

# Cultivating Flows

HOW IDEAS BECOME THRIVING ORGANIZATIONS



Herman Wagter and Jean M Russell

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PART ONE:

HOW SOCIAL FLOWS WORK AND WHY THEY  
MATTER

# INTRODUCTION

## Perceiving Flows

**J** *Flying between San Francisco and Chicago regularly, I watch the change in scenery below. I don't know what you see when you are that high up, but what I see is the evidence of flows. I see the evidence of tectonic shifts of land, water flows, traffic flows, and people flows.*

*Even though we do not see them doing it, we know that information and ideas flow, creating their own tracks. I am curious about how information flows. I am also curious about how one idea flows into another, how they mingle and grow.*

*At the turn of the 20th century, we tended to have a highly mechanical idea of the world: a world of discrete pieces with a specific function, mounted together, according to a design, to perform a more complex task. A rather static, hierarchical view: every piece has its pre-ordained task, the ensemble performing the same repetitive task. Now in our 21st century, there is a more organic, evolving, interrelated idea of the world. A view of the world as a network of mutual relationships, as a variety of ecosystems with a lot of interdependencies. A view more focused on the flows through relationships.*

To make use of this book, we invite you to see the world and your country, company, community and yourself as being in flow, as being embedded in a set of flows. It is an invitation to a rich and exciting view, one you can never be blind to once you have started to perceive it.

Flow:	1) connected stream of movement
	2) psychological state of engagement

Some human flows pop to mind quickly: the flow of traffic, flows of people through a mall or store, the flow of processes and materials through a factory or construction site. Some flows might be harder to notice: the flow

of information through communication networks, the flow of ideas through a community, the flow of productivity in your day or week or year, the flow of gossip in your organization, the flow of awareness and knowledge in your head and body. Yet once you start to notice some flows, you will see more and more of them in everyday life and how they have a profound effect on you and those around you.

**Boundary:** a limit, like a membrane that allows some things to pass through and others to be contained or repelled

Perceiving this way requires you to step out of the dichotomy of the “inside” versus the “outside” of the organism or organization you are looking at. This asks you to see the flows through the (artificial) boundary by which the “inside” is defined. A living cell is in some sense a self-contained unit with a permeable skin. At the same time, it can only live and thrive by being in a larger flow, by its relationships with other parts of the organism, by receiving and giving back something else in its relationships. Living cells develop themselves, if their ecosystems become more and more elaborate and complex. The same applies to living beings, as well to organizations. It is the flow in and between cells, people, teams—the relationships—that matter to growth.

**Ecosystem:** the flows of living organisms in conjunction with the nonliving components of their environment (things like air, water and mineral soil), interacting as a system

The value of flows isn’t just related to their size or volume but to the effect they have on your relationship with your ecosystem. Flows are different from transactions across a boundary where letting something out is losing something. Transactions attempt to be tit-for-tat and zero-sum. With flows, there is no zero-sum goal; rather, they draw other, new, valuable things into the interaction. The flow of people down the street is not just about a transaction, where individuals encounter a seller, hand over money, and walk away with a physical object. The flow of people on the street can also make the street a more desirable location, which brings in business opportunities and invites public space interactions and community development. Yes, transactions can be a piece of it, but transactions are not all that happens.

**Zero-Sum:** a game or situation in which whatever is gained by one side is lost by the other

Flows never remain the same: depending on their characteristics, they grow or dwindle, change course, twist and turn, split up, join other flows, and change character over time. But the energy that drives a flow can be channeled to a goal, the direction can be changed, the interaction with other flows enhanced or decreased, the size and reach can be expanded: we can influence flows and their effect and, thereby, our world.

Complicated: having many parts with fairly clear causal relationships

Complex: having many parts with unknown or even unknowable relationships

Symmathesy: what Nora Bateson calls living and learning systems. The distinction between mechanical systems with engineering metaphors and living systems with their learning processes needs clearer language, or we will apply the restrictions of mechanical systems to our understanding of living and learning ones

The exciting question is to go one level up from the “inside” and ask how to influence the flows you identify as important to the development of the ecosystem, and therefore your own chances to grow. How to make a difference by growing or diverting flows? Or how to start a new flow, even if you are part of an existing ecosystem?

In this book, we will talk about emergent, networked, event-driven engagements, the flows in places where there are numerous variables, interconnected agents, and triggering events to navigate. Our examples and case studies often include multiple cooperative partners in an ecosystem, such as ports and other transportation networks, multi-sector partnerships, and community-organization hybrids. These make up complex, coordinated, social productivity flows.

Often this degree of complexity is poorly managed by mechanical means; however, our social brains are well equipped to navigate it. Take for instance how we effortlessly walk in a crowded square. Rather than a rigid, command-and-control, central service calculating all the speeds and paths of all objects in a crowded space and giving orders to all of them, we each act individually upon our neighbor’s intention and vice versa. Simulations show that giving each participant a few principles such as 1) stay farther apart than  $x$ , 2) yield right-of-way, and 3) maintain slow enough speeds to manage principle 1, is enough to navigate that space. Relationships and

interaction are all that is needed to create something complex and wonderful. The scientific terminology describes this as an Emergent, Networked, Event-Driven system: what a name for walking in a crowded square.

Emergent, Networked, Event-Driven (ENE):  
efforts that come into being through networked connections  
between entities, and stimulated by a triggering event

Here, we're going to tell you about cultivating social flows—about the theory, about how to spot them, and about how they work in practice. We're also going to share with you, drawing on our own experience and that of many interviewees and colleagues, how you can get involved in designing, structuring, and influencing social flows. This book is a guide to help you implement and practice cultivating social flows.

In this book, you will learn how to notice social flows—of ideas, of governance, of agreements, tokens, and people. You will learn about leading-edge practices in shaping social flows and some dangers to avoid or watch for. You may discover opportunities that you could not see before and find ways to get unstuck or overcome hurdles in your team, organization, or community. You will learn about switching from social functional hierarchy to process hierarchy—it is so difficult to switch to thinking this way, but totally crucial to creating effective social flows. We hope you will learn how to become a designer or even a “hacker” of social technology.

Process Hierarchy: when agreements and processes enable swarm intelligence rather than requiring a functional hierarchy to command and direct activity

Hacker: someone who enjoys overcoming obstacles with interesting solutions

Social Technology: the agreements, forms, relationships, behaviors, laws, and concepts we have developed to create more wealth through improved cooperation

If you want to understand, engage, disrupt, create, innovate, and, best of all, transform, the social flows in organizations and communities, flows that are mediated by people—social flows—then this book is for you. We think those who can most benefit from this work are:

- members (and leaders) of a consortium or other multi-stakeholder collaborations
- cross-sector collaborators or facilitators
- community development innovators, online and offline
- organizational design innovators and entrepreneurs
- software developers for the above

## Our Social Flow Here

We, the authors, have been meeting in cafés across Europe for several years to discuss breakthroughs in our work creating and coordinating social flows as well as insights into how to improve. As these insights were put into practice and seen to be successful, a demand arose for a guide for practitioners. This is it.

Being who we are, we created social flows of our own to generate this book. In the Fall of 2013, we scoured our networks for people who were paying attention to the creation and development of social flows.

**Throughout the book, the names of contributors to our inquiry who have essays and interviews on [CultivatingFlows.com](http://CultivatingFlows.com) are shown in bold.**

We spoke with social network scientist **Valdis Krebs**, business innovators like **Robin Chase** (Zipcar, Peers Inc.), and systems thinker and writer, **Howard Silverman**. We spoke with storyteller and Creative Director for the award winning Beaconfire Red design studio, **Eve Simon**, and **Ton van Asseldonk**, an economist who applies his knowledge of complexity in event-driven (ENE) systems in practice for his customers. We spoke with social software innovator **Kevin Marks** as well as community development entrepreneurs such as **Sofia Bustamante** and **Mamading Ceesay** at London Creative Labs. We interviewed governance innovator **Brian Robertson** of HolacracyOne. We spoke to futurists like **Heather Vescent** and currency innovators such as **Arthur Brock**. We didn't just talk to engineer-types who work on the tangible technology and design but also to social-types who understand how humans actually work in the real and messy world and who build communities and organizations from that reality. Everyone shared their years of experience and practice in building social flows that work—and lessons from what doesn't.

We wanted to know how they had solved the real problems they faced. We held a retreat to discuss the material that had emerged from the group. Then we held weekly online community calls with an extended group of practitioners to process their insights and wisdom. We organized, synthesized, polished, wrestled with, and chewed on what evolved to become this book and the corresponding website, CultivatingFlows.com (where the essays and interviews live and can continue to grow and evolve).

While we, the authors, hold the vision, the wisdom captured here relies on a community in flow as well as threading out into various resources including books and articles, which we are collecting on the website. This can continue to flow and expand with your participation. This book is your introductory guide and overview; the website holds the expanding resources. Join us at CultivatingFlows.com to contribute your stories and lessons.

## Why ‘Cultivating Social Flows’?

Antifragile: “Some things benefit from shocks; they thrive and grow when exposed to volatility, randomness, disorder, and stressors and love adventure, risk, and uncertainty. Yet, in spite of the ubiquity of the phenomenon, there is no word for the exact opposite of fragile. Let us call it antifragile. Antifragility is beyond resilience or robustness. The resilient resists shocks and stays the same; the antifragile gets better.” [www.fooledbyrandomness.com]

In a world of knowledge and creativity, we can’t design a system by breaking it down into many, small, repetitive tasks as if we were working with a machine. We do not control what people do with their minds. We must appeal to them if we are to engage their minds and creativity in the work we are to do together. So how do we engage other beings in work, play, and society? We believe the insights and examples in this book will help give you the tools to pragmatically approach cultivating social flows.

### Cultivating Social Flows:

Cultivating describes the process and practice of caring for aliveness in an organic system. Cultivating is also associated with evolving culture. Thus cultivating social flows is the care and tending of generative motion and connection for people within an ecosystem.

First we will expand on what we mean by cultivating social flows and why they matter. Then we will look at how they function and why. We will present the guiding framework we use to describe the spectrum of phases that social flows often evolve through—we will explore this framework deeply throughout the book. We will provide tools and techniques born from practicing this work, highlighting potential difficulties we have noticed. We want to enable you to move into practice, so we end each chapter with key concepts or quick guides to cultivating social flows.

**H** *In this book we introduce the label ‘cultivating social flows’ for what has become the core of my practice for the last 15 years. My practice is about getting things done, about getting results as a program manager in large complex programs, where many stakeholders, including government agencies, aim to move in a desired direction. Some of it is related to transport and sustainability, some of it to the infrastructure of the Internet (like Fiber-to-the-Home). It was Jean who introduced me to the thinkers and concepts that put a lot more theory and experience behind my practice. I could feed stuff I picked up back into her work, like the difference between control, influence, and nurture which turned out to link into thrivability. She pointed me to theories and experiences, showing me what concepts are applicable. I, in turn, could point Jean to hard, practical applications of these ideas, showing their value in practice. The combination was like opening a door to a new world.*

*Many of our conversations since that time share the ‘Eureka’ and ‘leapfrog effect’ moments. Exploring ideas, applying them in practice immediately, feeding back the results in our conversations. The immediate positive outcomes were exhilarating! All this makes me want to jump up and tell anybody who will listen.*

*Over time we identified the strategies for cultivating social flows that are common to many interesting thinkers and practitioners: thinkers who give structure and depth to ideas we apply intuitively; practitioners who are doing this kind of work, day-in, day-out. We found practical, real-life examples of the application of the ideas, showing what is possible. And we found many who are as hungry as we are for new knowledge, who want to explore more widely, pushing the boundaries of our knowledge and experience.*

Please note, we are pragmatists. (Pssst, most books are not written by pragmatists.) This book is the result of our unique partnership. Get your essential learning about what works in practice here! Our work evolved from the insights of on-the-ground practices and not from the often idealized stories of MBA programs backfilling stories to fit a preconceived model.

As pragmatists, we noticed repeatedly the intense interlinking of strategy development and the creation of a social culture fit for implementing that strategy. Without that, as Peter Drucker said and Mark Fields, President of Ford Motor Co., made famous, “*Culture eats strategy for breakfast.*” We will talk, throughout the book, about ways to weave together strategy and culture.

## Social Flows Matter

No doubt, you will have seen the rise of words like swarm, hive, collective intelligence, crowd-this or crowd-that. Much of our flows work leans in the direction of swarms and collective action. Swarm behavior emerges from a large set of individuals, loosely connected by simple interaction rules or principles. There is abundant research on how, for example, flocks of sparrows or starlings perform beautiful dances in the evening sky, or on how hive-ants are highly effective in finding food in any environment. A handful of simple interaction rules used by every participant is enough to let amazing behavior emerge. Yet if the actors are alone, without interaction, the observed collective behavior is absent.

Upper level flows:	the movement of the whole, as in the flow of traffic
Lower level flows:	the movement of any given individual, as in the flow of a single car

Collective behavior can be seen as an upper level flow. In society, we can identify similar flows that emerge from masses of individual behavior. This we call a social flow, as opposed to the flow of water or the dance of a flock of sparrows. We distinguish it from other swarm behaviors because we know individual humans can be conscious of their flows, create and adjust the simple rules governing the swarms they create, and make choices about how they participate.

Swarms don't usually have single leaders who maintain leadership. Swarms have fluid leadership. Swarm leaders temporarily guide direction. For example, with birds, a bird that flies far from the swarm might not inspire followership in the swarm. Instead it may be the second or even third bird, who follows the first, thereby inspiring the shift in the swarm. No bird by position or authority sets the course for any other bird in the swarm. Leadership changes between the birds in the swarm, while each bird follows simple principles. Ducks fly in a V, rotating who takes point. Through this book, we will cover various ways leadership plays out in social flows and what role you can play in being leaderful.

Leadership: providing guidance and direction—while leadership in command-and-control domains focuses coercing action through power and transactions, leadership in social flows relies more on compelling narrative, demonstration, and clarity of mutual benefits

If you have traveled, you may have noticed that traffic, while generally having similar rules most places you go, may have very different behavior. Like other social flows, the mechanisms may be similar in different situations but the culture and consciousness of the local area may shift behavior significantly.

In a social flow the individuals are humans who may be aware of the collective behavior they are part of. They may agree with the flow and its perceived result, or disagree and actively oppose it. It implies a tension held between “me” and “we” within social flows. As we will show, culture is a key component in managing this tension.

**J** *I didn't think the integration of strategy and culture was unusual until someone else remarked on it. I was facilitating a strategy retreat for a growing startup in Canada. The primary goal of the client was to develop a strategy for moving forward with their mission. The secondary goal was to build team coherence with the new additions. I invited each person in attendance, having considered what they knew of the project, to say what the risk of failure was, from their perspective. Each person took about 15 minutes to present their primary risk. Then I asked each person to come from the other side of the flipchart to present what the organization could do to address the risk each had presented—*

*because often that person was best qualified to solve the problem they had noticed.*

*Afterwards, the clients wrote a testimonial: "...neither of us have ever seen anyone link creative team building to organizational outcomes as deeply as Jean Russell did for us. Her workshop facilitation for us was geared towards actually doing work."*

*After that workshop, the startup had a more rigorous strategy. More than that, the opportunity to address their biggest concern meant that the people involved were more committed. A culture of frank honesty along with a "who names the problem, leads in solving the problem" culture emerged.*

Culture:	the customs, traditions and values of a group—culture shows up through design, language, and beliefs as well as rituals and other behaviors and social processes.
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Effective social flows emerge from a dynamic harmony between strategy and culture. Culture is not an add-on handled by HR doing unrelated-to-work team building. Rather, culture should be seen as an anthropologist sees it: written and unwritten sets of social protocols and behaviors, together creating a force by which strategy and operations develop and maintain coherence.

Social Protocol:	a social process agreement, usually not written as policy, but implicitly embraced by a group that delineates expectations for a series of social behaviors
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Culture shows up within the implicit and explicit governance of a collection of participants. Governance is not only the policies but also the norms, beliefs, and language of a group, as they get reinforced through participation.

Where strategy is not aligned with the existing culture, we face an uphill battle. Where culture does not embrace strategy, flows are stifled. When they are aligned, culture and strategy can have lunch together.

When we cultivate culture so that it serves our direction for action, the degree to which it comes alive and self-maintains, we call coherence. So throughout the book we will talk less about culture in the abstract and much more about the kind of culture we desire—one that has coherence.

## Coherence

We have chosen to use the word coherence to describe the various aspects of desirable culture that operate in the social flow design process. Coherence describes this desired meeting point between behavior and strategy.

Coherence is why a diverse and changing group of people keeps on contributing to a shared purpose. Coherence welcomes diversity, is inclusive for everyone who feels in sync, and contributes to, and is geared for, natural growth.

Three aspects of culture that we have identified and that we call Coherence, are as follows:

**Narrative:** The narrative tells what the purpose is, why we want to achieve the purpose, how to get there from where we are now, what roles there are in the journey, what options we have, and what our strengths are.

**Motives:** Understanding the variety of primary motives people have, and what that means for their willingness to contribute and how to adapt to that, is essential. For example, we need to approach social flows knowing that those attracted to early phases of inspiration may not be motivated to do the detailed structure building or bug fixes on technology. Part of cultivating social flows is opening spaces for people as they are, with their own personal motives, interests, and abilities, so they can fit into the flow appropriately.

**Governance:** The implicit and explicit rules we apply to ourselves and our joint activities which facilitate cooperation. Governance provides a predictable system of what a group needs: care, safety, and security. Working on governance means we can begin to answer questions like: How can we create safe and nurturing connections that are able to innovate and grow? How can we defend ourselves against bad actors inside and outside? How can we make decisions?

While these all influence the development of coherence in each phase, we will focus on one or another as we go through the phases, as well as including ideas and practices for flow leadership.

**Social Organism:** the collective as a unit, held together by a narrative and the motives of the participants, bound by a semipermeable membrane of governance

## The Case for Social Flows

Money talks, so it is said. But is it the only or most effective way to get people to invest their energy and wisdom in a purpose, to arrange mutually beneficial relationships and exchanges, or influence choices?

No, it is not the only method, nor the most effective.

Our literature, plays and movies (starting at a young age with “A Christmas Carol”) are full of stories that convey the same message: if you value money over relationships, you are a poor schmuck who doesn’t get life. We are social animals by nature.

Borrowing something from your neighbor implies not only that you will lend something out as well, when asked. It also implies that you have a relationship that lasts over time; that you will look after each other. Borrowing and lending back and forth, over time, we are never quite clear if we have fully reciprocated. We resist the feeling that we may still owe our neighbor a return favor and yet, in that unclosable gap, our relationship blossoms and trust grows. It is the start of a community, which is highly valued.

Borrowing something from your neighbor and paying him money implies that you expect nothing afterwards. No enduring relationship, please. Bringing flowers or chocolate or wine worth \$20 to friends who invited you to dinner at their home sends the message that you value their friendship highly, while leaving a \$50 bill ends the friendship. It is hard to find anyone who thinks barn-raising by the Amish is silly because they do not pay each other; quite the opposite. We intuitively understand the relationship of reciprocity. The Golden Rule is globally recognized.

Reciprocity: positively or negatively connoted responses of individuals reflecting back the actions of others—acting on the golden rule to do unto others as you would have them do unto you.

Paying for something conveys the message that you do NOT want a relationship with the person you pay. The accounting is very clear in a way that “clears the debt” so to speak. And the clearing of the debt can mean the relationship does not need to continue. Thus money can stop highly valued social flows, if you are not careful.

The common business and political “wisdom,” however, is that financial incentives are needed to make people do the thing you want in organizations or in society. So we see bonuses, fines, tax credits, and many

more monetized incentives and punishments being introduced time and again, even repeatedly after the failure of the previous scheme has been forgotten. Numerous studies by behavioral economists show that not only do financial incentives lead to poorer decision-making, but social incentives can be a lot more persuasive, longer lasting, and less costly financially, than pure financial incentives.

Sometimes financial incentives have side effects that pervert the goal: the famous “cobra effect”, where the unintended consequences of a solution actually make the problem worse. The recent financial crisis is rife with modern examples of this phenomenon.

Money as a motivator in work is more limited than many people imagine: Daniel Pink explains in an [“RSA Animate”](#)<sup>1</sup> how several studies commissioned by stalwart institutions like the FED show that financial incentives only work in simple manual jobs. As soon as there is any cognitive effort needed, financial incentives no longer have the desired effect and may even cause the opposite. It turns out most people are much more motivated by Mastery, Purpose, and Autonomy than by Money (provided they have enough money to sustain a normal life).

One could argue, therefore, that throwing *only* financial incentives at a problem equals intellectual laziness: easy to design, but at the price of being costly and at best partially effective, if not counterproductive. Social flows, as in interactions in a network of people, are more difficult to design, but they can generate much more value.

Let’s take an example from the business arena, resulting in increased efficiency.

#### Use Case: Gain-sharing

Container shipping has made the transport of goods over large distances incredibly cheap. A standard 40ft container can hold 67m<sup>3</sup> at a weight of 30 tonnes, and will be shipped from China to the USA by sea for a couple of thousand dollars. The common practice is that the shipping companies own the containers that are provided. Which means that you have to take back the empty container to the port after you have emptied the full one (import), or pick up an empty container at the port before you can load it with cargo and take the full container to the port again (export).

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<sup>1</sup> You’ll find links to any books, films, articles and other resources that are [underlined](#) at the website: [CultivatingFlows.com](http://CultivatingFlows.com).

When a port is connected by inland waterways, barges are a popular method for transporting batches of containers to an inland terminal near a concentration of factories and warehouses.

One terminal owner in the Netherlands noticed that more and more he was taking as many empty containers back to the port as he was picking up empty in the port to bring back to his terminal, all in the same day or week, all on behalf of various principals, and with different shipping companies. What if he could reuse an import container which had just been emptied? There might be a neighbor just waiting for an empty container to fill it with cargo for export. That could halve the transport costs for inland shipping and make his terminal much more attractive.

The trouble was that it required a complex dance between parties who had no relationship with one another. Reusing a container requires at a minimum that both parties (import and export) book at the same shipping company. The shipping company has to agree with the swap of the uniquely identified container. The timing has to be right. And, last but not least, how to divide the profit resulting from the reduced transport costs?

The solution was to engage a social flow.

The inland terminal owner invited his biggest customers to dinner and explained the potential if they could agree to cooperate. They agreed, after exploring various options, that it would only work if there was trust, easy opt-in or opt-out, and if everyone benefited.

In this new rental arrangement, the trust part is secured by an informal regular meeting of the stakeholders to check on how the arrangement is working, to discuss governance issues, and to remove irritations. With regard to opt-in/opt-out: any new company can join as long as they accept the (unwritten) rules; anybody can leave if they feel they need to. The financial benefits are divided equally between the two parties exchanging containers and the terminal that does the matchmaking.

Operationally, the partners tell the terminal in advance what transport they foresee in the near future. The terminal makes matches and helps select the shipping company they both will use.

After a while over 80% of the containers were re-used, a massive saving in money and emissions made possible by a creating a new social flow.

Why do we consider this a social flow instead of “just” cost-saving? Because other terminals have tried setting up a small company dedicated to doing the exchange, charging money for the service. They failed. The key difference is that relationships built upon mutual trust between individuals made the flow possible, and led to monetary benefits. When gain-sharing was approached initially as a monetary challenge (how to divide the spoils) it failed.

## Social Era

Over the last decade a lot of companies have proven that conversations as opposed to pure monetary transactions can deliver huge value. Nilofer Merchant authored a series of articles on this observation under the title “The Social Era” in the *Harvard Business Review* blog, which became a book, *11 Rules for Creating Value in the #SocialEra*.

Merchant shows how much value is created for companies today by social flows compared to a decade or two ago. She writes, “Because it has shown up in bits and pieces, via freemium models, crowdsourcing, online communities, virtual workforces, social networks, and so on, it is easy to miss how much the overall context has changed for the way value is created.”

Merchant importantly shows how this new Social Era includes way more than just using social media and applying the latest marketing strategies. In the Social Era, companies do things very differently from the post WWII industrial model.

In the old industrial model, size—as in number of staff and assets—was the path to efficiency and cost advantage, and size brought access to more financial capital. In the Social Era, infrastructure and operational costs are significantly streamlined, fitting into a vast external network that aids in creating value; and transaction costs are minimized to near zero by applying the power of the Internet and IT. The size and quality of your relationship network becomes the key to success.

In the old model, we see Porter’s Value Chain—a linear approach to supply chains that push products to markets. In the Social Era, markets are conversations, as *The Cluetrain Manifesto* suggested fifteen years ago. A Social Era company takes in feedback from customers to inform every part of its business, enabling each person involved to act as a sense organ of the organization. Engaging with people outside the company is about developing ongoing relationships, not just transactions. And this means a

lot more sharing, which makes the organization more vulnerable and less predictable, and attracts valuable relationships, rather than telling/broadcasting like the old media forms encouraged. We know this as the push model. Innovation in the Social Era is not just better products at lower prices. It is innovations in organizational design and process—Social Flows.

In her blog post, Nilofer writes,

*Collaborating with people through shared purpose creates advantage because it allows everyone to work towards a shared goal. When people know the purpose of an organization, they don't need to check in or get permission to take the next step, they can just do it. When people know the purpose, they are not waiting to be told what to do. With shared purpose, alignment happens without coordination costs. Shared purpose makes customers and team-members more than transactions and payroll recipients. It allows us to "tear down that wall" between who is "in" or "outside" the firm creating a more permeable organization which unleashes the inherently collaborative nature of work — like a herd of gazelles running leaderless, daringly, across a plain. This is the foundational principle of the social era.*

We believe that this value extends itself beyond companies: the same value can be found for government institutions, communities and social institutions as described by economist Elinor Ostrom and her associates. All of these organizational forms can benefit from valuable, meaningful, and purposeful social flows.

The challenge is to resist the temptation of the simple financial control description of how the world interacts, to resist introducing naive mechanical pushes and pulls based on (only) financial rewards, to invest the intellectual energy in designing for rich social flows. It starts with looking for the flows that drive the conversations, that enable sharing.

## What We Offer in This Book

Part One paints the picture of what social flows are, why they matter, and some tools for understanding their mechanics. After our introduction, we provide a use case of a social flow, Lean and Green, making clear by example what we will be exploring in the book. Before going into the chapters on practice, we provide some background in Chapter 2. One of the core models is the contemporary view of what a network is and how it functions, which we will cover with some other tools for understanding social flows. Some

readers will be familiar with the content of this chapter, while for others it will be new ground. You might scan the chapter and use the concluding key concepts or quick guide as a checklist to be sure you have the foundational knowledge to move forward, or you can swim in the links and connections, exploring the foundation and related ideas before moving forward.

Reviewing our case studies and their approaches to cultivating social flows, we noticed that phases can be identified. These are not clearly defined phases with abrupt starts and stops; they are broad ways of seeing what is happening, which, in practice, turns out to be messy, iterative, and interdependent. For convenience, we have untangled them for you to perceive the elements. In your own practice the boundaries between these phases will most likely be murky.

The phases we noticed by zooming out and looking for patterns across numerous efforts are: Reframing and Navigating (described in Part Two), Operationalizing (Part Three), and Evaluating and Iterating (Part Four). Within each phase there are practices that focus on building coherence. We have teased these apart a bit; however, again, in real world implementations, the structures and the social elements tangle together.

## **Reframing and Navigating**

In Part Two, we look at the early seeds of an innovation. Reframing builds the dream of a new and attractive future. Reframing the territory creates a new understanding of what is possible. That space might be a mental space, an organizational space, or a relational space. It breaks the mental boundaries given by our existing internal models of the world. We see and understand what something is in a different way. It is like seeing a heat map instead of a topographical map in the way it transforms what is seen without changing what is there.

Reframes build a dream of a better future, by using this new space to get there. Entering the new possibility space, we want to fill it with a network of people, with new relationships. In reframing, we seek to connect people, ideas, and create relationships. But who or what interacts with whom or what? What does that generate or make possible? The new relationships generate new options for action, using the available possibility space. The more options the better, allowing for the development of a rich set of scenarios and strategies to operationalize the dream. So Navigating follows Reframing, where we explore and make maps to help others navigate the new understanding. In Navigating we look at what scenarios or possibilities

might arise that would be useful to us and others. We mentally play out possibilities and map those opportunities for others.

Still, reframing and navigating mostly just get us to an adjacent possibility, something nascent and of small scale, incubating under the benevolent regard of co-conspirators of the idea—our allies. To scale and extend our reach in time and space, we need to operationalize the idea with more people.

## **Operationalizing**

Once we have a reframe and we see how we will navigate it together, including the scenario to achieve the next (or first) step in implementation, and contingency plans are prepared, then answers to tough questions of scaling it out must be generated.

In Part Three, we explore the form for growth, processes for flow, and how to manage all this, as well as the support tools needed to operationalize ideas at scale. How does the new way of seeing and the new architecture or design get implemented? What are the flows within it? And how is it self-regulating (how does power work within it)? We create teams, tribes, and communities. We turn the new options and new relationships into actions, for instance by adding tools to facilitate making a choice (navigation of options), or by introducing participation options like alternative currencies or tokens, or creating governance. Finally, the rubber meets the road. We build forms, flows, and tools to support the social flow.

## **Evaluating and Iterating**

Social flows are complex and adaptive. What worked yesterday may not work tomorrow. We have to keep evaluating them and then build on what we have learnt. We create a prototype and keep iterating. Creating learning systems means that the evaluation and iteration become part of the process. We deal with rapid change and complexity by designing anti-fragile solutions that adapt and learn over time. In Part Four, we share processes to help with evaluation and iteration, including the questions to ask in assessment and how to think about instrumentation for evaluation.

Prototype:	a sample, model, or release of a product built to test a concept or process or to act as a thing to be replicated or learned from (historically, it was considered a first attempt, but now, given that conditions may be in constant flux, the best that may be done is iterations of prototypes with no finished, static pattern)
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## Key Concepts in this Chapter

### Perceiving Flows

- Flow
- Boundary
- Ecosystem
- Zero-Sum
- Symmathesy
- Complicated
- Complex
- Emergent, Networked, Event-Driven (ENE)
- Process Hierarchy
- Hacker
- Social Technology

### Why Cultivating Social Flows

- Antifragile
- Cultivating Social Flows

### Social Flows Matter

- Upper Level Flows
- Lower Level Flows
- Leadership
- Culture
- Social Process
- Social Protocol

### Coherence

- Narratives
- Motives
- Governance
- Social Organism

### The Case for Social Flows

- Reciprocity
- Gain-sharing

### Social Era

### This Book

- Reframing and Navigating
- Operationalizing
- Evaluating and Iterating

## ABOUT THE AUTHORS



Jean M. Russell is a culture hacker, facilitator, and writer on a quest to catalyze group productivity. As a founder of the Thrivability movement, Jean works with change agents, innovators, and new economy builders, globally, through the Thrivable Futures Consultancy.

In 2013, Jean published *Thrivability: Breaking Through to a World That Works* with Triarchy Press. She received an honorable mention on the Enrich List as one of the top 200 people enriching our path to a sustainable future. She is also listed as one of 100 women globally co-creating a P2P Society. In 2010, with 65 inspiring people, she curated, *Thrivability: A Collaborative Sketch* which has been seen by well over 30,000 viewers. She has published articles on organizational design strategies, and her work on thrivability, innovation, philanthropy, and cultural shifts has been highlighted in *The Economist*, *Harvard Business Review*, and *Stanford Social Innovation Review*.

Since 2007, she has been facilitating strategy retreats, conferences, and workshops in North America, Europe, and Australia. She brings to her facilitation a keen understanding of social network analysis, motivation and behavior patterns, group dynamics, and culture change. Jean often custom designs participatory structures for group engagement that evoke play to achieve purpose.

Jean loves hiking to Tennessee Valley Beach for a picnic with some Vinho Verde, crusty rustic bread, and a selection of cheese so she can savor the flavors while watching crepuscular colors shift on sand and water at sunset.



Herman E. Wagter is an independent program manager specialized in complex collaborative innovation programs, where technical innovation needs to be combined with social innovation to get the desired impact. He supports his customers by developing and refining a comprehensive strategy to achieve the desired goal, as well as by leading the subsequent iterative implementation phases hands-on. One example is the public-private venture to kickstart Fiber-to-the-Home in Amsterdam, including the successful discussion with the European Commission on the application of the Market Economy Investor Principle regarding the role of the Municipality of Amsterdam. Another is the strategic development of the Lean & Green movement aimed at increasing the competitiveness of companies through the voluntary reduction of CO<sub>2</sub> emissions during the transport of goods.

In his early career as Managing Director in international contracting and services he became interested in the social dynamics of change and the role of social technology in shaping how we work together. As a practitioner who is keen on what creates impact he continuously searches for knowledge, ideas, and experiences to apply in his work. That search includes legal issues like state-aid and public tender processes, new accounting principles, technology, behavioral economics, and human motivation applied to collaboration.

Herman loves to cook for his family, drink good wines with his wife and their friends, and do outdoor sports. He likes to tinker with IT and gadgets and once in a while to enjoy fast mountain roads on his motorcycle.

## ABOUT THE PUBLISHER

Triarchy Press is a small, independent publisher of intelligent books and inspiring new ideas about people, organizations and society—and practical ways to apply those ideas.

Thinking about the current omnicrosis and ways to navigate through and beyond it is a feature of many of Triarchy's recent titles:

Jean Russell's *Thrivability* sets out to challenge the 'breakdown thinking' that focuses only on defensive reactions to the economic, social, political, and environmental catastrophes we face. In its place she proposes 'breakthrough thinking': an approach that recognizes the gritty reality but enables us to envision and co-create a world of wellbeing and health.

Graham Leicester's *Transformative Innovation: A Guide to Practice and Policy* is a stand-alone, practical guide to realizing transformative potential at scale—for policymakers, funders and innovators outside the commercial sector.

Jonathon Porritt calls Daniel Wahl's *Designing Regenerative Cultures* "an extraordinary intellectual and analytical resource, providing as good a picture of contemporary holistic, systems-based thinking as you're likely to find."

Nora Bateson's *Small Arcs of Larger Circles* is a foray into "unauthorized knowledge." In a series of essays, conference talks, stories, quotes and poems, she covers linguistics, biology, semantics, cognitive theory, justice awareness and embrace of paradox.

Patricia Lustig's *Strategic Foresight* is a practical guide to foresight and foresight tools for leaders in business, the public sector and NGOs, to aid their practice in strategy, decision-making and change.

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