

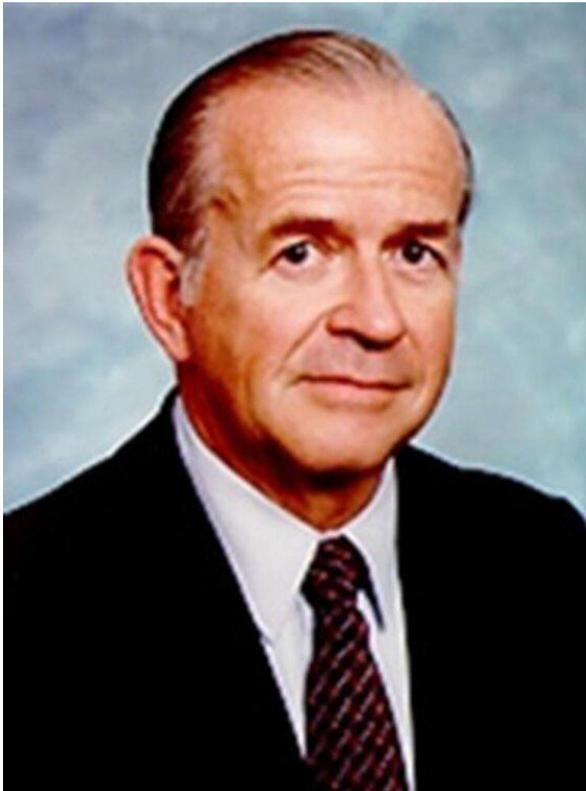
# On Dee Hock

*One From Many*

*Birth of the Chaordic Age*

*The Chaordic Organization*

*The Innovation Show: Dee Hock*



“If you don’t understand that you work for your mislabeled ‘subordinates,’ then you know nothing of leadership. You know only tyranny.”

**- Dee Hock, Founder & Former  
CEO of Visa Credit Card  
Association**

## One From Many

### Summary

1. Why, he wondered, couldn't a human organization work like a rain forest? Why couldn't it be patterned on biological concepts and methods? What if we quit arguing about the structure of a new institution and tried to think of it as having some sort of genetic code? Visa's genetic code eventually became its "purpose and principles" and its core governance processes, the details of which are spelled out in the following pages. But none of this would have come into being without the basic shift in thinking - to abandon the "old perspective and mechanistic model of reality" and embrace principles of living systems as a basis for organizing

### Key Takeaways

1. The anthropologist Gregory Bateson said, **"The source of all our problems today comes from the gap between how we think and now nature works."**
2. **Educe - a marvelous word seldom used or practiced, meaning, "to bring or draw forth something already present in a latent, or undeveloped form."** It can be contrasted with induce, too often used and practiced, meaning, "to prevail upon; move by persuasion or influence - to impel, incite, or urge."
3. Lead yourself, lead your superiors, lead your peers, employ good people, and free them to do the same. All else is trivia
4. **Throughout the years, the Sheep continued to read avariciously, including much organizational theory, economics, science and philosophy. The preoccupation with organizations and the people who hold power within them became an obsession, which brings us to the heart of our subject this morning. Why, the Sheep asked time and time again, are organizations, whether governmental, commercial, educational or social, increasingly unable to manage their affairs? Why are individuals increasingly alienated from the organizations of which they are part? Why are commerce and society increasingly in disarray? Today, it doesn't take much intelligence to realize we are in the midst of a global epidemic of institutional failure. Schools that can't teach, welfare systems in which no one fares well, police that can't enforce the law, judicial systems without justice, economies that can't economize, corporations that can't compete and governments that can't govern. Even then, thirty years ago, the signs were everywhere if**



one cared to look. The answer to the Sheep's questions has much to do with compression of time and events. Some of you may recall the days when a check took a couple of weeks to find its way through the banking system. It was called "float", and many used it to advantage. Today, we are all aware of the incredible speed and volatility with which money moves and the profound effect it has on commerce. However, we ignore vastly more important reductions of float, such as the disappearance of information float. As the futurist, James Burke, pointed out, it took centuries for information about the smelting of ore to cross a single continent and bring about the Iron Age. During the time of sailing ships, it took years for that which was known to become that which was shared. When man stepped onto the moon, it was known and seen in every corner of the globe 1.4 seconds later, and that is hopelessly slow by today's standards. No less important is the disappearance of scientific float, the time between the invention of a new technology and its universal application. It took centuries for the wheel to gain universal acceptance--decades for the steam engine, electric light, and automobile--years for radio and television. Today, countless devices utilizing microchips sweep around the earth like the light of the sun into instant, universal use. This endless compression of float, whether of money, information, technology or anything else, can be combined and described as the disappearance of "change" float. The time between what was and what is to be; between past and future. Only a few generations ago, the present stretched unaltered, from a distant past into a dim future. Today, the past is ever less predictive, the future ever less predictable and the present scarcely exists at all. Everything is change, with one incredibly important exception. There has been no loss of institutional float. Although their size and power have vastly increased, there has been no new idea of organization since the concepts of corporation, nation-state and university emerged a few centuries ago.

5. Trust thyself; every heart vibrates to that iron string! - Ralph Waldo Emerson
6. Heaven is purpose, principle, and people. Purgatory is paper and procedure. Hell is rule and regulation
7. No part knew the whole, the whole did not know all the parts, and none had any need to. The entirety, like millions of other chaotic organizations, including those we call body, brain, forest, ocean, and biosphere, was self-regulating
8. If you have built castles in the air your work need not be lost; that is where they should be. Now put the foundation under them. - Henry David Thoreau
9. **When our internal model of reality is in conflict with rapidly changing external realities, there are three ways to respond:** First, we can cling to our old internal model and attempt



to impose it on external conditions in a futile attempt to make them conform to our expectations. That is what our present mechanistic societal institutions compel us to attempt, and what we continually dissipate our ingenuity and ability trying to achieve. Attempting to impose an archaic internal model on a changed external world is futile. Second, we can engage in denial. We can refuse to accept the new external reality. We can pretend that external changes are not as profound as they really are. We can deny that we have an internal model, or that it bears examination. When the world about us appears to be irrational, erratic and irresponsible, it is all too easy to blame others for the unpleasant, destructive things we experience. It is equally easy to abandon meaning, engage in fantasy, and engage in erratic behavior. Such denial is also futile. Third, we can attempt to understand and change our internal model of reality. That is the least common alternative, and for good reason. Changing an internal model of reality is extremely difficult, terrifying, and complex. It requires a meticulous, painful examination of beliefs. It requires a fundamental understanding of consciousness and how it must change. It destroys our sense of time and place. It calls into question our very identity. We can never be sure of our place, or our value, in a new order of things. We may lose sight of who and what we are. Changing our internal model of reality requires an enormous act of faith, for it requires time to develop, and we require time to grow into it. Yet it is the only workable answer.

10. Members of the board brought to the table all the old assumptions about good management. **The success of the organization created considerable tolerance of new and different management techniques. On the whole, however, each new approach was on sufferance. Each failure brought pressure to conform to the old ways. Since the board was deliberately structured so that management could not control its composition and to ensure 10 or 15 percent annual turnover, there were always new directors with a full load of old management baggage. They had little or no idea of the concepts that had led to the success the organization now enjoyed.** No matter how much success we had, they were convinced it could be much greater if done in the manner to which they were accustomed. No matter what the failure, they were persuaded it could have been prevented, had it been handled in the traditional way. Occasionally, there was some truth in what they said. Always, there was no way to refute it. At the time, I did not understand the depth of the hold that mechanistic, dominator concepts had on the minds and hearts of people, including my own, nor how tenaciously and powerfully they would reassert themselves. It was not then apparent how difficult it was for people to understand and sustain the concepts; how long it would take for them to sink to the bone and become

habitual conduct. The pressure to revert and conform, both from within and without the organization, was intense and unceasing. On the whole, we had poor methods and techniques and far too little of them to bring about the individual cultural change that a chaordic organization requires, nor did we have a leader who was fully alert to the need for it. **Although Visa arose from thinking about organizations as living, biological systems, I missed completely the need for an institutional immune system to thwart the viruses of old ways.**

11. If something was trying to happen and wanted to use me, I could say yes or no. That's what free will is all about. If "no," life would be pleasant, comfortable, at times, idyllic. If "yes," it would mean day and night labor filled with stress, criticism, disappointment, and virtually no chance of success. But, if I held back would I be in denial of my becoming? **A life worth living can't be made of denial. It must be made of affirmation. In time, the essential question emerged. Is this what my life is all about? There it was, as simple and plain as that. There was no conceivable answer to the question. But, there was insatiable desire to find out. It was time to move on, wherever it led, whoever my companions, whatever the results, for as long as I could endure.**

What I got out of it

1. Much overlap with [Birth of the Chaordic Age](#) as it is a new release, but some new gems. Both are worth reading and re-reading

## Birth of the Chaordic Age

### Summary

1. Chaord comes from the combination of two words: chaos and order. This exemplifies the behavior of any self-governing organism, organization, or system which harmoniously blends characteristics of order and chaos; patterned in a way dominated by neither chaos or order; characteristic of the fundamental organizing principles and nature

### Key Takeaways

1. Community
  1. Organizations moving from command and control to community with shared purpose calling to the higher aspirations of people. In a truly chaordic organization there is no destination. There is no ultimate being. There is only becoming
  2. Community is not about profit, but benefit. We confuse them at our peril. When we attempt to monetize all value, we methodically disconnect people and destroy community. The nonmonetary exchange of value is the most effective, constructive system ever devised. Evolution and nature have been perfecting it for thousands of millennia. It requires no currency, contracts, government, laws, courts, police, economists, lawyers, accountants. It does not require anointed or certified experts at all. It requires only ordinary people, caring. True community requires proximity; continual, direct contact and interaction between the people, place, and things of which it is composed. Throughout history, the fundamental building block, the quintessential community, has always been the family. It is there that the greatest nonmonetary exchange of value takes place. It is there that the most powerful nonmaterial values are created and exchanged. It is from that community, for better or worse, that all others are formed. The nonmonetary exchange of value is the very heart and soul of community, and community is the inescapable, essential element of civil society...Nonmonetary exchange of value implies an essential difference between receiving and getting. We receive a gift. We take possession. It is a mistake to confuse buying and selling with giving and receiving. **It is a mistake to confuse money with value. It is a mistake to believe**

**that all value can be measured. And it is a colossal mistake to attempt to monetize all value**

3. Through the 16 years of successful failure, the sheep had continued to read avariciously - poetry, philosophy, biography, history, biology, economics, mythology - anything that satisfied his curiosity about connectedness and relationship. He mastered nothing, nor did he wish to, but new ways of seeing old things began to emerge and new patterns to reveal themselves. The preoccupation with organizations and the people who hold power within them had slowly become an obsession
2. Leadership
    1. Leader presumes follower. Follower presumes choice. One who is coerced to the purposes, objectives, or preferences of another is not a follower in any true sense of the word, but an object of manipulation. Nor is the relationship materially altered if both parties accept dominance and coercion. True leading and following presume perpetual liberty of both leader and follower to sever the relationship and pursue another path. A true leader cannot be bound to lead. A true follower cannot be bound to follow. The moment they are bound, they are no longer leader or follower. The terms *leader* and *follower* imply the freedom and independent judgment of both. If the behavior of either is compelled, whether by force, economic necessity, or contractual arrangement, the relationship is altered to one of superior/subordinate, management/employee, master/servant, or owner/slave. All such relationships are materially different from leader/follower. Induced behavior is the essence of leader/follower. Compelled behavior is the essence of all the others. Where behavior is compelled, there lies tyranny, however benign. Where behavior is induced, there lies leadership, however powerful. Leadership does not imply constructive, ethical, open conduct. It is entirely possible to induce destructive, malign, devious behavior and to do so by corrupt means.
    2. The first and paramount responsibility of anyone who purports to manage is to manage self; one's own integrity, character, ethics, knowledge, wisdom, temperament, words, and acts...The second responsibility is to manage those who have authority over us; the third responsibility is to manage one's peers - those over whom we have no authority and who have no authority over us - associates, competitors, suppliers, customers - the entire environment; the fourth responsibility is to manage those over whom we have authority (if we hire good

people and induce them to practice our concepts, they will take care of themselves for the most part)

3. Management expertise has become the creation and control of constants, uniformity, and efficiency, while the need has become the understanding and coordination of variability, complexity, and effectiveness
  4. Healthy organizations induce behavior. Unhealthy organizations compel it
3. Following Nature's Lead
1. All things are a seamless blend of chaos and order
  2. **Particularity and separability are infirmities of the mind, not characteristics of the universe**
  3. Desire to command and control is a death wish. Absolute control is in the coffin
  4. A principal thing they have in common is penalty for failure to evolve. Organisms resistant to a changing physical environment are biologically obliterated; they physically die out. Organizations resistant to a changing social environment are economically destroyed; they socially die out. In truth, organisms and organizations are not separable. Nor can the physical world be separated from the social. In the deeper, larger sense, distinctions such as "physical, biological, and social" or "organism and organizations," however useful for the insular, limited purposes, are deceptive in the extreme. All things are irrevocably interconnected in a cosmic dance drawn on by energy in the form of light from the sun
  5. "The Cartesian/Newtonian world view has influenced thought far beyond the physical sciences, and accounting is no exception. Double entry bookkeeping and the systems of income and wealth measurement that evolved from it since the 16th century are eminently Cartesian and Newtonian. They are predicated on ideas such as the whole being equal to the sum of the parts and effects being the result of infinitely divisible, linear causes...Quantum physicists and evolutionary biologists, among others, now believe that it is best to describe reality as a web of interconnected relationships that give rise to an ever-changing and evolving universe of objects that we perceive only partially with our limited senses. In that "Systemic" view of the world, nothing is merely the sum of the parts; parts have meaning only in reference to a greater whole in which everything is related to everything else...Why should accountants continue to believe that human organizations behave like machines if the scientists from whom they borrowed that mechanistic world view now see the universe from a very different



perspective? The language of financial accounting merely asserts answers, it does not invite inquiry. In particular it leaves unchallenged the world view that underlies [the way] organizations operate. Thus, management accounting has served as a barrier to genuine organizational learning...Never again should management accounting be seen as a tool to drive people with measures. Its purpose must be to promote inquiry into the relationships, patterns, and processes that give rise to accounting measures." - H. Thomas Johnson

6. Neither the institutional nor the technical thinking made sense. It had always seemed to me that one of the principal tricks of evolution was to preserve the substance of the past by clothing it in the forms of the future. We would follow
7. Old Monkey Mind and I had spent countless hours trying to understand information and its relevant to organizations, asking our endless questions. What is the significant of the "inform" part of information? What is the nature of that which is received from external sources and "forms us" within? What is the nature of that which forms from within us which we then feel compelled to transmit, and how does it form others when it is received? What allows formation of information, permits it to endure unaltered, yet be available at any time for transformation in infinite ways? Why and from where came the universal, perpetual urge to receive and transmit information - the incessant desire to communicate? Is it an urge at all, or is it an unavoidable necessity - an integral component essential to life? Indeed, is it the essence of life itself? Or is it a principle beyond life itself? Could it be the fundamental, formative essence that gives shape and distinction to all things - part of an inseparably whole universe? It helps to think what information is not. Certainly, it is not just another "thing"; one more finite, physical entity. Certainly, information is far more than digits and data. They may be components of it - the shape it sometimes takes. They may be of it, but they are not it. In a rare insight, Gregory Bateson proposed that "information is a difference that makes a difference." If something is received that cannot be differentiated or, if once differentiated, makes no differences, he asserts it is just noise...Thinking about a society based on information and one based on physicality requires radically different perspective and consciousness. However, we prefer too often to ignore the fundamental differences and carry over into the Chaordic Age of managing information, ideas and values, concepts, and assumptions that proved useful in the mechanized, Industrial Age of machine crafting, the age of managing things; concepts such as ownership, finite supply,

obsolescence, loss by conveyance, containment, scarcity, separability, quantifiable measurement, statistical economics, mathematical monetarism, hierarchal structuralism, and command-and-control management...As Sir Francis Bacon put it precisely centuries ago, in admonishing those who opposed the mechanistic concepts of Newton and Descartes: "They that reverence too much the old times are but a scorn to the new."

8. It seems a principle of evolution, perhaps the fundamental principle, that the greater the capacity to receive, store, utilize, transform, and transmit information, the more diverse and complex the entity. It holds true from neutrino, to nucleus, to atom, to amino acids, to proteins, to molecules, to cells, to organs, to organisms. From bacteria, to bees, to bats, to birds, to buffalo, right on through to baseball players. CRUSTTI didn't stop there. In time, information transcended the boundaries of organisms and led to communication between them, and eventually to complex communities of organisms
  1.  $I = DC^2$
  2. The capacity to receive, store, utilize, transform, and transmit information equals societal diversity times societal complexity squared
9. We must begin with noise. Noise, in its broadest sense, is any undifferentiated thing which assaults the senses. It is pervasive and ubiquitous, whether auditory, visual, or textural. The supply of noise is infinite. Noise becomes data when it transcends the purely sensual and has cognitive pattern; when it can be discerned and differentiated by the mind. Data, in turn, becomes information when it is assembled into a coherent whole which can be related to other information in a way that adds meaning. (Bateson's definition of information as "a difference that makes a difference.") Information becomes knowledge when it is integrated with other information in a form that is useful for deciding, acting, or composing new knowledge. Knowledge becomes understanding when related to other knowledge in a manner that is useful in conceiving, anticipating, evaluating, and judging matters beyond the reach of information. Understanding becomes wisdom when informed by ethical, moral, and beneficent purpose and principle, along with memory of the past, and projection into the future. The fundamental characteristics of the opposite ends of this spectrum are very different. Data, on one end of the spectrum, is separable, objective, linear, mechanistic, and abundant. On the other end of the spectrum, wisdom is holistic, subjective, spiritual, conceptual, creative and scarce.

10. The labyrinthine Department of Justice, like all mechanistic, Newtonian, Industrial Age organizations, was fat on data and information and starved for understanding and wisdom
  11. When there is an explosion in the capacity to receive, store, utilize, transform, and transmit information, the external world changes at a rate enormously greater than the rate at which our internal model evolves. Nothing behaves as we think it should. Nothing makes sense. At times the world appears to be staging a madhouse. It is never a madhouse. It is merely the great tide of evolution in temporary flood, moving this way and that, piling up against that which obstructs its flow, trying to break loose and sweep away that which opposes it. At such times, we experience extreme dissonance and stress. At the heart of that dissonance and stress is paradox. The more powerful and entrenched our internal model of reality, the more difficult it is to perceive and understand the fundamental nature of the changed world we experience. Yet without such perception, it is extremely difficult to understand and change our internal model.
  12. Competition and cooperation are not contraries. They have no opposite meaning. They are complimentary. In every aspect of life, we do both. Schools are highly cooperative endeavors within which scholars vigorously compete. The Olympic Games combine immense cooperation in structure and rules with intense competition in events. As the runners leap from the blocks, competition and cooperation are occurring in a single, indistinguishable blur. Every cell in our bodies vigorously competes for every atom of nutrient swallowed and every atom of oxygen inhaled, yet every cell can sense when the good of the whole requires they cooperate by relinquishing their demands when the need of other cells is greater. Life simply cannot exist, let alone reach its highest potential, without harmonious existence of competition and cooperation.
4. Visa
1. Visa is not about credit at all, but of exchange of monetary value
  2. Realization that money is now about data / information was instrumental in restructuring his thinking about money, banks, and credit cards
  3. [Convincing Bank of America to join] - The bank should be the leader of a movement, not the commander of a structure
  4. Can an organization be patterned on biological concepts and methods? The question seemed to contain its own answer. Such an organization would have to evolve, in effect, to organize and invent itself.

1. It should be equitably owned by all participants
  2. Participants should have equitable rights and obligations
  3. It should be open to all qualified participants
  4. Power, function, and resources should be distributive to the maximum degree
  5. Authority should be equitable and distributive within each governing entity
  6. No existing participant should be left in a lesser position by any new concept of the organization
  7. To the maximum degree possible, everything should be voluntary
  8. It should be nonassessable
  9. It should induce, not compel, change
  10. It should be infinitely malleable yet extremely durable
5. For decades, Visa has been in the background, invisible to most people. The results of the best organizations is transparent, but the structure, leadership, and process are transparent.
  6. The core of Visa was an enabling organization that existed for the sole purpose of assisting owner-members to do what they wished with greater capacity, more effectively, and at less cost
  7. We reduced our thoughts to the simplest possible expression: the will to succeed, the grace to compromise
  8. Although Visa arose from thinking about organizations as living, biological systems, I missed completely the need for an institutional immune system to thwart the viruses of old ways.
  9. The concepts used did not belong to me. They belonged to evolution - to all people
5. Other
    1. The most abundant, least expensive, most underutilized and constantly abused resource in the world is human ingenuity
    2. Mr. Carlson never promotes anyone. He "borrows" them for new assignments so that they can withdraw without feeling a failure if the new situation is unsuitable. If it proves productive, titles and rewards will follow
    3. **Understanding requires mastery of four ways of looking at things - as they were, as they are, as they might become, and as they ought to be. Mastering all four perspectives and synthesizing them into a compelling concept of a constructive,**

**peaceful future is the true work of the genius that lies buried in everyone, struggling to get out.** And the world is crying out for it. In our frantic attempt to know everything through use of the rational mind alone, we have fractured knowledge into hundreds of incestuous specialties and fragmented those specialties into thousands of isolated, insular trades and disciplines. The world is filling with people who know more and more about less and less. Within each specialty, we dismiss as largely irrelevant all things, events, and ways of understanding outside the ever-narrower boundaries of our discipline. We can ignore all relationships not essential to our ever-narrowing perspective. We can ignore all consequences not immediately affecting or affected by our ever more constricted pursuit. We can abdicate responsibility for even thinking about them. We can each decide and act with our ever-smaller intellectual prisons and narrower mental cells, and defend our acts with logical, efficient, methodical rationality. Never mind that the sum of the whole is social, commercial, and biological madness.

4. **Perspective is the Achilles heel of the mind, distorting everything we think, know, believe, or imagine...Our internal model of reality is how we make sense of the world. And it can be a badly built place indeed. Even if it is magnificently constructed, it may have become archaic. Everything that gave rise to it may have changed. Society and the natural world are never stagnant. They are constantly becoming. When it becomes necessary to develop a new perspective on things, a new internal model of reality, the problem is never to get new ideas in, the problem is to get the old ideas out. Every mind is filled with old furniture. It's familiar, it's comfortable. We hate to throw it out. The old maxim is so often applied to the physical world, "nature abhors a vacuum," is much more applicable to the mental world. Clear any room in your mind of old perspectives, and new perceptions will rush in. Yet, there is nothing we fear more. We *are* our ideas, concepts, and perceptions. Giving up any part of our internal model of reality is worse than losing a finger or an eye. Part of us no longer exists. However, unlike most organs of the physical body, our internal model of reality can be regenerated but never as it was. And it's a frightening, painful process. It is our individual perspective, the view from our internal temple of reality, that often so discolors and distorts perception that we can neither anticipate what might occur nor conceive what ought to be.**
5. True power is never used. If you use power, you never really have it



6. The inevitable tendency of wealth is to acquire power. The inevitable tendency of power is to protect wealth. The tendency of wealth and power combined is to acquire ever more wealth and power. The use of commercial corporate form for the purpose of social good has become incidental.
7. A bit of carbon in iron makes powerful meta; a bit of truth in a lie makes powerful deceit
8. It is enough that error be corrected. It is excessive to insist it be admitted
9. Mistakes are toothless little things if you recognize and correct them. If you ignore or defend them, they grow fangs and bite
10. Businesses, as well as races, tribes, and nations, do not disappear when they are conquered or repressed, but when they become despondent and lose excitement about the future. When institutions reach that stage, people withdraw relevance from them and from those who purport to manage them. They turn away. They stop listening.

#### What I got out of it

1. A simply superb book, one of the deepest most interconnected books I've read in some time
2. Questions for Dee
  1. He says Visa only succeeded about halfway - where did it fail? How does he feel after it has gone public and done so well?
  2. What does an institutional immune system look like? How would he think about it, building it, implementing it...?

## The Chaordic Organization

### Summary

1. Dee Hock gets to the root of what being a Chaordic organization means

### Key Takeaways

1. Our current forms of organization are almost universally based on compelled behavior - on tyranny, for that is what compelled behavior is, no matter how benign it may appear or how carefully disguised and exercised. The organization of the future will be the embodiment of *community* based on *shared purpose* calling to the *higher aspirations of people*.
2. There is no ultimate being. There is only becoming
3. Paradox and conflict are inherent characteristics of chaordic organizations
4. Forming a chaordic organization begins with an intensive search for Purpose, then proceeds to Principles, People, and Concept, and only then to Structure and Practice. It can't be done well as a linear process. Each of the six elements can be thought of as a perspective, a sort of "lens" through which participants examine the circumstances giving rise to the need for a new concept of organization and what it might become. The most difficult part is to understand and get beyond the origin and nature of our current concepts of organizations; to set them aside in order to make space for new and different thoughts. Every mind is a room filled with archaic furniture. It must be moved about or cleared away before anything new can enter. This means ruthless confrontation of the many things we know that are no longer so.
  1. Purpose - a clear, simple statement of intent that identifies and binds the community together as a worth pursuit. Should speak to people and make them think that, "If we could achieve that, *my* life would have meaning
  2. Principles - behavioral aspirations of the community. A clear, concise, unambiguous statement of a fundamental belief about how the whole and all the parts intend to conduct themselves in pursuit of the purpose. A principle is a precept against which all structures, decisions, actions, and results will be judged. A principle *always* has high ethical and moral content. It never

*prescribes* structure or behavior; it only *describes* them. Principles often fall into two categories: principles of structure and principles of practice

3. People - when a sound body of belief is reasonably complete and agreed upon, the group can then begin to explore the people and organizations that would need to be participants in the enterprise in order to realize the purpose in accordance with the principles. This sounds simple, but rarely is. When people set aside all consideration of existing conditions, free themselves to think in accordance with their deepest beliefs, and do not bind their thinking with structure and practices before considering meaning and values, they usually discover that the number and variety of people and entities to participate in governance, ownership, rewards, rights, and obligations are much greater than anticipated. They usually find their deepest beliefs require transcendence of existing institutional boundaries and practices. Determining the people and institutions required to realize the purpose in accordance with the principles brings realization of just how narrow and restrictive existing institutions are in relation to the exploding diversity and complexity of society and the systemic nature of seemingly intractable social and environmental problems.
4. Concept - a visualization of the relationships between all the people that would best enable them to pursue the purpose in accordance with their principles. An organizational concept is perception of a structure that all may trust to be equitable, just, and effective. It is a pictorial representation of eligibility, rights, and obligations of all prospective participants in the community. The feedback part of the process never ends. Developing a new concept calls into question purpose, principles, and people. Every part of the process illuminates all subsequent and preceding parts, allowing each to be constantly revised and improved.
5. Structure - the embodiment of purpose, principles, people, and concept in a written document capable of creating legal reality in an appropriate jurisdiction, usually in the form of a charter and constitution or a certificate of incorporation and bylaws. It is the written, structural details of the conceptual relationships - details of eligibility, ownership, voting, bodies, and methods of governance. It is the contract of rights and obligations between all participants in the community
6. Practice - deliberations, decisions, and acts of all the participants in the community functioning within the structure of purpose in accordance with

principles. long before the structural work is finished, everyone realizes they need not worry about the practices of the community

7. If you can accomplish all this, profit becomes a barking dog begging to be let it

#### What I got out of it

1. Dee Hock's most distilled thinking on his concepts of business, creation, chaordic, and more - essentially, a manual for creating value, regardless of your field

