Trust Beats Command: Embracing Autonomy for Innovation & Success

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The **Tech Blog**

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Presented By

Seed°

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Trust Beats Command: Embracing Autonomy for Innovation & Success

Do you trust your employees? Do you give them sufficient autonomy?

At the speed of today's Exponential Organizations, top-down command *breaks*... it slows things to a crawl.

And with the acceleration of remote work and the rapid adoption of digital collaboration tools like Slack and Zoom, people can increasingly live and work anywhere.

Given these realities, the only real option for success is **Autonomy**: the next attribute in the ExO model.

> **"Autonomy is an organizational approach characterized by self-organized, multidisciplinary teams that operate with decentralized authority and, ideally, self-select their work—all in service of hitting OKRs and the company's MTP and Moonshot."**

Greater Autonomy, in turn, allows for more freedom, the spontaneous formation of teams, and, inevitably, greater creativity and productivity.

In today's blog, I'll discuss several case studies of companies that use Autonomy effectively, Decentralized Autonomous Organizations (DAOs), and how you can incorporate more Autonomy in your own business.

Let's dive in…

NOTE: Understanding how to turn your business into an ExO and increase your growth and impact is a key component of my **year-round Abundance360 leadership program**.

What Exactly is Autonomy?

You can think of your own body as a perfect illustration of Autonomy.

You're made up of some 40 trillion cells, each of which runs millions of autonomous functions that operate without your awareness. These functions are based on protocols, resulting in enormous scale and near-infinite complexity.

Autonomy is the culmination of the modern "fail fast" philosophy, which contrasts with the traditional "be better" point of view. An autonomous company trusts its employees to organize themselves into teams and provides them with the necessary tools and resources to pursue their goals and define their destinies, all in service of the company's MTP.

Some teams may fail, but without recriminations. Learnings are documented. Many teams will succeed, driving the company to become smarter, more innovative, and agile in identifying new opportunities and emerging competitive threats.

The more autonomous a company, the greater its agility: reaction and learning times are shortened, expertise is more accessible, and decision-making is closer to the customer, allowing for increased accountability at the edge.

Additionally, morale improves as the organization builds trusting relationships with employees, who spontaneously create teams, forming a "hive mind" that facilitates the emergence of collective intelligence.

This increased capacity enables organizations to innovate and scale.

Here are a few examples of companies that do this well:

- **Valve Software**, a game company, has 330 staffers but no traditional management structure, reporting lines, job descriptions, or regular meetings. Instead, the company hires talented, innovative self-starters who decide which projects they want to join. New hires also are encouraged to start new projects so long as they fit the company's MTP. The organization operates under the philosophy of "permissionless innovation": relying on small, independent, multidisciplinary teams. It's working well: Valve has a higher revenue-per-employee ratio than any other gaming company.

- **Buurtzorg** is a pioneering health care organization in the Netherlands with 9,000 nurses and only 28 support staff. It's a distributed network of nurse teams of 10-12 with local decision authority, caring for people in their neighborhoods. They save the Dutch social security system hundreds of millions of Euros each year and actively help competitors learn their methods and philosophy.

- **ING Group**. This giant international banking and financial services corporation, headquartered in Amsterdam, has assets of more than $1 trillion and 53 million clients in 40 countries. In 2020, in an extraordinary move, ING global headquarters underwent a complete transformation towards more autonomous ways of working. The company fired all its employees, who could

then reapply for jobs in the new structure. In the process, nearly one-third of its workforce quit—and ING discovered that it could achieve the same business results with just the remaining two-thirds.

However, there is one type of company that takes the traits of Autonomy to the extreme…

Decentralized Autonomous Organizations (DAOs)

A DAO is Autonomy taken to the fullest extent.

DAOs are decentralized autonomous organizations: entities created according to rules encoded in a transparent computer program and controlled by the organization's members. In other words, DAOs have no central leadership but are run by their members. Anyone can launch any model into the decentralized environment, letting the marketplace decide who will participate.

Even their finances and rules are maintained on a blockchain.

DAOs function, essentially, as co-ops running on a blockchain with smart contracts—Interfaces—codifying their internal operating rules. These Interface-enabled DAOs are the reason why the Web3 world can scale so quickly.

Because anyone can participate, DAOs can recruit the most interested and talented parties.

Consider **Braintrust**, which bills itself as "the first user-owned talent network." Users join Braintrust by creating a Braintrust profile listing their background and experience.

Upon approval, members are invited to add a portfolio and information about their skill sets and work history. In theory, becoming a member of the Braintrust DAO accelerates your career as you get matched to jobs with the world's most innovative companies. Meanwhile, the site lets you set your own rates and get 100% of the fee. Clients pay a 10% platform fee, on top of the freelancer's rate, to Braintrust. Freelancers set their own payment terms.

Braintrust is a glimpse of how near-perfect Autonomy can be brought to the jobs market by giving job searchers complete control over the process.

In a gig economy, where freelancers will begin to dominate the marketplace, ExOs will need to become skilled at navigating and taking advantage of the Braintrusts of the world to locate and recruit the kind of top talent they will need to succeed.

How to Use Autonomy in Your Business

Perhaps the most important consideration in implementing Autonomy is this: "**Don't do it in existing organizations**."

Zappos tried for three years to implement Autonomy and failed. **Do it in a new ExO**—off the edge of the mothership. Here are some additional tips:

- **Use your MTP**. Your MTP is the single most important factor in an ExO for galvanizing the organization and aligning stakeholders. It will keep autonomous teams moving in the same direction. Autonomous teams are especially powerful at determining and then pursuing out-of-the-box Moonshots.

- **Take advantage of Staff on Demand**. The gig economy is key to greater Autonomy because the presence of outside "employees"—especially remote staffers—reinforces more flexible and adaptive teams.

- **Use the power of Dashboards**. A common management concern about increased employee Autonomy is that independent teams will go rogue and create organizational chaos. With new generations of Dashboards and sensor technology, that fear is largely misplaced as the use of OKRs usually keeps everyone aligned.

- **Decentralize**. Breaking up the enterprise into smaller and more functional pieces is the heart of both decentralization and Autonomy. That said, decentralization can be particularly terrifying for large companies. But the success of companies such as Finland's Supercell and Sweden's Spotify suggests that this model can not only work but can even become a key

competitive advantage.

- **Reinforce agility**. One of the core elements of an agile framework is autonomous, self-organizing teams, each with their own unique ability to adapt according to evolving circumstances. When ExOs allow for Autonomy, they simultaneously allow for a range of approaches to change, from radical to conservative, thus increasing the odds of surviving that change.

- **Alter your perspective**. Teach employees, wherever they are in the organization, to think and act like owners: to treat their work and their decision-making as their own property for which they are fully responsible.

- **Link to Algorithms and Artificial Intelligence**. Blockchain and smart contracts can be used to create fully decentralized autonomous organizations, replacing the traditional bureaucratic "glue" with organic networks.

Why This Matters

In today's world, change is the only constant—and the rate of change is itself increasing.

For any company, sitting still equals death. As a result, you either disrupt yourself—or someone else will.

In this era of rapid digital transformation and persistent disruptions, organizations must adapt their decision-making processes to remain nimble and responsive.

The future of work differs greatly from previous hierarchical command and control structures. So, leveraging Autonomy now is a key step in the right direction.

In our next blog in this ExO series, we'll look at **Social Technologies**: the attribute that acts as glue binding together all the ExO's stakeholders—from Community and Crowd to employees and shareholders.

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I want to take a second to tell you about a company I'm personally invested in and use every day: it's called Seed Health.

Your gut microbiome and gut health are one of your MOST important, modifiable parts of your health-plan. So what are you doing to optimize your gut? Let me tell you what I'm doing.

Every day, I take 2 capsules of Seed's DS-01® Daily Synbiotic: a 2-in-1 probiotic and prebiotic that supports digestive health, gut immunity, skin health, heart health, and more.

It contains 24 clinically- and-scientifically studied probiotic strains that are delivered in a patented capsule design that protects them from

stomach acid, bile salts, and digestive enzymes—ensuring 100% survivability of the probiotics to your colon.

Now you might be thinking, "I'm taking a probiotic right now, why should I switch to DS-01®?"

When selecting a probiotic, there are four important areas to vet. Learn more about how to vet your probiotics here:

Learn How to Choose My Probiotics

And if you decide to try Seed's DS-01® Daily Synbiotic, make sure to use the code MOONSHOTS at checkout to get a 25% discount.

I discuss topics just like this on my podcast. Here's a conversation I recently enjoyed:

A Statement From Peter:

My goal with this newsletter is to inspire leaders to play BIG. If that's you, thank you for being here. If you know someone who can use this, please **share it**. Together, we can uplift humanity.