Easycracy library' can be summarized in one or two sentences. When read in succession, these sentences form a logical, unified idea.

Blue Ocean Strategy - Kim & Mauborgne (2005)

Stop imitating your competitors and create something entirely new: superior products and services that make the competition irrelevant.

Flipping the Funnel - Seth Godin (2006)

Let go of control and allow your customers to become your ambassadors and advertising agency.

1,000 True Fans - Kevin Kelly (2008)

Costly, top-down mass communication campaigns are no longer necessary for business success in a network society. One thousand true fans will do. You can win them over without spending a penny. Breaking into a new market has never been easier.

The Whuffie Factor - Tara Hunt (2009)

Create fans by sharing information and selflessly helping others. *Making Whuffie*, as Hunt puts it, rather than *making money*. These days, growing social capital can be much more profitable than the accumulation of financial capital.

Love is the Killer App - Tim Sanders (2003)

Love is the new distinctive competitive advantage. Transactional thinking (e.g. “quid pro quo” and “what’s in it for me”) is inefficient. That’s because a direct link between investment and return doesn’t always exist. Be kind to others and trust that the return on investment will come around eventually.

The Age of Access - Jeremy Rifkin (2000)

Ownership is a burden. It creates inflexibility and worries. In the 21st century, we’re seeing a shift from the importance of assets to the importance of *having access to* assets.

Future of Money - Bernard Lietaer (1999)

Does money provide more security than social capital based on trust? What is money anyway? Lietaer explains how money is a human construct. He predicted the current financial crisis twenty years ago, providing solutions for it as well.

Free - Chris Anderson (2009)

More and more business models are based on *freeconomics*, or the practice of giving away products or services (partly) for free. It's a great way to gain fans quickly. You'll also have access to a large group of potential customers. This has been made possible due to the fact that many products and services have been digitalized and can be produced at next to no cost.

Ten Reasons You Should Never Get a Job - Steve Pavlina (2006)

Those wishing to initiate change within a traditional organization are usually met with resistance. It's the fear of this resistance that keeps many from even trying. Pavlina's book is an eye-opener. The worst thing that can happen is that you'll get fired, which could actually be the best thing to happen to you. You could wind up being more successful than the boss who fired you.

The Tipping Point - Malcolm Gladwell (2000)

New ideas often spread like a virus. In the beginning, things are painfully slow, until one minor input pushes past the tipping point. Once that happens, it spreads with incredible speed. Don't give up too soon.

3

Swarms

When collective intelligence is well-structured, extremely powerful swarms develop. Hierarchical organizations are no longer able to slow down the pace at which information spreads. Entry barriers are a thing of the past. In the easycratic age, anyone can start a broadcaster, a bank, or a political party today.

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A crowd of people

During morning rush hour at a crowded train station, thousands of people mill about in a jumble. Things generally work out despite the absence of any apparent hierarchy or rules. What would happen if we went beyond physical movements? What if we were to quantify the knowledge of each individual?

Wikipedia is one of the first major examples of this. Millions of people working together informally, communicating online, and pooling their knowledge. Within five years, the age-old industry of encyclopedias will be completely outclassed.

Starting capital € 1,456.20

Over the coming years, many Wikipedia-like collaborations will arise. There are those who disagree with this assessment on the basis that we've used the same model for the last century and things have worked

out just fine. What they fail to realize is that the economic infrastructure on which traditional organizations were built has changed in a revolutionary way.

Sky-high advertising budgets are no longer necessary to reach the masses. Nor do you need to shell out for expensive print work.

Online communication is free. No need for storage space to house all that printed material. Individuals can consult with each other over the Internet. Office leasing costs can be eliminated, as can travel costs. With a little ingenuity, a month's wage can be enough to finance a new enterprise.

Established organizations and renowned, powerful companies with a rich history will be eclipsed by newcomers and/or informally collaborating individuals if they don't make use of their existing collective intelligence, thereby working more efficiently.

Start your own bank today!

Virgin Records started an airline company that would eventually rival British Airways with a second-hand Boeing.

An interim bank manager wanted to make it possible for small investors to trade stocks online. This wasn't an option through the bank he worked for, so he started one of his own. Eight years later, Alex Bank sold for 390 million euros.

Keep in mind that we're still at the dawn of a new age. Informal digital networks are primarily used for exchanging and consolidating information. Things will really get exciting once the new economic infrastructure is used to create new information. Information that can be used to find solutions and innovations for business and social issues. If we had the capability to lay thousands of miles of pipelines, would it really be so hard to provide the entire continent of Africa with water and end hunger?

4

**Explosion of
Knowledge
Development and
Innovation**

The primary medium for gathering information has shifted from printed media to the Internet. Paper is time-consuming. The Internet is much faster. The information available online is vast, unfiltered, more detailed, and, therefore, much more reliable.

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From facts to knowledge

Knowledge, wisdom, and new ideas should always be based on facts. Obtaining the facts is crucial for anyone looking to gain sound knowledge.

Traditional sources of information are remarkably slow. Try finding the capital of Slovakia in your atlas. It's very likely that Slovakia wasn't even in existence when the atlas was printed. The turnaround for knowledge could easily take one to two generations. Compare that to the one to two seconds it takes Google.

Questions beyond the scope of factual information can be posed within informal networks. Useful answers often surface with surprising speed. There's always someone standing by with the latest information. It's clear that informal networks are becoming smarter at solving complex issues.

Crowdsourcing

A number of organizations have already had the experience of tapping the collective intelligence of society by means of crowdsourcing, or making use of swarms. The ‘wisdom of crowds’ is often more reliable than expert knowledge since the masses don’t have a stake in the outcome. Traditional knowledge sources found in hierarchical organizations, on the other hand, do, and are more likely to recommend their own products and services (i.e. “We here at WC Duck recommend you use WC Duck”). Goldcorp, a gold mining company, was on the brink of bankruptcy when it published all its secrets online, offering an award for the best solution. A virtual army of thousands of geologists, mathematicians, mining specialists, and other external experts suggested new mining methods and calculated the exact locations of gold veins within a 20,000 hectare radius.

Gold was discovered in 90 of the 110 locations indicated. In the eight years that followed, a total of three billion dollars' worth of gold was mined.

If an organization doesn't make use of the crowd's knowledge, the crowd will form its own organization. Take Linux or Mozilla Firefox, for example. Disappointed by the shortcomings of Microsoft's Windows, thousands of computer programmers from all over the world came together to develop new (open source) software. The fastest servers in the world today are run on Linux. Microsoft was one of the richest and most powerful companies in the world. Had it listened to the ideas of its customers sooner, Linux might not have been founded.

The traditional management view of the competition phenomenon is outdated. The largest (potential) competitor is the crowd. Organizations can no longer afford to overlook the collective intelligence of swarms.

'Swarms' of freelancers

A century ago, when people spoke of informal networks, they were referring to connections between like-minded individuals. Like knows like. The most important question was: "What are you?" In the new informal networks, the main question is: "What do you know?/What can you do?"

These new networks play a key role in the free flow of knowledge and information, uninhibited by the physical, cultural, and hierarchical barriers of yesteryear. A growing number of knowledge workers are leaving salaried employment to become independent professionals.

These self-employed professionals are often seen as loners, but in reality, they form swarms in which more and more collaboration is taking place. A question that would normally take one person an entire day to answer can easily be solved in

an hour by someone in one of his networks. In most cases, this is done without payment or compensation.

Those who provide value to others build social capital, see their reputations grow, and get their paybacks from elsewhere within the network.

Traditional organizations are up against increasingly serious competition from swarms of entrepreneurs whose overhead costs are considerably lower. One of the ways traditional organizations can arm themselves against these new competitors is to set up hybrid organizational models in which organizations cooperate with groups of independent professionals.

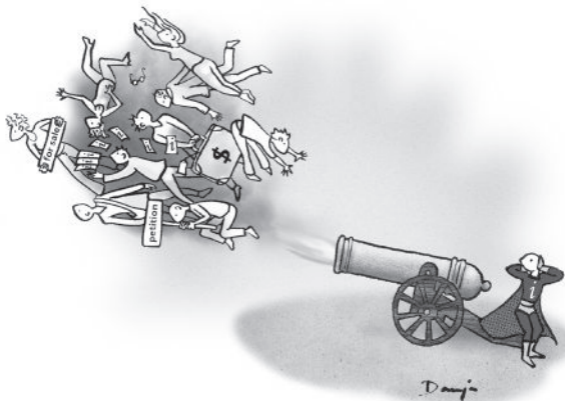
Human resource management departments wanting to be well prepared going forward would be wise to change their mindset from labor market *communication* to labor market *reputation*, and to make a less rigid distinction between salaried and independent 'colleagues.'

5

**Dynamics and
Effectiveness of
Networks**

Bureaucracy and inefficiency are almost synonymous. As soon as hierarchical structure is abandoned, the process speeds up considerably. Organizations attempting to combat the threat posed by the power of swarms will find themselves in a deadlock. The more promising strategy is: “If you can’t beat them, join them.”

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The organization of opposition parties

Take a group of random people spread throughout the country and connect them through digital communication. These are the basic ingredients for easycracy. Once connected, these people are able to develop a staggering power in a very short period of time. A century ago, this would have been unfathomable.

Smiths was taken completely by surprise when thousands of students worked together to hack the chip company's promotional code.

The RIVM (National Institute for Public Health and the Environment in the Netherlands) dictated when vaccines would be administered. This advice was followed faithfully for the better part of a century. Until an anti-vaccination movement against the HPV vaccine sprung up in 2009. With zero budget, members of the movement

managed to convince half of those invited to refuse vaccination. RIVM director Roel Coutinho and the public health minister were stunned.

Authorities are losing power across the board, largely due to the ease with which their opponents are able to organize themselves. The opposition comes mainly from outsiders or people lower in the hierarchy. Those sectors have never been of interest to traditional mass media, which is little more than a channel for the views of top organizations. For the first time in history, opinions outside the mass media can flow openly.

Swarms trump organizations

Commercial exploitation of the paper encyclopedia is no longer feasible. The swarm has trounced Encyclopaedia Britannica. Wikipedia is free and consistently more up-to-date. It's impossible

to compete with that. Every commercial organization has to take serious account of the Wikipedia-like competition of the swarm.

The music industry was decimated when consumers began organizing swarms in which songs were easily exchanged en masse in digital format.

People have been copying music for ages. Up until recently, that meant long hours spent transferring LPs onto stacks of expensive cassette tapes. And those LPs had to be physically passed from one person to the other. Now we can copy hundreds of CDs from some random music lover in Australia in just a few clicks.

Newspapers and magazines lost the lion's share of their revenue from classifieds and advertisements to new competition in an emerging online market. Retailers are seeing their sales plummet as newcomers with low-cost webshops and zero rental

costs continue to enter the market. Nor are (semi-) public organizations immune to the power of swarms. In a network society, someone could easily start a successful television broadcasting company or political party in no time and without any startup capital. Dutch broadcaster PowNed was able to scrounge up €50,000 in just two and a half months.

Distance = zero; time = zero

It took Dutch broadcasting company Veronica two years of hard work during the seventies to achieve what PowNed did almost effortlessly in 2009. The girls from Veronica's promotional team had to tour the country to attract customers.

Bridging distance costs time and money. The crucial difference is that in the 21th century, physical distance is no longer an obstacle when it comes to the exchange of knowledge and information or the

mobilization of people. In a network society, anyone can (in theory) reach the entire world in one day from the comfort of his own home. That's why starting capital is no longer necessary and why the effectiveness of swarms is so potentially great.

When faced with innovations from (new) competitors, existing organizations can do one of two things: they can reject those innovations or embrace them.

The most common mistake is to ignore the advantages these innovations bring to the table. Many of the traditional storekeepers who ignored the rise of webshops have since gone out of business. Retailers who developed a webshop or some other form of online presence had a much greater chance of survival.

A new era is upon us, bringing with it a new and unavoidable economic law: "Swarms: if you can't beat them, join them!"

A case study from our files

When the iPad was first released, many commented on how useful it would be if it could stand upright on a desk.

One Friday afternoon, Martijn thought up a simple solution: a wooden plank with a groove the iPad could slide into. That evening, he found a carpenter friend who was willing to produce it.

On Saturday, he posted a prototype of the Wooden iPad Stand online. That Sunday, the prototype was picked up by a handful of leading American weblogs. By Monday, orders from 21 different countries had been placed at www.woodenipadstand.com.

This is not an example of a revolutionary product, but of the power of effectiveness. Easycracy makes revolutionary changes in the idea-to-market process possible. A product launch in a traditional economy could take upwards of a year. During that year, untold amounts of time and money would be spent on meetings, prototyping, patents, feasibility studies, legal contracts, marketing, and expensive communication. This traditional preparation is no longer necessary. Everything can be accomplished in as little as 72 hours.

6

Talent Thrives

in Network

Environments

With bureaucracy, it's all about who is doing the talking. With easycracy, it's what is said that matters most. Hierarchical organizations seldom make use of the creative potential of their young talent. Informal networks help spread these ideas and allow young talent to acquire additional knowledge with which to assess and improve upon their ideas.

A Little Easyocracy



Does older mean smarter?

Top managers and executives are typically fifty years or older. Those in their forties are few and far between, and those in their thirties are rarer still. You almost need a flashlight to find a CEO in their twenties. Yet, some of the best artists and athletes in the world are in their twenties. This is also the case with intellectual sports, where participants compete with each other using pure brain power.

You could argue that a fifty year-old chess master has the advantage of experience over a twenty-five year-old chess master. But in reality, the fifty year-old is no longer a threat to his opponent. The world is dominated by twentysomethings. How realistic is it to assume that a top level manager in his fifties has a greater intellectual capacity than a brilliant junior employee?

Regeneration

The lack of young people at the top levels of hierarchical organizations seems to be a direct result of the organizational model in place. In any given organization, the brightest young talent spends years climbing the corporate ladder before any consideration is given to their innovative ideas. As a result, the potential for innovation within organizations is left largely unexploited.

However, the advent of digital informal networks has made it possible for innovative ideas to circulate easily. As we move into the future, it is inevitable that CEOs and top executives will become progressively younger.

A twenty-three year-old CEO of a multinational corporation may sound out of place to people now. The idea is so at odds with our world today, where large organizations are predominately headed by

highly educated, older white men. But that world view is slowly changing.

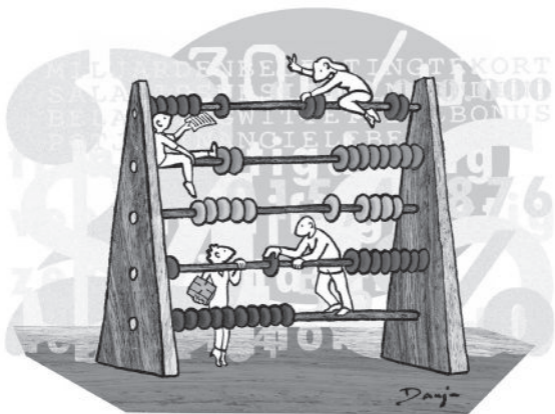
U.S. President Barack Obama is not white and Germany's current Chancellor is not even a man. A CEO at the age of twenty-three no longer sounds quite so implausible. Another possibility is that organizations of the future will separate managerial tasks from solution generation. When the knowledge and wealth of ideas from the lower hierarchical levels go untapped, organizations are at a much higher risk. In the last century, the brilliant junior employee's only choice was to temporarily store his clever ideas in the back of his mind while spending the ten best years of his life climbing the corporate ladder. In an information-based society, the brilliant employee has an attractive alternative: to leave the organization and start one of his own. After all, start-up capital is no longer an issue. Within ten years, he could feasibly overtake his current employer.

7

Valuation

In addition to being a means of exchange, money is bureaucracy's most powerful asset. The bureaucracy exerts its power by manipulating the flow of money. In today's money-centric society, we've lost sight of the solutions available to us. But what is money anyway? By thinking in terms of value rather than money, better, simpler, and cheaper solutions appear.

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What is money?

When the financial crisis broke out in 2008, we once again asked ourselves: “What is money anyway?” In Western economies, confidence in the money system had grown to the point where the value of money was being taken for granted. Now it appears that banks can be overturned. The time has come for nuance.

Over the last century, money has evolved into little more than a few numbers on a bank statement. Money is no longer backed by gold. There aren't even enough coins and bills to turn those numbers into tangible money. The days when money creation was a privilege of the state are behind us. Money creation now falls in the hands of banks, private organizations, and the like. They generate money by adding a number to your bank account whenever you borrow money from the bank.

Lietaer (see Chapter 2) likens it to a casino where the owner exchanges \$3,000 billion dollars a day. Only 2% of that is spent on goods and services. How the remaining 98% is spent is up for speculation.

Lietaer had already declared our money system fundamentally unstable back in 1999. Ten years later, experts are finally embracing his conclusion.

Money is trust

Money is a very practical means of exchange -- often more convenient than bartering. However, the only real value of money is our confidence that it can be exchanged for goods or services at any time. Because there's been no underlying coverage since 1973, the value of money is completely based on trust. Once that realization sinks in, it becomes much easier to rely on social capital, which is also entirely based on trust. Why would your

friends and close acquaintances be any less trustworthy than a faceless banking institution?

Lietaer suggests adding an additional money system to the official currency to function as a buffer for our current unstable monetary system. An example of this would be the Swiss WIR, an alternative method of payment coined in 1934 by Swiss SME entrepreneurs during the Great Depression, which is still in place today.

A litter-strewn Brazilian slum had an extremely high unemployment rate.

Residents were unable to afford the bus fare into the city to look for work. For years, the local bus drivers tried, unsuccessfully, to secure a budget from the central government to cover these costs.

Eventually, they decided to make their own money in the form of blue plastic coins. A garbage bag full of litter was rewarded with one blue coin. That one coin would pay for

a bus ride into town. And that's how money works! As long as the bus driver is willing to accept it, the blue coin is considered a form of payment.

The difference between value and price

As money begins to take on a less dominant role, bureaucracy will also be reduced. By creating a budget-free solution, the local directors of the slum no longer had to depend on the bureaucracy of the central government.

Money is all too often an obstacle standing in the way of progress. It also frequently robs a good or service of its actual value. It used to be that the value of an item was indicated by its price. Our collective conscious is slowly turning that order on its head: it is now the price tag that dictates an item's value.

But what happens if you charge ten dollars for an item someone else gives away for free? We see this occurring in more and more industries due to the advent of the network and information society and the new economic playing field it has introduced. Traditional businesses are now competing against new market entrants who are playing by the new rules of feeconomics, age of access, 1,000 true fans, and whuffies (see Chapter 2).

By taking the focus off the price tag and putting it on the actual value provided, individuals and organizations alike can avoid falling victim to this phenomenon. What are you really good at? Determine your added value and capitalize on it. When the emphasis is on money and not value, both businesses and governments will constantly make ill-advised decisions based solely on short-term politics. For instance, if money grew on trees, entire forests would

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be cut down and the profits invested all within the span of a day.

Valuation

8

Meaning

Organizations are no longer relatively isolated groups. They are connected to the rest of the world by numerous links and networks, becoming increasingly dependent on that 'rest of the world'. They will therefore have to reframe their strategy in terms of social relevance.

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Sensible business

In the past, a company's longevity was guaranteed as long as it brought in a sufficient profit. But things aren't quite so straightforward in today's network society. Businesses are becoming increasingly more dependent on large groups of people outside of their organizations. Why should these people contribute their collective intelligence to a company that doesn't provide them with any real value? What are the social costs and benefits of the company?

As businesses become more dependent on swarms for their security, these questions are increasingly more important. Besides traditional financial accounting, concepts of social profit and loss are also growing significantly in importance. What does the company contribute to the world?

It used to be that 'me too' marketing was a safe strategy. Many companies deliberately

chose to settle into gray mediocrity because that's where most of the buyers were.

However, this strategy has become much less secure. 'Me too' marketing provides no social benefit -- even the slightest social cost could put a company in the red on its social profit-and-loss statement.

This new form of social accounting can't always be expressed monetarily. A much more complex unit for measuring social capital will play an increasingly important role in decision making. Companies with negative social capital run a substantial risk of a mobilized swarm turning against them. Back in the 20th century, a hostile swarm could barely make a fist. During the eighties, a typical reaction was for radical activists to cut gasoline hoses. A typical easycratic reaction would be to establish your own gas company. And the chances of success are very real.

Sensible non-profit organizations

Non-profits are also increasingly held in check by swarms. It is no longer up to the political hierarchy and the media alone to ensure that people are still getting value for their money. Governments and other non-profit organizations are being forced to keep the cost of their services in proportion to the value delivered.

Suppose, for example, that it's more cost effective for each citizen to send their garbage to be incinerated than it is to pay for a trash collection service for the entire community. Thanks to the network society, a single person can expose this information and mobilize a crowd of supporters with the power to politically and/or legally reorganize the inefficient non-profit.

Sensible Human Resources Management

Large organizations sometimes become so complex that individual employees are unsure of their added value within the company. What would happen should their position become redundant? Not exactly motivating, is it?

Salary remains the only link between an employee and the organization. But salary is slowly becoming a luxury commodity. Workers (particularly women) are voluntarily trading substantial salaries for shorter hours. Many of them spend their free days doing unpaid work for Wikipedia to get started. The idea being that this type of work is more meaningful.

Salary is becoming less of an obstacle for organizations in attracting and retaining the best human resources. Job satisfaction, however, is becoming increasingly more important. The challenge for human

resources management is to make the work meaningful. Some key questions are: “What can the organization do for society?” and “What does the organization offer its employees?”

If they're not satisfied with the answers, the best employees will leave the organization to start a new one. This scenario is becoming more and more realistic in the age of easycracy, where start-up costs have been minimized and many of the barriers have been swept away.

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Easycracy
in the
Profit Sector

With easycracy, anyone can start their own organization in as little as a day. And you don't need permission from your boss or the company's headquarters.

A Little Easyocracy



Sample collection

Easycracy is not an organizational structure that can be imposed from above. Rather, it is primarily a way of thinking. Each employee could choose to set out on his or her own at any given time.

In this chapter, we offer a collection of practical examples of how easycracy can be applied within a commercial organization. The trick is not to focus on money and budgets, but to think in terms of solutions. The network and information society has made countless free solutions available. These solutions require neither money nor consent. Use them to bypass the slow bureaucratic decision making process.

Pouring money down the drain

In the full version of this book, you'll read soap stories from Procter & Gamble, the tale of a supermarket manager who lets his customers do the cleaning, a manager on a mission satisfy local customers as well as his head office, how to ensure customer loyalty with printed flowers, how a landlord discovered that he can earn more by tearing the walls down, how even garbage cans can suffer the bureaucratic yoke and how to solve it in just a matter of minutes. Examples of what not to do are also provided: like the large Dutch publisher who throws away millions of euros a year on outgoing mail because its internal employees unscrupulously apply rules in favor of their own department budget at the expense of the company as a whole.

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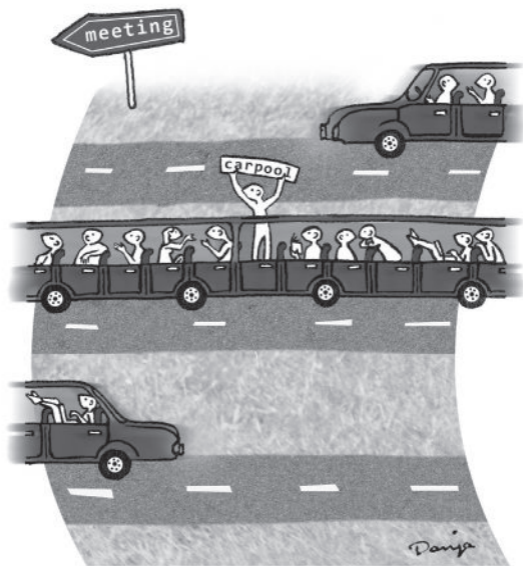
Easycracy

in the

Non-Profit Sector

Over the last century, we've labored under the misconception that the first step to tackling a problem is to secure funding. By letting go of the 'first comes money' mentality, we can get to the root of the problem. Almost immediately, a world of simple solutions opens up.

A Little Easycracy



Focus on solutions!

The purpose of a non-profit is to solve a particular problem. Therefore, the focus of the organization and the people within it should be on finding a solution to that problem. Only it's not as simple as it sounds.

In reality, the focus tends to shift rather quickly to hierarchical relationships and internal rules. Less and less attention is being devoted to the underlying goal of the organization. The main reason behind this shift in focus is the emphasis on cash flow. In many non-profit and commercial organizations, the idea that a solution can't be reached without a budget prevails.

The school principal's dilemma

The school library is hopelessly outdated. The most pressing issue is the need for new books. How can the school's principal solve this problem?

Below we've listed the seven tiers of easycracy, in order from least to most easycratic, to demonstrate how the principal might choose to address this issue.

- 1) The bureaucratic principal
- 2) The cunning bureaucrat
- 3) The classic bureaucratic patron
- 4) The efficient bureaucratic patron
- 5) The entrepreneurial principal
- 6) The easycratic principal
- 7) The visionary easycrat

In this frequently cited example, we show how output increases with each step and work for the principal becomes more fun.

**A Rembrandt on your wall,
a famous pop star at your wedding
& no more traffic jams**

By ignoring cost and price tags and using the opportunities the internet has given us, it's not impossible for a bright individual earning minimal wage to have a Rembrandt hanging on his living room wall, hire a famous pop star to perform at his wedding, or to eliminate traffic jams by working from his apartment.

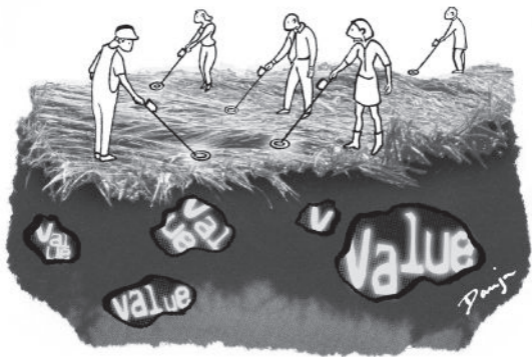
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**Work
Differently,
Work
Smarter**

The practice of trading time for money is a throwback to an era in which the majority worked with their hands. This system doesn't make much sense now that most people work with their heads.

By switching to a money-for-value system, the focus becomes the value provided and not the number of hours worked.

A Little Easycracy



Adding value

The economy has evolved over time. Laborers have become knowledge workers. Yet the system of trading time for money has changed little since its inception at the beginning of the Industrial Revolution. Most employees are paid based on the number of hours worked. Management, supervision, professional development, and collaboration are also compensated by the hour.

This addictive and (falsely) secure form of payment remains intact, whereas the value these knowledge workers provide to an organization varies greatly. Hence the shift toward a money-for-value system. It's more important than ever for organizations to seek added value and for the knowledge worker to demand adequate compensation for the value he provides.

In the easycracy, functions within organizations are increasingly less ingrained in the hierarchical organizational structure. Functions must add value.

The minute they stop or prove unable to do so, they get scrapped. It's vital for the organization and socially important for the employees. In this way, everyone is able to provide value-enhancing and meaningful work.

A radical cultural shift in the workplace is to be expected. The focus for knowledge workers and top-level management alike will be on adding value to the organization. After all, activities surrounding the planning, implementation, and monitoring of the processes aimed at maintaining the hierarchical organizational structure (and establishing a position within that structure) do not, in themselves, provide much added value to a company.

Knowledge and digilliterates

Not enough attention is being given to learning how to learn; collaborate; share knowledge; exchange, collect, and organize information; find creative solutions; and discover and manipulate new tools and the smarter methods they introduce.

Organizations are neglecting the digital skills of their employees.

Despite spending eight hours a day behind his computer, the modern knowledge worker has no more command of it than the first-time driver of luxury car with hundreds of buttons on the dashboard. He can drive it just fine, but only uses the steering wheel, brake, and accelerator. Not surprising considering employees over the age of thirty-five have never had a formal lesson on how to use a computer. This is the source of an enormous loss of efficiency within companies.

Employees can learn from each other much like children do: by sitting together and exchanging tips and tricks. In the easycracy, we thrive by sharing knowledge.

Working smarter doesn't have to be difficult

Bureaucratic obstacles such as software syndrome (software download restriction), a managers' misguided on-your-own-time principle ("Learn to do it on your own time!"), and unfamiliarity with convenient and available tools can get in the way of working smarter.

An easycratic attitude is all that's needed to improve efficiency and competitiveness. It's about realizing that value is the only way to guarantee an organization's longevity and having the courage to celebrate hierarchical rules and procedures.