

DESIGNING FOR FREEDOM

Issue 002

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Perspective

DESIGNING SCALE



002

HOW THIS ISSUE CAME TOGETHER

SIX CONVERSATIONS. ONE QUESTION.

HOW CAN FREEDOM SCALE WITHOUT LOSING WHAT MAKES IT WORK?

This issue grew through conversations with people who have spent years designing, studying and living alternatives to conventional organizations.

These essays bring their perspectives into conversation through my own questions, experiences and reflections. They draw on interviews, cases, books and published research, with sources credited throughout.

The comparative essay on Business-within-a-Business, RenDanHeYi and Zappos brings three systems into conversation. It was informed by Dean Meyer's work and my exchange with him, and edited by Hannes Alton.

DESIGNING FOR FREEDOM



DESIGNING SCALE

Scale changes the distance
between a person, their work
and the whole organization.



LETTER FROM THE EDITOR

**FREEDOM DOES
NOT SCALE
BY ITSELF.**

WRITTEN & EDITED BY

**TINE
BIEBER**

CHIEF EDITOR



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**DON'T COPY THE RECIPE.
BUILD YOUR OWN.**

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INNER FREEDOM IS NOT A JOB TITLE.

A NEW CHAPTER

**COMING
NOVEMBER**

After eight years of self-employment, I am about to begin a new chapter. I will share what it is in November. For now, I want to share the question that came before the decision.

In several conversations, people asked me some version of the same thing: You have ultimate freedom right now. Why would you want to go into a corporate environment?

I understand the question. Self-employment is often presented as the exit door from the system: no boss, no office politics, no one deciding when you can take a Tuesday afternoon off. And yes, I have had an extraordinary amount of autonomy. I could choose my projects, shape my days and build work around ideas I care about.

But here is the less photogenic truth: lately, I did not feel especially free. Quite the opposite. I was responsible for every proposal, every invoice, every sales conversation, every gap between projects and every promise I had made. I could choose when to work, but work had become very good at choosing when to follow me home.

Some days I was the researcher, designer, facilitator, salesperson, accountant, IT support and the person asking the CEO for a day off. Unfortunately, the CEO was also me - and she was not always reasonable.

That realization forced me to face a deeper fear. After eight years on my own, would entering an organization mean compromising my freedom? Would I have to dilute my identity, smooth out the inconvenient edges or become a version of myself that fit more easily into a system?

Then I noticed something important: self-employment had never guaranteed inner freedom. What it had given me was practice in staying close to myself. Whenever I drifted off course, my values helped me find my way back: to the work I believed in, the voice that felt like mine and the person I wanted to be while doing it.

This supports one of the central theses in my upcoming book: inner freedom is not a job title. Founder does not automatically mean free. Employee does not automatically mean trapped. Freedom is shaped in the relationship between self, others and the system - and in our capacity to see, negotiate and redesign that relationship.

I think we often get this story wrong. We assume everyone inside an organization is unhappy and secretly wants to escape, while everyone outside has somehow arrived. It is a satisfying story, but a poor description of real life. Our needs change. There are periods when we need radical autonomy, and others when we want belonging, shared ambition, stability, infrastructure, learning or the chance to contribute at a scale we cannot create alone.

So I do not see this next chapter as giving up freedom. I see it as questioning an old definition of it. The form of work matters, but it is not the whole answer. What matters is whether I can remain in relationship with myself, stay honest about what I need, and participate in shaping the conditions around me.

I will reveal the next chapter in November. What I can say already is this: I am entering it with less certainty, more curiosity and a much more practical understanding of freedom. Sometimes freedom is leaving. Sometimes it is staying. And sometimes it is choosing a different room - without leaving yourself at the door.

Love, Tine

Amsterdam, October 2026

**FREEDOM
CHANGES
SHAPE.**

INNER FREEDOM IS NOT A JOB TITLE.

IT IS A PRACTICE OF RELATIONSHIP.

BIGGER IS NOT THE SAME AS STRONGER.



You cannot roll out freedom.

Organizations often respond to growth by adding control. More approvals, more reporting and more standardization promise coherence. They can also remove the judgment and initiative that made the work valuable.

The question is not how to preserve the intimacy of a small team forever. It is which conditions must become explicit when personal trust can no longer carry the whole system.

Authority, information, resources, conflict and learning all need an architecture. Freedom does not survive scale through good intentions. It survives through design.

THE DESIGN PROBLEM

CONTROL $\neq$ COHERENCE

SEVEN WAYS OF SEEING SCALE

06

Different forms of scale distribute power differently.

Emanuele Quintarelli asks what changes when the organization becomes a platform for many entrepreneurial units. SINA explores replication without standardization. Ali Cengiz shows how voluntary energy travels through a movement.

The center compares three systems that locate entrepreneurship differently: Business-within-a-Business, Haier's RenDanHeYi and Zappos' market-based dynamics. Doug Kirkpatrick's work at Morning Star asks what replaces the manager when responsibility is distributed. Paul Tolchinsky brings the whole system into the room. Markus Heinen asks what transformation leaves for the human being.

The final pages turn the issue back toward practice: a model in the works, an Org Kitchen and tools readers can use.

DIFFERENT VOICES. ONE DESIGN QUESTION.



SCALE CHANGES THE DESIGN QUESTION.



SELF

OTHERS

SYSTEM



**MORE PEOPLE.
MORE INTERDEPENDENCE.**

Design the connections that let people act together.



BEFORE YOU SCALE

Name the growth logic before the growth target.

01

WHAT IS GROWING?

An organization, practice, movement, network or platform?

02

WHAT MUST REMAIN SHARED?

Purpose, standards, infrastructure, identity or resources?

03

WHAT MUST REMAIN LOCAL?

Judgment, relationships, adaptation or authority?

04

WHAT COULD BREAK?

Where will distance, power or dependency appear?



ISSUE 002 / FEATURE

09

THE PYRAMID IS DEAD. LONG LIVE THE RAINFOREST.

In Conversation with Emanuele Quintarelli on What It Really Takes to
Distribute Entrepreneurship, Power, and Responsibility at Scale.

WRITTEN BY TINE BIEBER

IN CONVERSATION WITH
EMANUELE QUINTARELLI

In Conversation with Emanuele Quintarelli on What It Really Takes to Distribute Entrepreneurship, Power, and Responsibility at Scale

BY TINE BIEBER

We know how to make organizations bigger. We build layers, functions, procedures, approval flows, reporting lines. We add coordination until coordination becomes the work.

But what if scale did not have to mean more distance - from the customer, from decisions, or from our own sense of agency?

When I spoke with Emanuele Quintarelli, founder and CEO of Chaordian, he was preparing to travel to China to facilitate Haier's annual forum. He has worked with Haier for six years through research, interviews, case studies, training, and the translation of its ideas into tools other organizations can explore. I met Emanuele in a Holacracy practitioner training in Amsterdam in early 2018 for the first time and we stayed in touch over the years.

It would have been easy to make our conversation this summer another celebration of Haier and RenDanHeYi: the Chinese management model that has become almost legendary in progressive organization-design circles. But Emanuele is not interested in organizational tourism. Nor does he believe a model developed over four decades inside a Chinese manufacturing company can simply be lifted onto another organization.

His work begins somewhere more interesting: between chaos and order.

That is where the name Chaordian comes from. Organizations cannot predict or control everything around them, yet neither can they operate in anarchy. Emanuele works at the moving edge between the two - where temporary islands of order emerge inside complexity and change again as the context shifts.

"I'm not working on structuring processes," he told me. "But I'm not creating anarchy either. I'm working exactly in the middle."

This middle is where the real question of scale lives.

READ
ALSO

THE ORGANIZATIONAL MODEL WE FORGOT TO TALK ABOUT

Scale is not mainly a question of how many people an organization contains. It is a question of how its parts can separate, move, and recombine without waiting for the pyramid to tell them how.

A Refrigerator Factory and a Forty-Year Revolution

The story behind RenDanHeYi begins in Qingdao in the 1980s, when Zhang Ruimin took over a failing refrigerator factory. The company was close to bankruptcy and its products were notoriously poor. In the episode that later became Haier folklore, Zhang lined up

76 defective refrigerators and asked employees to destroy them with sledgehammers. Each refrigerator costs roughly two years of an average worker's salary. The message was brutally tangible: if we do not change how we serve the market, the market will destroy us.

What followed was not a one-off restructuring but a succession of transformations spanning four decades. Quality came first and then accountability. Then direct connection to the user. Gradually, Haier inverted the familiar corporate pyramid and broke the monolith into thousands of autonomous microenterprises - small units that can choose people, shape products and services, manage resources, and carry responsibility for the value they create.

RenDanHeYi can be understood as connecting every person directly with user needs so that user value and the value received by contributors rise together. The crucial move is "zero distance to the user." Instead of employees being accountable upward to a manager, entrepreneurial teams are accountable outward to the people who use and pay for what they create.

This extends to internal functions. HR, legal, IT, and other services cannot assume that their internal customers have nowhere else to go. They must demonstrate value. In Haier's model, teams can enter agreements with one another and, in some cases, seek a better service elsewhere. That exposes bureaucracy to a force many organizations carefully keep outside: the market.

It also changes the nature of coordination. If autonomous teams are the building blocks, how do you assemble a kitchen that needs a refrigerator, an oven, a countertop, software, connectivity, and service? Haier's answer is not to reinstall a manager above the pieces. Teams coordinate through contracts and form ecosystem microcommunities around user needs. The boundary of the firm becomes more porous as customers, suppliers, universities, research centers, and even competitors participate in creating and sharing value.

The organization no longer looks like a machine assembled from fixed parts. It becomes what Zhang called a rainforest: many living units adapting, collaborating, competing, and evolving. Individual trees may fall. The forest can continue.

The Needs Are Universal. The Solutions Are Not.

Here is where admiration can become dangerous. Haier's story is so coherent in retrospect that it invites imitation. Emanuele resists that temptation.

"The needs behind RenDanHeYi are universal," he said. "The solutions are not."

Organizations everywhere are searching for greater adaptability, faster innovation, stronger engagement, and a closer relationship with customers. But Haier developed its answers in a specific country, industry, history, and culture - and over forty years. Copying its structures without recreating the learning that produced them misses the point. Even if an imported solution were technically right, Emanuele argues, people may reject it because it is not theirs. Agency cannot be the promised destination of a transformation that denies agency throughout the journey.

People have to co-create the solution, test it, change it, live with its consequences, and eventually own it. Every implementation should therefore be different - not because rigor does not matter, but because context does.

This is also why Emanuele hesitates at the word design. Design can sound finished: a model on paper, a diagram on a slide, a new structure announced at a town hall. But the drawing is only a hypothesis. The transformation begins

when people start living it and discover where it is wrong. And it will be wrong.

The important work happens during the months and years that follow, as people gain scars, make adjustments, and develop the capacity to govern differently. A transformation toward self-management cannot itself be imposed through command and control. The process must embody the outcome.

Centralize and Decentralize

We often talk about decentralization as if progress means moving every possible decision outward. But the most important question, Emanuele told me, is not whether to centralize or decentralize. It is what to centralize, what to decentralize - and how that balance must keep changing. Large organizations possess real advantages: capital, infrastructure, capabilities, relationships, reputation, and shared services. Removing bureaucracy does not require throwing those assets away. The opportunity is to combine the reach of a corporation with the responsiveness of a startup.

Some elements may remain shared and tightly held. Identity, purpose, and core values can provide the glue that allows greater operational freedom. Other decisions - pricing, products, partnerships, hiring, or budgets - may move closer to the people facing the market. Money is one of the clearest tests. A team that cannot influence what it spends, earns, or pays is autonomous only rhetorically. Yet not every organization is ready to give every unit its own profit and loss responsibility. The same is true of salary transparency, contracting, or the freedom to source internal services externally. There is no universal configuration. There is only an ongoing practice of deciding which shared assets accelerate the whole and which controls make it rigid.

This is why scale alone tells us little. Emanuele has worked with organizations ranging from eight people to 120,000. What matters is not headcount but the need for recombination. If a company serves different users, builds multiple products, operates across regions, or can combine capabilities in many ways, autonomy creates options. If everyone is locked into one unchangeable chain serving one internal customer, fragmentation may add ceremony without adding choice.

This is not a model for squeezing out the final drop of inefficiency. Complex systems need some redundancy. Multiple bets, overlapping capabilities, and experiments that fail may look wasteful through the logic of optimization. Through the logic of resilience, they are survival mechanisms.

The organization of the future may be less efficient on paper - and far more capable in reality.

Agency Comes with a Bill

This all sounds liberating but it can also sound exhausting. In an entrepreneurial organization, teams are exposed more directly to customers, costs, competition, and consequences. Responsibility is no longer absorbed by a distant hierarchy. Value is made visible, and in the most radical forms, compensation depends upon it.

Emanuele does not romanticize this. "Is it introducing stress? Yes, it does."

Some people prefer a manager who decides because it feels safer and reduces pressure in the short term. But that apparent safety comes at the price of agency. A traditional employer can still eliminate your role without your participation. Greater responsibility does not erase risk; it gives people more influence over how they meet it. That shift demands far more than a new mindset.

Someone appointed as the lead of a microenterprise may never have read a profit-and-loss statement, shaped a market offer, negotiated an agreement, or carried the weight of a consequential decision. Declaring everyone a CEO does not magically give them the emotional or practical capacity to act like one. People need time, training, peer learning, transparency, and the genuine option to step forward gradually. Some will not want to. Some contexts will not support it. The transition is not a two-month rollout but, as Emanuele put it, "a quantum leap" - psychological as much as structural.

Yet organizations may have fewer alternatives than they think. Technology can improve processes, but it cannot resolve the deeper problem of a large organization being too slow to sense and respond. In an unstable world, the first response cannot be another optimization program. It has to be enabling more people to find answers where the information actually lives.



Power Does Not Disappear

The most honest part of our conversation began when we turned to power. Removing hierarchy does not remove power. It can make power harder to see. Emanuele borrowed an image from Ted Rau of Sociocracy For All: power behaves like water in a distribution system. Close one valve and the pressure rises elsewhere. The water does not vanish. Formal hierarchy makes the allocation of authority legible, even when it is dysfunctional. In a decentralized system, power becomes fragmented. Former managers may keep managing under a new title. Charismatic founders, experts, long-serving employees, or those closest to money and information may accumulate influence informally. A company can reproduce the tyranny of the pyramid inside dozens of smaller teams. Worse, an organization may publicly claim that authority has moved while decisions continue to be made behind the scenes. Then nobody quite knows which system is real. Formal power has supposedly disappeared, informal power cannot be named, and decision-making stalls in the gap.

This is why distributed organizations require more intentional governance, not less. Practices such as sociocratic consent create explicit ways for people to contribute information, raise objections, and improve proposals. The aim is not to eliminate power, but to make its movement visible and design how it can be used.

"You cannot expect power to disappear if you let the hierarchy disappear," Emanuele said. "Actually, it gets even more difficult."

Freedom without governance easily becomes freedom for the already powerful.

The Work after the Design

So how does change begin?

Emanuele favors pilots: small enough to learn, real enough to matter. But experiments cannot remain an island for the converted. At some point, the rest of the organization needs to understand what is happening, why it matters, and what it could mean for careers, status, income, and everyday work. That requires repeated, vulnerable communication - including what has failed. He described a client gathering after four years of transformation. For the first time, every team entered the same room and shared what it had tried, learned, and got wrong. Others could challenge what was missing or not working. This was not the triumphant end of a change program. They were still in the middle. The collective reflection was itself part of the infrastructure. Consultants often see the apparent solution early and become impatient when an organization cannot accept it. Two years later, the client may return to the same idea. But that does not mean the intervening time was wasted. People could not have arrived there earlier. Each step made the next door visible.

This demands a different posture from the transformation practitioner: bring examples, facilitate inquiry, and offer experience - but do not assume you know the organization better than the people inside it. Work with people. Let them determine whether they have the appetite, energy, budget, and patience for the journey. Then create it together.

From a Bigger Machine to a More Alive System

Toward the end of our conversation, I asked what Emanuele would say to the CEO of a 100,000-person company caught in yet another loop of transformation. He would not begin with RenDanHeYi. He would begin

with the pain: slow innovation, disengaged employees, poor quality, distance from customers, or an inability to adapt. Most leaders respond to these problems with better processes or new technology. Both may help. Neither is the first answer. The first answer is to rethink the organization so that its people can own the problem and find the answers. That is the deeper promise of designing scale; not a frictionless enterprise. Not the absence of structure, pressure, failure, or power. And certainly not thousands of tiny pyramids hiding beneath entrepreneurial language.

It is the possibility of building an organization large enough to share resources and identity, yet alive enough to move through its edges. One that does not merely employ adults but trusts them with reality. One in which strategy becomes a portfolio of possibilities, coordination becomes a living practice, and freedom comes with the means to use it.

The pyramid promises control by making the organization legible from the top.

The rainforest offers something else: not certainty, but survival; not uniformity, but life.

And perhaps that is the shift scale now asks of us - not learning how to build an even bigger machine, but learning how to tend a forest.



Emanuele Quintarelli

FOUNDER & CEO, CHAORDIAN

Emanuele Quintarelli is the founder and CEO of Chaordian. He works with organizations on platform organization design, self-management, ecosystemic models, and the translation of RenDanHeYi principles into context-specific transformation journeys. He has collaborated with Haier for six years through research, case studies, training, tools, and conference facilitation.

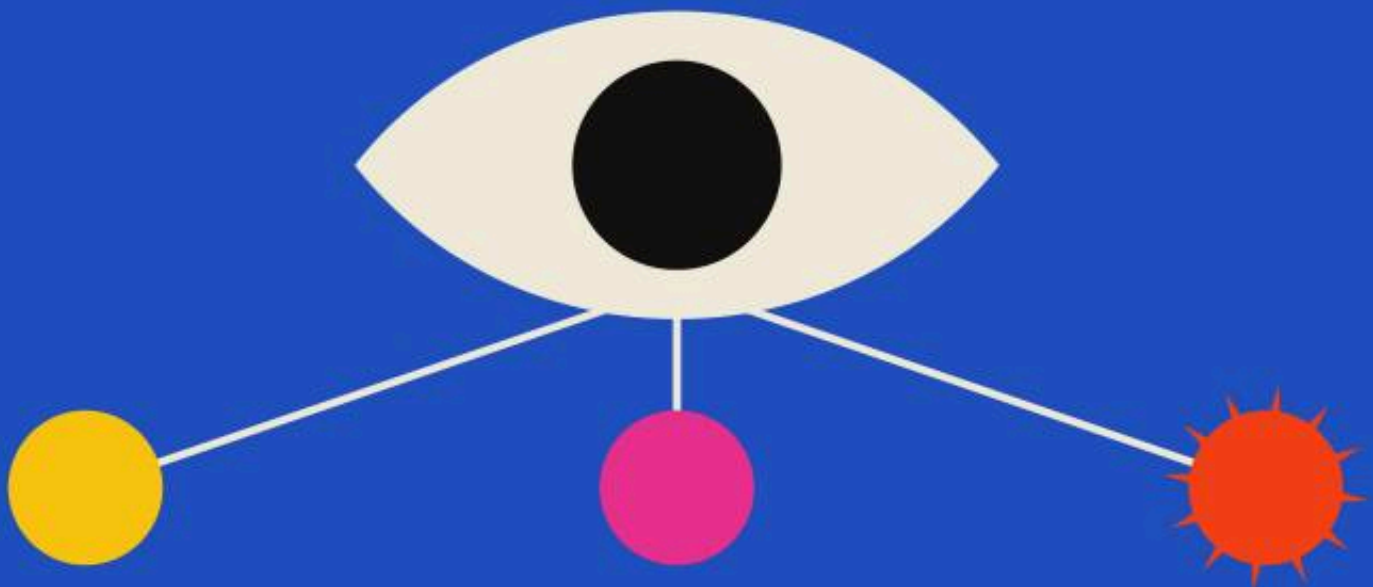
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**DON'T COPY
THE FOREST.
GROW THE
CONDITIONS.**

TRANSLATE THE NEED / NOT THE MODEL

SHARED INFRASTRUCTURE.



LOCAL JUDGMENT.

Share the platform. Keep decisions close to the work.



LIVING SYSTEMS

DO NOT SCALE
BY COPYING.

SENSE / ACT / SURRENDER



ONE SHARED NEED

MANY LOCAL FORMS

KEEP LEARNING

ISSUE 002 / LIVING SYSTEMS / SINA

14

SCALING WHAT CANNOT BE STANDARDIZED

What SINA's living ecosystem teaches us about self-organization, learning, and the limits of organizational design.

SENSE

ACT

SURRENDER

WRITTEN BY TINE BIEBER

IN CONVERSATION WITH PHILIPP MÄNTELE, SYSTEMS STEWARD AT SINA GLOBAL

What SINA's Living Ecosystem Teaches Us About Self-Organization, Learning, and the Limits of Organizational Design

Based on a conversation with Philipp Mäntele, Systems Steward at SINA Global

By Tine Bieber

We know how to replicate a model. But can we scale the capacity to meet reality without reducing it first?

When I told Philipp Mäntele that I make a linguistic distinction between *self-organization* and *self-management*, I thought I was offering a useful clarification.

Self-organization, as I understand it, describes the emergence of order without central design: local interactions creating larger patterns, as we see in nature. Organizations, by contrast, are always designed to some degree. Someone incorporates the legal entity, defines its boundaries, distributes rights, controls resources, or installs a governance system. This is why I tend to call the organizational practice *self-management*: the capacity for people to steer work is not simply spontaneous. It is enabled and constrained by design.

Philipp did not reject the distinction. But he moved the conversation somewhere more uncomfortable.

What if the point is not to decide which label is correct? What if the deeper question is whether a system is moving toward the concentration of power, money, knowledge, and agency, or toward their distribution?

In that reading, self-organization is not a model and not an achievement. It is a direction of travel.

That idea sits at the center of Philipp's work with SINA, the Social Innovation Academy. SINA supports young people, many from refugee communities or other marginalized backgrounds, to turn challenges they have lived through into social enterprises. Its public model combines self-managed learning, community life, and entrepreneurship. By 2025, the network had grown to 23 SINA communities in nine countries, with around 2,000 jobs created cumulatively, according to its latest impact report.

This sounds like a scaling story. It is. But not in the usual sense.

SINA does not scale by making every community identical. Nor does it imagine that a sufficiently sophisticated operating model can hold the whole. It scales by cultivating people and communities that can sense what their context asks of them, act, learn, and adapt.

Philipp's shorthand for this is:

Sense. Act. Surrender.

The most important word may be the last one.

When the Model Becomes the Reality

Much of organization design begins by reducing complexity. We draw an org chart, map processes and assign decision rights. We define a target operating model and this reduction is not inherently wrong. A map can make action possible.

But maps can become dangerous when we forget what they leave out.

Philipp contrasts the mechanistic impulse that still shapes much organizational thinking, with its drive to isolate variables, formulate a hypothesis, test it, and build a transferable model, with a more Goethean relationship to reality.

Goethe was not a management philosopher, nor did he develop a theory of organization design. He was a poet, writer, statesman, and natural scientist. His relevance here comes from his way of studying living phenomena. Goethe resisted understanding nature only by separating it into isolated parts. He attended to transformation, relationship, and the whole as it revealed itself through close observation. Contemporary accounts of Goethean inquiry describe a movement between precise attention and open awareness: allowing the phenomenon to challenge the observer's categories rather than merely confirming them.

Philipp borrows this as a philosophical and epistemological lens for his own organizational practice. He is not proposing "Goethean management" or presenting Goethe as a new authority for leaders. That would repeat the very mistake he is questioning: turning another way of seeing into the next framework to implement. His point is more fundamental. In a living social system, the observer is involved. The person holding a role must remain vulnerable enough for reality to change their understanding.

That is what *surrender* means here. Not passivity and not the abandonment of responsibility. It is the discipline of loosening one's attachment to the model when the model and lived reality diverge.

For Philipp, Sense, Act, Surrender is not simply a phrase but an established practice within SINA, documented and used across several years and communities. He also sees the orientation behind it as inherent to self-organization itself. Sense what is happening and act from what can be known now. Then remain willing to surrender the explanation when reality contradicts it.

Implementation therefore does not mean possessing the answer. It means building the capacity to meet complexity situationally, while recognizing that different dynamics may be active at once. The aim is not to compress all of reality into a shared model but it is to help people notice, hold, and process more of it.

This is a very different ambition from organizational alignment as we usually describe it. Alignment often means reducing interpretive differences until everyone can repeat the same logic. SINA's practice suggests another possibility: **enough shared language to coordinate, but enough openness for context to speak back.**

I did not enter this conversation as an outside observer. I had spent five years inside an oil and gas supplier experimenting first with Holacracy and later with the

For-Purpose Enterprise, including its separation of organizational life into three distinct contexts. We organized around roles, processed tensions, explored personal and organizational purpose, introduced co-ownership, and redesigned hiring and firing around contribution and purpose alignment. For a while, it offered an extraordinary degree of freedom, meaning, and possibility.

Then purpose acquired another kind of power.

Because the organizational purpose consisted of words, it required interpretation. Gradually, knowledge about what the purpose “really” meant became concentrated among a few people. The attempt to align our understanding moved beyond coordinating work and toward aligning perspectives and belief systems. The language grew more sophisticated while relationships weakened. Individual needs and intuition became easier to subordinate to something that appeared larger and more important than any one of us.

I later described this experience in *The Purpose Experiment: From Dream to Crushing Reality*. My conclusion was not that Holacracy, purpose, or the For-Purpose Enterprise were inherently misguided. Each opened possibilities we would not otherwise have discovered. But no model remains innocent once people begin using it to interpret belonging, contribution, and legitimacy. Purpose can inspire collective action. It can also become a source of normative control when some people gain greater authority to define what alignment means.

This experience shapes how I hear Philipp. I recognize the value of distinguishing between work, people, purpose, and community. Different tensions do require different forms of attention. But I am cautious about treating the naming of contexts as evidence that we know how to hold them. Human beings do not divide themselves as cleanly as governance systems do. Identity, loyalty, money, informal power, and interpretation continue to move between the spaces.

A framework may help us see these dynamics. But its language must remain subordinate to lived experience. The moment the model becomes more authoritative than the reality it was designed to illuminate, it starts closing the very capacity for learning it promised to create.

One Enterprise, Several Realities

In the background, SINA uses **Symbiotic Enterprise**, an approach developed by Christiane Seuhs-Schoeller and rooted partly in Holacracy 4.1. One of its essential moves is to distinguish between contexts, or “spaces,” that coexist but are governed by different dynamics.

Work belongs to the organizational context. Relationships between partners belong to the people context. Legal and institutional questions sit in the enterprise context. Community creates another context again. More can be added where the lived system requires them.

The elegance is not that each context is completely understood. It is the opposite. The distinction acknowledges that we do **not** fully understand them. It

also recognizes that a tension changes depending on the space in which it arises.

A conflict about role accountabilities is not necessarily a conflict between two human beings. A wound between two people cannot always be resolved by rewriting a role. A question of belonging is not equivalent to a question of workflow and a legal obligation does not disappear because a community has reached consent.

The Language of Spaces, also developed by Seuhs-Schoeller, offers a way to separate an entangled challenge into aspects that can be processed in their relevant contexts. Earlier Holacracy implementations were often criticized for organizing work while leaving the human relationship system implicit. Symbiotic Enterprise makes that plurality visible: organization and people sit alongside one another rather than one absorbing the other.

At SINA, this produces a deceptively simple consequence: **roles do not learn; people do.**

A governance system may define where authority sits, but learning moves through human relationships, communities, and organizational boundaries. A person carries insight from one role into another, from one SINA community into a guild, and from a failed initiative into the next attempt. To treat learning as only an organizational process would miss where much of it lives.

This matters as SINA grows. Over twelve years of practice, three interdependent pillars have emerged:

Empowerment, Enterprise, and Community. They were not designed in advance and then rolled out. They emerged from practice and were later articulated and documented in SINA’s public materials.

Empowerment concerns the person and the mindset shift toward agency. Enterprise concerns the systems through which people work, decide, and create. Community provides belonging, mutual support, and the lived experience of interdependence.

None is sufficient by itself.

Empowerment without systemic change can become a demand that individuals overcome conditions they did not create. Enterprise design without personal growth can install distributed authority that people do not yet feel able to use. Communities without meaningful agency can offer belonging while leaving power untouched.

Together, the pillars suggest that scaling agency is multidimensional. People need room to grow, structures through which they can act, and relationships that can hold the vulnerability of learning.

You Cannot Grammar Your Way into a Living System

Progressive organizations are remarkably good at inventing language. Teal. Purpose. Wholeness. Evolutionary purpose. Self-management. Regeneration. Ecosystem. The language can open a door but it can also become a substitute for walking through it.

Philipp describes his own path through these ideas with unusual honesty. *Reinventing Organizations* helped him discover self-organization. Stories such as Zappos made radical change appear possible. Then lived experience at SINA complicated the promise.

A chief executive can announce a new operating system but that does not mean people will inhabit it. A constitution can distribute formal authority. That does not guarantee trust, participation, or self-efficacy. A company can call itself Teal while power quietly reconcentrates around money, knowledge, personality, or access.

This is where Philipp's directional definition becomes useful. Instead of asking whether an organization *is* self-organized, ask: Is decision-making becoming more centralized or more distributed? Are more people gaining meaningful participation, or merely more tasks? Is knowledge becoming accessible, or accumulating with a few interpreters of the system? Is the capacity to act growing across the ecosystem? Are people becoming more self-efficacious, or more dependent on those who designed the model?

These questions allow conversations across ideological boundaries. Philipp found he could speak with leaders in large corporations without silently measuring them against a Teal ideal. The question was no longer whether they had arrived at the correct stage. It was whether the system was increasing or diminishing the agency of the people within it.

This also places a productive limit around the term self-organization. Recent [organization-design scholarship makes a related distinction](#). Phanish Puranam argues that direct order without any global influence structure is rare in human organizations. More often, the higher-level structures that shape behavior have themselves emerged through decentralized interaction. Formal structure still matters. Research by Julien Clement and Puranam further suggests that even imperfect formal design can regenerate interactions that might otherwise decay.

In other words: emergence and design are not opposites. Design can create conditions for emergence and emergence can reshape design. The danger begins when either side claims the whole.

Scaling as a Learning Architecture

SINA now consists not only of multiple organizations but of multiple kinds of participants: scholars, alumni, volunteers, SINA communities, social enterprises, partners, and SINA Global itself. No single organization contains the system.

That is where the word *ecosystem* stops being a metaphor and becomes a design problem.

How does knowledge move between independent communities without turning the center into headquarters? How can a practice become shareable without becoming compulsory? How can local experience inform the whole without being stripped of context? How can the network protect vulnerable people without centralizing every decision?

Philipp's role as Systems Steward focuses increasingly on these questions. One response is the use of **guilds**: learning spaces that can span organizational borders. Participation is not necessarily imposed on every SINA. People gather around a theme because it matters to their work, drawing experience from different roles and

communities.

But Philipp noticed something else. It is not enough for a small group of highly knowledgeable people to advance an abstract topic. Each learner must also support others beneath their level of understanding, continuing down toward the average experience of the system. Learning moves as a chain of learner-to-learner relationships.

This creates a kind of learning pyramid. It is not a hierarchy of status, but an obligation to keep expertise connected to practice. Without that downward and outward movement, a guild risks becoming an intellectual enclave. With it, highly abstract questions can be explored while remaining answerable to lived reality.

Here, Symbiotic Enterprise begins to look less like an organizational model and more like a shared syntax for navigating a system that cannot be fully modeled. Because SINA is not a top-down concept, the question is not whether every SINA uses the framework identically in daily practice. Systemically, its value is that tensions and failures across community, people, organizational, and enterprise contexts can become visible and processable.

Its value is not that it prevents failure. It makes failure processable.

Philipp is explicit: at SINA, "fail forward" does not mean celebrating an occasional experiment that did not work. It means accepting continuous inadequacy. The fundraiser experiences the limits of fundraising. The Systems Steward sees where the system falls short and the entrepreneur discovers that customers do not want what the enterprise currently makes. Each role is a site at which reality can contradict the plan.

Consider **Kimuli Collections**, a social enterprise born at SINA that developed upcycled products from plastic waste. What happens when customers begin asking for natural materials instead of plastic?

The tension is particularly interesting because the same customers attracted to Kimuli's environmental mission may be the ones questioning whether upcycled plastic is enough. The organization cannot resolve this through an abstract answer about the ideal social business. It exists simultaneously in a market, an ecological context, a community, and a livelihood system.

Founder Juliet Namujju can listen to what the market is telling her, examine whether it aligns with the enterprise's purpose, decide whether something needs to be challenged or integrated, and allow the enterprise to find a new relationship with its environment. The point is not that the customer is right, or that Kimuli must change. The point is that the enterprise remains capable of being changed by what it encounters.

Perfection is unavailable and responsiveness is designable.

The Social Fabric Has Entered the Room

There is, however, a shadow side to this work.

Separating organizational, people, community, and enterprise contexts does not make any of them healthy. It merely makes their different realities harder to ignore.

Philipp warns that Symbiotic Enterprise can open the door to an eroded social fabric. When more of the people and

community context becomes visible, the organization encounters trust, belonging, identity, reciprocity, conflict, and care as they actually exist. A distributed system does not create those capacities by constitutional decree.

SINA's Ugandan roots matter here. Ubuntu offers a language for a relational foundation built around being accepted as a person with strengths and weaknesses, serving and being supported, failing with others, receiving feedback, and belonging before having everything figured out.

But Philipp is careful not to frame Ubuntu as an African management practice that European organizations now need to learn. For him, Ubuntu gives a name to something more fundamentally human: capacities for reciprocity, sharing, belonging, and resistance to domination that human communities have developed across cultures. The important question is not which culture "has" Ubuntu, but what different social and institutional conditions have done to those capacities.

This creates two very different starting conditions. In highly institutionalized contexts, identity, livelihood, belonging, and purpose may have become bundled into formal institutions while the surrounding social fabric has weakened. Elsewhere, relational belonging may remain stronger while access to economic opportunity is fragmented or constrained.

Neither is the more developed condition. And neither belongs neatly to "Europe" or "Africa." Both can exist in Berlin and Kampala. What changes is where the work has to begin.

The organization cannot repair society by itself. Nor should every relational need become the employer's domain. That would create another form of institutional dependence, and potentially another form of control.

It can, however, stop pretending the context is irrelevant. It can create representative roles that connect organization and community. It can invest in shared learning. It can fund time for development. It can support retreats and spaces of encounter. It can recognize that the capacity to use authority is not distributed merely because authority appears distributed on paper.

This is one of the hardest truths in designing for freedom: freedom requires more than the removal of hierarchy. It rests on capabilities and relationships that the workplace neither owns nor can manufacture alone.

Beyond the Immortal Enterprise

Philipp's most radical line of inquiry may be the **Dissolving Enterprise**. Importantly, this is not simply an emerging idea from one of his guilds. It is an established SINA concept with several years of operational history and documented application across multiple communities.

Most organizations assume their own continuation. Even purpose-driven enterprises tend to make the organization the enduring protagonist: the company exists to serve a purpose, and therefore its survival appears necessary to the purpose.

But what if service to society means making the organization less necessary?

The distinction becomes clearer when SINA separates three trajectories that can look similar from the outside. An enterprise can **optimize**, finding a better expression of its response while the underlying gap remains. It can **morph**, because the gap itself has changed and the enterprise changes with it. Or it can genuinely **dissolve**, because the surrounding community has developed the capacity to address the gap without the enterprise.

The last is the most radical. Success is no longer measured by organizational survival, but by whether the capacity the organization once concentrated has become distributed.

Janet Aguti, founder of Totya, a platform supporting survivors of sexual violence in Uganda, has articulated the conditions under which Totya would no longer be needed. Success, in that case, could eventually mean that the organization disappears. The question then becomes: where is the next community that still needs us?

This also exposes the enterprise's instinct for self-preservation.

If employees fuse their identity with the institution, questioning the organization's continued existence can feel like questioning their own. Separating personal from organizational purpose allows both to evolve. A person can seek opportunities where personal and organizational purpose overlap, learning while making a living, without asking one institution to contain their entire identity or career.

For Philipp, a social entrepreneur fills a gap they see in the world. But over time, the deeper contribution may be to help the surrounding system develop the capacity to fill that gap itself. Otherwise, the social mission can become a permanent rationale for organizational expansion.

This does not mean every company should disappear. It means scale should not be confused with institutional immortality.

The unit of success may not be the size of the organization. It may be the increased capacity of the wider system to act for the common good.

That is the "bottom-up revolution" Philipp hopes SINA can contribute to. He does not mean replacing one political or economic system with another. He means a significant increase in people's capacity to collaborate for collective benefit across political, religious, and economic differences.

This reframes scale completely.

The movement grows not when one center controls more territory, but when more people and communities can sense, decide, learn, and build without waiting for that center.

Are We the Fisherman or the Tourist?

Toward the end of our exchange, Philipp returned to the familiar story of the tourist and the fisherman.

The tourist sees the fisherman resting after a good catch and explains how he could work longer, catch more fish, buy a larger boat, build a fleet, become wealthy, and eventually retire. Then, the tourist says, he could lie in the

sun and enjoy life.

The fisherman points out that this is what he is already doing.

The story is often used as a critique of endless accumulation. Here it raises another question.

When we scale, what exactly are we trying to create more of?

More organizations? More programs? More people using the same framework? More revenue, reach, sites, and impact metrics?

Or more human capacity to meet reality together?

SINA has structures. It has a framework, legal entities, roles, governance processes, social enterprises, and a global network. This is not a romantic story about order emerging without design. But neither is it a story about a model perfected at the center and reproduced at the edges.

It is the messier work of designing structures that remain corrigible: structures that help people see tensions, distinguish contexts, build agency, and change course. The framework matters. So does the willingness to surrender it when reality says otherwise.

And perhaps this is where Philipp's challenge to my own definition of organization design becomes most interesting. From the perspective of a Systems Steward, the task is not to centrally design what a thousand people should become. It is to create enough structure for those thousand people to participate in the continuous evolution of the system themselves.

Perhaps that is what scaling a living system demands.

Not the elimination of design.

Not the worship of emergence.

But the redistribution of the capacity to design.

Self-organization is not a destination. It is the ongoing question of where power is moving.

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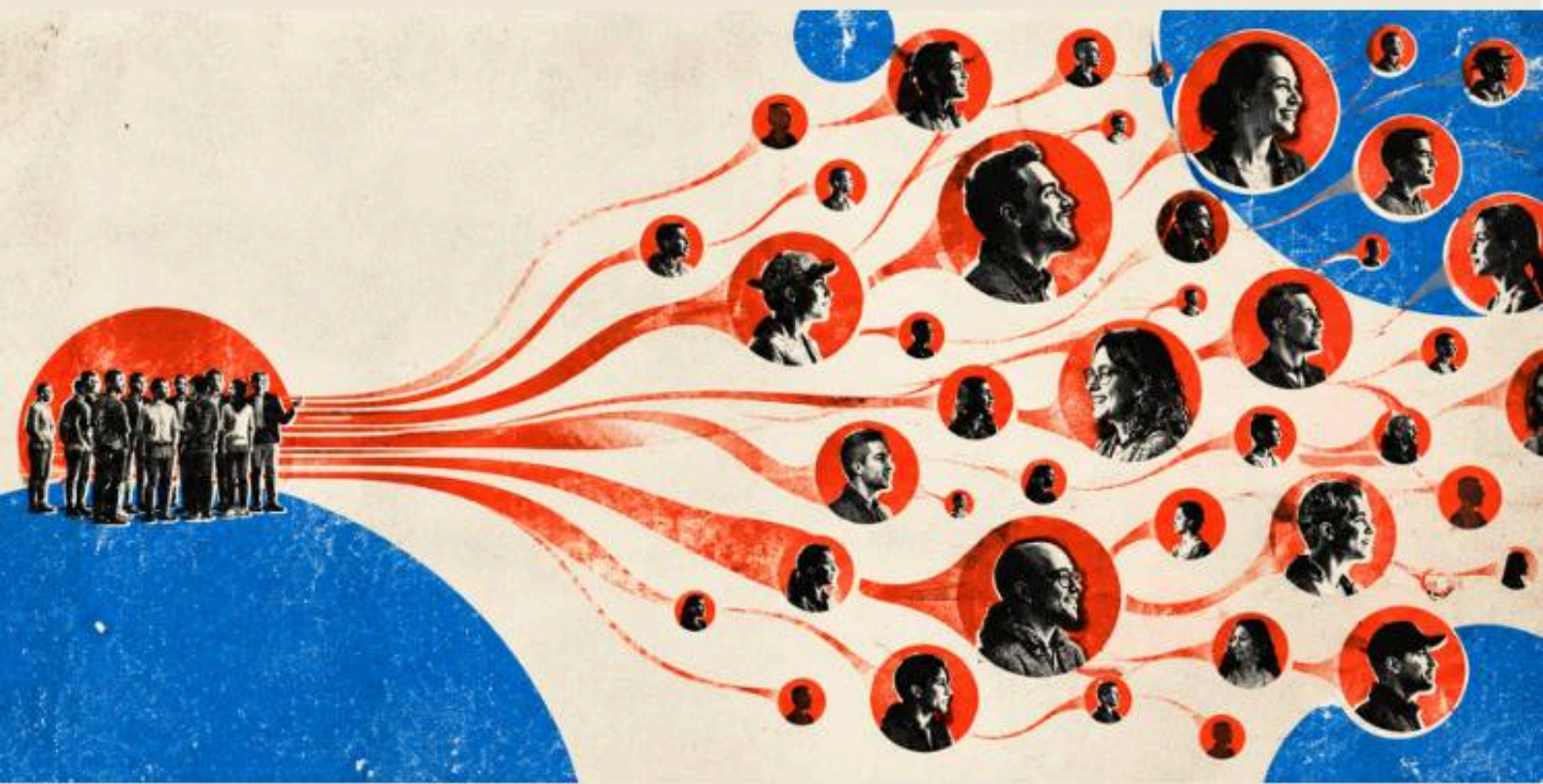
Concepts and examples including Sense, Act, Surrender, the Dissolving Enterprise, SINA's guild architecture, Kimuli Collections, Totya, and the reflections on social fabric and Ubuntu draw additionally from the author's direct conversations with Philipp Mänteles.



Philipp Mänteles

Systems Steward, SINA Global

Philipp joined SINA in 2014 and helped co-create SINA Global, the network connecting its independent communities. He works on distributed learning, agency and the conditions through which the ecosystem can evolve.



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HOW TO SCALE A MOVEMENT WITHOUT KILLING IT

Inside the bottom-up architecture behind Bayer's 2,000 DSO champions.

WRITTEN BY TINE BIEBER

IN CONVERSATION WITH ALI CENGİZ

HOW TO SCALE A MOVEMENT WITHOUT KILLING IT

Inside the Bottom-Up Architecture Behind Bayer's 2,000 DSO Champions

WRITTEN BY TINE BIEBER / IN CONVERSATION WITH ALI CENGIZ

In nine months, a network of 2,000 champions emerged inside Bayer's transformation toward Dynamic Shared Ownership. The number is impressive but there is so much more to it.

One of my burning questions was what made those people want to participate, and what allowed the movement to grow without becoming another corporate rollout dressed in the language of empowerment. In this context, I got to talk to the initiator of this movement, Ali Cengiz.

Ali spent ten years at Bayer and helped initiate three internal movements: the company's corporate volunteering initiative, a changemaker community in procurement, and finally the DSO Champions Community. The common thread is deeply personal. He describes his driving values as ambition, giving back, and creating something that changes people's lives.

That personal intention matters because movements do not begin with scale. They begin with care, credibility, and a small number of people willing to move before there is certainty.

"People will feel whether something is being done for the sake of doing it or for the sake of care," Ali says. "You cannot change something you do not care about."

A Top-Down Transformation with a Bottom-Up Movement

There is an obvious paradox in calling the Bayer initiative bottom-up. Dynamic Shared Ownership was announced from the top and the need for a champions network was also supported at board level. Two hundred people at the top, Ali argues, could not transform an organization of roughly 100,000 people on their own.

Yet the transformation's origin and the movement's method were not the same thing. Ali deliberately resisted launching the champions network as a grand corporate program. Too many organizations announce transformation before employees have experienced anything different. The promises arrive first and evidence follows later, if at all. Over time, people stop believing in the language.

"The one thing I did not want was to communicate: now we are building a community, and this is everything we are going to do," he explains. "First, people have to do something. Others see it, experience it, become curious, and may then want to become part of it. Movements are not communicated top-down. They start slowly, here and there. People see, hear, and talk, and then things begin to roll."

The distinction is subtle but essential. Leadership created legitimacy and space and the community created participation. The movement did not pretend the hierarchy had disappeared but it worked with the existing system while trying to alter how change moved through it.

This may be one of the first principles of designing scale: the top can authorize the conditions for a movement, but it cannot manufacture voluntary energy.

Start with 12, Not 2,000

Cengiz carried an audacious vision: reach one-third of the organization, around 33,000 people at the time, who could role-model and multiply the behaviors needed for the future. But he did not start with a mass campaign. He started with 12 people in procurement. He called them the "champions' heart."

They were not selected through the conventional corporate logic of appointing high-potential employees to a prestigious initiative. Ali wanted the people others already trusted and informally followed, regardless of reporting lines or title. His metaphor was internal Instagram: who are the people within the organization who already create energy and influence?

"We were not nominating champions from the top," he says. "That never worked. You nominate people because they are considered high potential, give them freedom, and then discover that it does not necessarily become successful."

The first 12 spent several days learning together, discovering their strengths, clarifying their roles, and defining the authority and boundaries they needed to make decisions. They tested the concept before attempting to expand it. Then they formed smaller, interdependent work packages and began scaling the community themselves.

Within two or three months, the group had grown from 12 to roughly 150 people. From there, regional participants onboarded new champions and continued the work in their own contexts. This recursive architecture, not Ali personally training thousands of people, made the growth to 2,000 champions possible.

The movement scaled because its members learned how to reproduce the conditions that had helped them grow. They were not simply given content to distribute. They were given the ability to convene, coach, teach, and adapt.

Design Interdependence, Not Little Kingdoms

One of Ali's more provocative lessons concerns the work itself. Many organizational groups are teams in name but collections of independent domains in practice. Each member owns a separate kingdom and can succeed without the others. Under those conditions, collaboration remains optional. The champions' work packages were designed differently. Each depended on the success of the others.

"If one work package died, another would die too. If one was successful, the other would be successful too," Ali explains. "They had to work together to make the whole thing happen."

That is a useful correction to the romantic idea that shared purpose alone creates community. Hope and dreams may attract people, but interdependence gives their collaboration a practical reason to exist. Scale does not come only from inspiring more people. It comes from designing relationships between the work so that people must coordinate, learn, and succeed together.

A Champion Is Not a Title

So what makes someone a champion?

Ali looked for intrinsic multipliers: people who were already sharing ideas, giving back, generating energy, and helping others feel heard. He and his colleagues used personas and sociograms to identify relational influence, not simply formal status or technical expertise. They asked intentionally unusual questions to themselves: Would you invite this person to your birthday? Would you go on vacation with them? If they called at three in the morning, would you drive across the country to help them?

The literal scenario is less important than what it tried to reveal: depth of trust and care.

Yet this is also where the approach becomes more complicated. Care inside an organization can be powerful, but it is not neutral. Who is perceived as caring is subjective. Invitations can feel like obligations and strong relationships can create belonging, but they can also blur professional boundaries or make it harder for someone to step away. When a colleague nominates you because you are "the energizer" everyone follows, are you genuinely free to decline, or does the recognition itself create pressure?

Ali's response is that the capacity to set boundaries is part of the transformation. People must be able to ask what gives them energy, what drains it, what they will stop doing, and what they are choosing instead. But he is also candid about the reality of a large corporation: the ideal of entirely voluntary participation cannot always be guaranteed. Open invitations, peer nominations, informal networks, and occasional top-down nomination coexisted.

That tension should not be polished away. If a movement depends on voluntary energy, then consent, boundaries, and the right to say no are not peripheral concerns. They are part of its architecture.

Stop Pretending 20 Percent Means 20 Percent Many change initiatives are assigned to people as an additional 20 percent of their role. In practice, Ali says, that rarely creates an 80-20 split. It creates 120 percent.

The champions' initiative stopped using that fiction. Coaching conversations, facilitating retrospectives, helping teams clarify authority, and recognizing people's strengths were framed not as side work, but as part of the organization's future capability.

For some champions, this meant renegotiating their goals. Ali describes people becoming confident enough to tell a manager: I have five goals, but this work gives me energy and matters to the organization. One of the other goals must be stopped, delegated, or redesigned.

**NUMBERS CAN GROW
FASTER THAN TRUST.**

That capacity did not appear after a three-day workshop. Members received sustained development, coaching, and reflection. Early groups worked with coaches for months. They met biweekly, held monthly retrospectives and quarterly in-person sessions, and continued to receive education. Monthly workshops introduced practical methods, from running team retrospectives to clarifying authority and boundaries, and champions brought these practices back into their teams.

"In three days, they will not become a community," Ali says. "It takes several quarters. And it is not a one-time event where we say: cool, now we have champions and it works."

This is another uncomfortable truth about designing scale: multiplication may be rapid, but community formation is slow. Numbers can grow faster than trust.

Bottom-Up Does Not Mean Unsupported from the Top

Before entering a function, the champions team contracted with its senior leader. Certain conditions had to be met: champions needed time and permission to act, leaders had to support the work publicly, and those leaders were expected to model the behaviors themselves. This was not optional scaffolding. Without it, Ali believes the initiative would not have worked.

"You are still acting in a system where the system tells people what to do from the top down," he says. "Until that system changes, you need support from the top for these activities to be done and received in the teams."

The greatest resistance came when leaders wanted to regain control by appointing champions themselves. Ali believed this would produce a network that looked impressive on paper and died within months. Resistance also surfaced around the nature of the work. Reflection, coaching, relationships, and self-awareness were dismissed by some as soft topics. His answer is sharp: coaching and project management are skills that can be learned. Confronting your own beliefs, behavior, and impact is the hard stuff.

There is a systemic reason for resistance. Organizations often promote people for the very behaviors a transformation later asks them to unlearn. If aggression helped someone reach vice president, the system has reinforced the belief that aggression works. Arguing with that belief rarely helps. Ali learned to stop trying to convince and start asking questions.



When Is a Movement Successful?

At first, success was expressed through numbers and reach. How many multipliers had been developed? Could every team learn to run a retrospective within six months? Were practical methods reaching the organization?

Looking back, Ali answers differently.

"Success was when people took something from the community that changed their life in some way," he says. "It is very individual."

He wanted people to become more self-aware, strengthen their self-esteem, recognize their beliefs and behaviors, and better understand how others experienced them. A year after leaving Bayer, champions still wrote to him about what the community had meant.

"People felt: there is no competition here. I feel heard. I feel seen. What I say matters. If you create that, the community will grow."

This definition of success is deeply human, but it raises an important organizational design question. A community can change lives and still fail to alter the system around it. It can create belonging while leaving decision rights, incentives, and workload untouched. At its worst, belonging may even persuade people to remain in contexts that no longer serve them.

The relational layer must therefore be held with care. Relationships should strengthen people's agency, not bind their identity to the organization or make participation emotionally compulsory. The purpose is not to convert the workplace into a family. It is to create enough trust for people to collaborate honestly, challenge one another, and remain free to leave.

Protect the Heart, but Do Not Make It a Martyr

For Ali, a sustainable community needs continuous investment, clear authority and boundaries, time, budget, rituals, and deliberate onboarding and offboarding. It also needs a heart: a person, or a small group, trusted across the community who keeps infusing hope, energy, and connection.

"The heart can change over time," he says. "It does not always have to be the same person or group. But the heart has to keep beating. When the beat is over, it is over."

This image captures both the power and the vulnerability of bottom-up movements. The heart creates warmth and coherence that no operating model can fully prescribe. But if the community's survival depends on one exceptional individual donating endless emotional labor, the design is fragile. Protecting the heart must mean more than celebrating it. It means distributing the relational work, making space for renewal, and allowing the role to move before the person carrying it burns out.

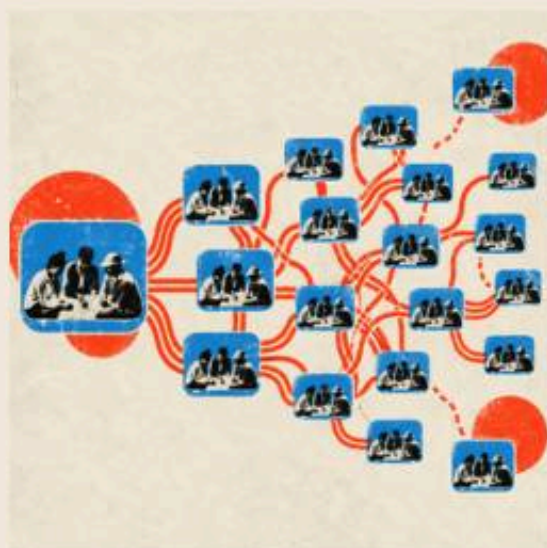
The Bayer story does not offer a clean formula for scaling change. It offers something more useful: a set of tensions that must be designed rather than solved.

A bottom-up movement can be invited from the top, but not commanded. It needs structure, but not suffocation. It needs care, but not emotional captivity. It needs visible champions, but should not turn them into a new elite. It needs a beating heart, but cannot consume the person who carries it. And it needs scale, but must remember that 2,000 names do not automatically make a community.

Perhaps the real achievement was not that Bayer created 2,000 champions in nine months. It was that a small group learned how to create the next group, and that the role of the initiator changed as the movement grew: from visionary to coach to architect of the conditions in which others could lead.

That may be the central lesson of designing scale.

You do not scale yourself. You design for others to carry the work without needing to become copies of you.



YOU DON'T SCALE YOURSELF.

DESIGN FOR OTHERS TO CARRY THE WORK.



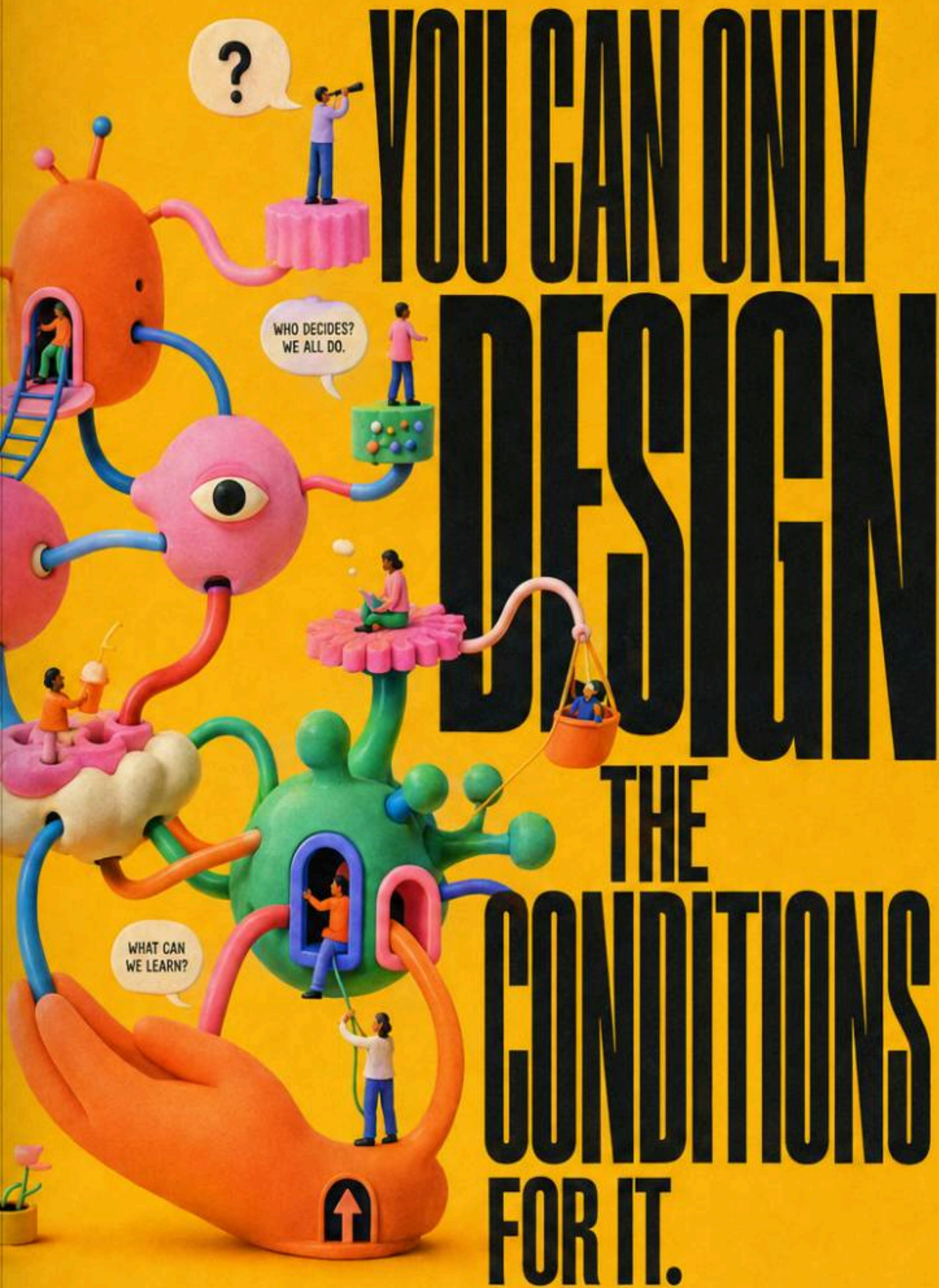
ALI CENGIZ

FOUNDER, COACH & MOVEMENT ARCHITECT

Ali connects self-awareness, community and systemic change. At Bayer, he helped a small circle of 500 champions grow into a movement of 2,000 people in nine months.

**YOU CANNOT
SCALE
FREEDOM.**

A person in a white shirt and green pants stands on a pink circular platform. A green slide extends from the platform, leading to a green, rounded structure with a pink door and a small pink staircase. The background is a solid yellow color with large, bold, black text.



**YOU CAN ONLY
DESIGN
THE
CONDITIONS
FOR IT.**



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THE ORGANIZATIONAL MODEL WE FORGOT TO TALK ABOUT

We know Haier. We know Zappos. So how did Business-within-a-Business remain almost invisible?

BWB

RENDANHEYI

ZAPPOS

WRITTEN BY TINE BIEBER

IN CONVERSATION WITH DEAN MEYER

EDITED BY HANNES ALTON

We Know Haier. We Know Zappos. So How Did Business-within-a-Business Remain Almost Invisible?

By Tine Bieber, edited by Hannes Alton

At the beginning of July, a book arrived in my mailbox.

It had been sent to me by Dean Meyer, an organizational designer based in the US, whose work stretches back decades. The book itself was written by Sergio Paiz, co-owner and CEO of Grupo PDC, a Latin American consumer-products company. Its title was not exactly modest:

Every Manager an Entrepreneur: How PDC Implemented the Business-Within-a-Business Organization, and the Remarkable Results.

I began reading with a strange mixture of recognition and surprise.

Recognition, because the core idea did not feel entirely new. We know the language of microenterprises through Haier and RenDanHeYi. We have heard Tony Hsieh describe Zappos as a city rather than a hierarchy: an organization shaped by self-management, fast feedback loops and market-based dynamics. We have spent years talking about entrepreneurial teams, distributed authority, customer proximity and organizations as networks rather than pyramids.

Surprise, because here was another body of work - developed through a different lineage, with its own architecture, concepts and decades of application - that has barely featured in the mainstream conversation about new ways of organizing.

How had we not been talking about this?

And perhaps more importantly: what becomes visible when we place Dean's Business-within-a-Business model beside Haier's RenDanHeYi and the market-based experiments at Zappos?

They share a rebellion against the same organizational problem. But they do not propose the same answer.

The Familiar Problem Beneath Three Different Models

For years, organizations have tried to make people more entrepreneurial without redesigning the conditions around them.

They launch innovation labs. Introduce agile teams. Remove a layer or two. Rename managers "coaches." Ask employees to take ownership.

Yet the budget still belongs to the boss. Support functions still set rules for people they are supposed to support. Business-unit leaders still accumulate staff because owning resources means holding power. People remain accountable for outcomes while decisions are forced on them from above.

We ask for entrepreneurship inside systems designed around roles in processes, or responsibilities for tasks, not accountability for products and services.

RenDanHeYi, Zappos' market-based dynamics and Business-within-a-Business all challenge this contradiction. Each treats entrepreneurship not simply

as a personal mindset, but as a property of the organizational system.

That distinction matters.

Entrepreneurial behavior cannot be summoned through motivational language alone. People need a meaningful domain in which to act. They need (internal) customers whose needs they can sense, and who provide input to their performance evaluations. They need authority over relevant decisions. They need access to resources and feedback. And they need to experience the consequences of what they choose.

All three approaches understand this. But they distribute authority, structure relationships and use the idea of a market in notably different ways

Internal entrepreneurship begins with structure. Too often, jobs are defined by a vague few words in a box, or aren't defined at all. To induce internal entrepreneurship, jobs must be defined by what businesses they run, by their products and services.

And to make this work, teamwork needs to be defined by what people "buy" from one another. Just like in the real world, internal customer-supplier relationships clarify respective accountabilities and authorities.

To reinforce this entrepreneurial paradigm, resource-governance processes can be based on principles of market economics. Dean points out that this doesn't have to mean that money changes hands. But when resources no longer arrive automatically from above and are linked to customers' purchase decisions, a unit must make its value visible and justify the resources it consumes.

Entrepreneurship gains economic consequences. But those consequences differ across the three models. At Zappos, a team could lose customers, funding and eventually its viability. At Haier, funding and rewards followed the value created by a microenterprise. In

Business-within-a-Business, customers decide what they'll buy from internal suppliers; but a poorly performing internal line of business with a capability the enterprise still needs would be improved rather than simply allowed to disappear.

What If Every Department Were a Business?

Dean's proposition is deceptively simple: every team on the organization chart should be understood as a business within the business. Not only the commercial units. Not only product teams, but every team.

A logistics department does not exist merely to manage trucks, warehouses and processes. It provides logistics products and services to customers. IT does not exist to administer systems or enforce policies. It provides digital products, infrastructure and expertise. It offers services and specialist capabilities that other parts of the business can use.

Each internal business has customers. Each produces something of value and each is accountable for results. Every manager, in Sergio Paiz's framing, becomes an entrepreneur.

This does not mean turning departments into separate legal entities or forcing colleagues to invoice one another for every conversation. Dean explicitly separates the model from outsourcing, spin-offs and crude internal chargeback systems. The language of business is meant to clarify value, and authority and accountability, not monetize every human interaction.

Instead of asking, "What activities does this department perform?" the model asks:

- Who are its customers?
- What products and services does it deliver?
- How will customers judge their value?
- What authority does the group need to produce those results?
- What choices do customers have?

These questions change the purpose of a department. It is no longer simply a box containing people and assets to be managed. It becomes an enterprise with a reason to exist.

The PDC Puzzle: Centralize Capabilities without Building an Empire

PDC contained multiple businesses across multiple countries. Sergio Paiz needed a sharp focus on different product lines, and on different geographic markets, without creating separate product divisions or country organizations that duplicate people and capabilities. He began thinking about PDC as a cube: products and markets along one dimension, countries along another, and specialist capabilities cutting across them.

PDC had to behave as many focused businesses and one integrated enterprise at the same time. This is where its story refuses the usual choice between centralization and decentralization.

Before the transformation, leaders of individual businesses wanted their own salespeople, logistics specialists, call centers and support functions. Their reasoning made sense: If I am accountable for results, I need control over the resources that shape those results.

But this produced duplication. Expertise was scattered. Systems and processes diverged. Capabilities were difficult to scale, and headcount became territory. PDC did not solve this by leaving each unit alone. Nor did it build one commanding functional center. It consolidated specialist capabilities, then redesigned them as internal businesses.

Sales, marketing, manufacturing, logistics, customer service, planning, IT and finance could serve multiple brands and all geographies. The specialists gained the scale and depth of a centralized capability. But they were not supposed to rule the organization from the center. Their legitimacy came from serving internal customers.

Dean draws a clear boundary: Customers decide what they need; suppliers decide how to deliver it.

The internal customer decides what it needs and remains accountable for how that purchasing decision creates value for its own customers. The supplier

decides how to deliver the agreed product or service and is evaluated by its immediate customer. The customer cannot micromanage logistics, and logistics cannot unilaterally decide what the business needs. Authority and accountability exist on both sides, but over different domains. This is neither classical hierarchy nor unrestricted autonomy. It is a designed relationship between two accountable actors.

These Ideas Did Not Appear at the Same Moment

The parallels become even more intriguing when we look at the timeline.

The underlying idea of bringing some of the intelligence of markets inside organizations is older than any of these models. Economists and organization theorists had long debated the relationship between markets and hierarchies. Ronald Coase explored the boundaries of companies and markets in 1937, and mentioned contractual relationships internal to a firm. In 1944, Ludwig von Mises wrote, "In the capitalist economy, the operation of the market [does] not stop at the doors of a big business concern.... [It] permeate[s] all its departments and branches.... It joins together utmost centralization of the whole concern with almost complete autonomy of the parts...." In 1965, David Solomons wrote, "It's long been observed that great efficiency and motivation result if managers have the sense that they are running their own businesses." Gifford Pinchot published his book, *Intrapreneurship*, in 1985. By the early 1990s, [William Halal and his colleagues were explicitly writing about internal markets](#) as a way of creating more entrepreneurial organizations.

Dean developed this broad idea into a detailed organizational architecture. His work on internal enterprises developed over decades. His first book on structure, describing internal lines of business, was published in 1995. A publication dedicated specifically to the [Business-within-a-Business paradigm appeared in 2002](#), followed by *The Internal Economy* in 2004. His later books extended the model across structure, budgeting, internal priority setting, and culture. Dean's book, *Internal Market Economics*, was published in 2013; and his *Principle-based Organizational Structure* was released in 2017. In 2022, he put all the pieces together in his capstone book, *How Organizations Should Work: envisioning a high-performing organization made of a network of internal entrepreneurs*.

RenDanHeYi was formally introduced at Haier in 2005. Zappos began implementing Holacracy around 2013, and later started describing market-based dynamics as another pillar of its movement toward self-management.

So, of these three specific approaches, Dean's came first.

That does not mean Haier or Zappos copied it. There is no clear evidence of a direct line of influence. The more interesting possibility is that partly independent experiments arrived at similar conclusions: large organizations need smaller entrepreneurial units, closer feedback from customers and a different relationship between authority and accountability.

They arrived there from different contexts, and built very different systems. Haier's story, in particular, cannot be separated from its history, Chinese context, technological evolution and the long transformation led by Zhang

Ruimin. I explore that specific journey more deeply in my conversation with Emanuele Quintarelli elsewhere in this issue.

For readers who want to explore the evolution of Haier's management model in more depth, *Reinventing Giants* and the academic study "Management Innovation Made in China" offer useful starting points.

Why It Sounds like RenDanHeYi - and Why It Is Not

The family resemblance with Haier is unmistakable.

RenDanHeYi dismantled much of Haier's conventional hierarchy and reorganized the company around microenterprises. These small businesses are expected to remain at "zero distance" from users, respond rapidly to demand and carry direct responsibility for the value they create. Haier increasingly describes the larger organization as a platform: not a central company directing subordinate units, but an ecosystem through which microenterprises, users and external partners can find one another and create value together.

Haier deliberately speaks of **users**, not simply clients or customers. The distinction points to the person who actually uses or experiences a product. That may be the buyer, but it does not have to be. The aim is to connect each microenterprise directly to lived needs, rather than only to a commercial transaction.

Not every Haier microenterprise serves an external user directly. Haier distinguishes between user microenterprises, which create products and services for people outside the organization, and node microenterprises, which provide capabilities such as manufacturing, logistics, design, marketing or human resources to other microenterprises. The word "node" reflects their role as connecting points within the wider network. Their immediate customers are internal microenterprises, which decide what they need and remain accountable for how those purchasing decisions contribute to external user value. Node microenterprises, in turn, are accountable for the value they provide to those immediate customers and must demonstrate that other microenterprises need what they offer.

Business-within-a-Business also reframes teams as enterprises, connects autonomy with accountability, and makes customer value the basis of legitimacy. Both challenge the idea that managers derive power from the size of their budgets or the number of people reporting to them. Both try to replace internal empires with smaller accountable businesses. Both recognize that scale does not require all intelligence to move upward.

But the similarities can conceal important differences.

RenDanHeYi pushes entrepreneurship toward the edges of the organization and organizes both external and internal relationships around user value. Its microenterprises can form, evolve and connect through a wider platform. Unlike Business-within-a-Business, it does not enforce the consolidation of shared services. A user microenterprise can choose among internal node microenterprises, divide work among several providers or source capabilities outside Haier. Because

microenterprises also control recruitment and contracting, they have considerable freedom to assemble the capabilities they need around an opportunity. This makes the system more adaptive, but it does not guarantee enterprise-wide specialization or prevent overlapping capabilities. The model radically questions middle management and the boundaries of the firm itself. Much of the formal hierarchy is deliberately dismantled.

Business-within-a-Business retains a formal managerial structure. The hierarchy remains as a container for a network of internal enterprises. Executives still govern the whole, approve major investments, resolve cross-business tensions and protect the long-term health of the company. The goal is not to abolish management, but to redesign what managers are accountable for and what authority they hold.

For Dean, that stability is what allows entrepreneurship to scale. A planned structure ensures that every necessary capability is present without gaps or overlaps, gives specialists a focused organizational home, and makes clear where to go for what. This supports specialization and teamwork without continually redesigning the organization as individual interests shift. It also avoids the overhead, disruption and demotivation that can accompany repeated structural change.

In both models, each business is accountable not only for satisfying current customers and managing its P&L, but also for investing in and innovating for its own future. But when there's a performance problem, the approaches differ. In RenDanHeYi, internal suppliers that no longer create sufficient value for their customers may cease to exist or be reconfigured.

In Business-within-a-Business, an underperforming internal supplier is treated as a performance problem to be addressed when the enterprise still needs that capability. Its planned architecture is intended to support growth and diversification, enable the enterprise-level reallocation of profits from established cash-generating businesses to emerging opportunities, and facilitate strategic shifts and acquisition integration.

There is also a difference in the primary unit of attention. RenDanHeYi begins with external user value, then organizes user microenterprises and internal node microenterprises around it. Business-within-a-Business begins with a framework of every possible internal line of business (competency), and asks how it can operate entrepreneurially, including internal service and specialist functions.

Haier's question is close to: How do we make every employee an entrepreneur directly connected to user value?

Dean's is closer to: How do we turn every organizational unit into an accountable business, then make those businesses work together as one company?

RenDanHeYi allows microenterprises to form and evolve around changing user needs. Business-within-a-Business deliberately defines how each business fits into the wider organization, what it provides and where its authority and accountability lie.

One pushes harder against hierarchy and allows capabilities to evolve through a more fluid ecosystem. The other retains hierarchy as a mechanism for performance

management, strategy coordination and resource allocation. These are different design choices, each creating its own possibilities and constraints.

Zappos and the Unfinished Promise of an Internal Market

The connection to Zappos is different but equally revealing.

For years, Zappos was one of the poster children of the progressive-work world. It was famous not only for adopting Holacracy (a manifestation of Sociocracy) at scale, but for materializing the vision of its former CEO Tony Hsieh (who died unexpectedly in November 2020 and left an enormous legacy). Tony was an exceptional human being whose presence shaped far more than the company he led.

When I first visited Zappos in the summer of 2017, I was riding my own Holacracy wave and looking for inspiration for the next stage of creating our dream organization. I loved every minute of it. The energy was captivating and the people embraced us so openly that I was quickly drawn into its world.

Eight months later, I returned with my entire team. We worked from the Zappos campus for a week, joined an all-hands meeting, listened to inspiring leaders like Chip Conley and Mick Ebeling, met Tony and danced with the Zapponians until the lights went off.

In the years that followed, our own journey evolved. My view of what we called self-management, autonomy and decentralization became more critical. Zappos evolved too. Holacracy was no longer treated as the final destination. Tony and the team began looking for the next mechanisms that could sustain Zappos' culture and success as it grew.

In 2024, I interviewed Rachel Murch, who had been part of the Zappos team that developed and implemented market-based dynamics. Our conversation helped me understand what came after Holacracy and how far Zappos had gone in turning the metaphor of an internal market into something operational.

Tony did not see Holacracy as the whole transformation. He described it as part of a larger movement toward self-management. Inspired in part by Edward Glaeser's *Triumph of the City*, he imagined Zappos working more like a city: many independent actors, rapid feedback, fewer monopolies and no central planner directing every exchange. Teams would become customers, service providers and investors in one another.

Market-based dynamics began adding an economic layer to the roles and circles created through Holacracy. It did not simply remove hierarchy. It asked each team to operate more like a small business.

By early 2019, Zappos had introduced customer-generated budgeting. Instead of receiving a conventional budget from above, teams had their own P&Ls and something closer to an internal bank account. They created menus of products and services and entered into service agreements with other teams. Money moved through customer relationships rather than only through an annual allocation process.

A homegrown tool called CFO - Circle Financial Overview - made these exchanges visible. Teams could see transactions, costs, service agreements and one another's financial position. People-costs incorporated salary bands, benefits, taxes, overhead and a built-in contribution to the wider company. When someone worked across several teams, those costs had to be divided between them.

It was transparent. It was entrepreneurial. It was also complex.

Teams were expected to cover their costs through the products and services customers chose to fund. Breaking even was considered a positive result because the calculation already included overhead and a contribution margin. Teams that consistently failed to become financially viable were given time, coaching and support to adjust - but over time, failure could have consequences for the work and the jobs attached to it.

Their freedom existed inside what Zappos called the **Triangle of Accountability**. Whatever a team chose to do, it had to:

- Stay true to Zappos' culture and core values
- Differentiate through exceptional service and experience
- Remain financially viable

Within those boundaries, teams had remarkable freedom. Some sold services externally. Some operated almost as a "circle of one," more like a freelancer inside the company. Profitable teams could reinvest part of what they earned into new ideas or growth. Zappos had also begun experimenting with team-based rewards, although Rachel explained that this had not yet been implemented consistently across the whole company when she left.

And not everybody had to become the founder of a microbusiness. One of Rachel's important nuances was that there could be a place for different orientations. Some people wanted to initiate and lead a business; others wanted to bring their expertise into one. Entrepreneurship was enabled, but it did not have to become a new personality requirement imposed on everyone.

This makes the comparison with Business-within-a-Business much more concrete. Zappos did not merely imagine market-based feedback. It built P&Ls, internal accounts, transparent service agreements, investment relationships and mechanisms for moving money between teams.

Dean calls the equivalent layer the "internal economy." But its logic is different. Budgets still exist; but they're treated as "pre-paid revenues" and internal customers decide what to buy with those pre-allocated funds. Internal teams are non-profit businesses that charge fully burdened costs rather than negotiating prices or maximizing their own profit. Profits on external sales belong to the corporation, to make it easy to channel funds to the best strategic investments enterprisewide. Customers participate in suppliers' performance appraisals, but cannot simply let a necessary capability disappear by buying elsewhere. Underperformance becomes an enterprise problem to fix.

External sales are possible when they neither weaken internal service nor give away competitive advantage to a competitor. Both models built concrete mechanisms, but they locate coordination differently. Zappos relied more

heavily on customer choice, team-level viability and experimentation, while Dean's model uses a planned architecture to coordinate capabilities and investment across the enterprise.

The Zappos experiment also makes the difficult questions impossible to avoid:

- Who receives the budget?
- Who can choose among competing priorities?
- Who funds infrastructure whose value appears only later?
- What happens when a service is essential but unpopular?
- Can an internal customer reject its assigned provider?
- How are resources moved when demand changes?

And what happens when a team cannot make its internal business work?

Rachel's account surfaced another tension: the degree to which the experiment depended on Tony. He acted as a buffer between the teams and intervention from the C-suite, shareholders and Amazon. As long as Zappos met its financial obligations to its parent company, the internal experiment had room to continue.

That protection made the model possible. It also raises a familiar question: how decentralized is a system when its freedom still depends on a powerful leader protecting it from above?

Yet Zappos went further in another direction. Holacracy allowed roles and circles to change continuously as people processed tensions. Employees could hold multiple roles in different circles, and the organization chart itself became fluid. Business-within-a-Business does not depend on that degree of structural fluidity. Its entrepreneurship lives within clearly designed businesses and managerial accountabilities. Agility is the result of a dynamic team formation process, where a "prime contractor" responsible for a project or service subcontracts with peers for needed support services. Staff don't wander from specialty to specialty, as their interests dictate; each internal business strives for excellence through specialization.

Zappos experimented with a dynamic market of roles and teams. Dean designs a market organization of accountable businesses. The difference is subtle, but consequential.



**AUTHORITY MUST
EQUAL ACCOUNTABILITY.**

Three Versions of Entrepreneurship Inside the Firm

Placed side by side, the models reveal three distinct ways of designing entrepreneurship inside a large organization.

Table 1: How the Systems Work

DESIGNING SCALE : COMPARISON MAP - 1 / 2

DESIGNING FOR FREEDOM

HOW THE SYSTEMS WORK

Three approaches to designing entrepreneurship inside a large organization.

QUESTION	BUSINESS-WITHIN-A-BUSINESS	RENDANHEYI	ZAPPOS MARKET-BASED DYNAMICS
WHO BECOMES ENTREPRENEURIAL?	The manager of every organizational unit, including internal service and specialist businesses	User and node microenterprises whose members create value together	Roles, circles and teams that offer services and attract funding
WHOM DO THEY SERVE?	Internal or external customers, depending on the business	User microenterprises serve external users. Node microenterprises serve other microenterprises, but ultimately contribute to external user value	Primarily other teams inside Zappos, although some teams also sell services externally
WHAT HOLDS THE SYSTEM TOGETHER?	A planned managerial hierarchy connecting specialized and accountable businesses	A platform connecting microenterprises, users and external partners	Fluid roles and circles, with market relationships layered onto Holacracy
HOW DOES FUNDING WORK?	Customer demand determines what internal businesses are funded to deliver. They recover fully burdened costs rather than maximizing local profit	Microenterprises control their budgets, while income and rewards are tied to financial performance and user value	Teams attract funding from internal customers through service agreements and manage their own P&Ls
MUST A UNIT JUSTIFY ITS EXISTENCE?	Yes, through customer value and performance. When the enterprise still needs a capability, the performance of an underperforming supplier is addressed rather than allowing the capability to disappear	Yes, through user value, demand and microenterprise performance. A microenterprise may be reconfigured or cease to exist	Yes, through customer demand and financial viability. A team can lose funding if customers no longer support it

ISSUE 002 : DESIGNING SCALE - 1 / 2

COMPARISON, NOT PRESCRIPTION

THREE ENTREPRENEURIAL SYSTEMS / BUSINESS-WITHIN-A-BUSINESS

The first differences concern the operating logic of the models: who is expected to act entrepreneurially, whom they serve and how resources reach them. But entrepreneurship also depends on what happens as the organization grows. A model must do more than distribute initiative. It must maintain the capabilities the enterprise needs, evaluate performance, support diversification and absorb new parts of the organization without losing coherence.

Table 2: How the Systems Scale

DESIGNING SCALE - COMPARISON MAP - 2 / 2

DESIGNING FOR FREEDOM

HOW THE SYSTEMS SCALE

Three approaches to designing entrepreneurship inside a large organization.

QUESTION	BUSINESS-WITHIN-A-BUSINESS	RENDANHEYI	ZAPPOS MARKET-BASED DYNAMICS
HOW ARE SPECIALIZATION AND CAPABILITY COVERAGE ORGANIZED?	The hierarchy centralizes shared services where specialization creates value and is designed to ensure that every required capability exists somewhere in the system, internally or through vendors	Capabilities are provided by node microenterprises and external partners. Coverage evolves through user demand and relationships across the wider platform	Expertise is organized through roles, circles and internal service providers. Capability coverage adapts through team formation and customer demand
HOW IS PERFORMANCE EVALUATED?	Supervisors combine internal customer feedback with competitive costs, employee engagement, current results and the strength of each business's entrepreneurial strategy	Microenterprises are evaluated through financial performance and user value, with income and rewards tied to results	Teams are evaluated through customer demand, financial viability and the Triangle of Accountability: culture, exceptional service and financial sustainability
HOW DOES THE MODEL SUPPORT GROWTH?	As internal businesses grow, the hierarchy can subdivide into increasingly specialized businesses without continually redesigning the whole organization	Growth occurs by forming, dividing and connecting microenterprises around emerging user needs	New roles, circles and teams can form around opportunities, allowing the organization to grow through fluid reconfiguration
HOW DOES IT SUPPORT DIVERSIFICATION?	New product lines can draw on existing specialist and support businesses rather than replicating the same capabilities	New user microenterprises and ecosystems can form around different products, services and user scenarios	New ventures can form through entrepreneurial teams, with diversification emerging through distributed initiative and customer demand
HOW ARE ACQUISITIONS INTEGRATED?	Acquired capabilities can be mapped onto existing internal lines of business, making overlaps, gaps and integration responsibilities visible	Acquired organizations can be connected to the wider platform, with integration shaped around the relevant microenterprises, users and ecosystem relationships	Acquisition integration is not a separately specified mechanism within market-based dynamics and depends on the wider organizational context
WHAT IS THE CENTRAL PROMISE?	Make every part of a large company entrepreneurial without losing specialization or integration	Keep a large organization at zero distance from users	Replace central allocation with distributed choices and rapid feedback

ISSUE 002 - DESIGNING SCALE - 2 / 2

COMPARISON, NOT PRESCRIPTION

The comparison shows that the three models do more than use different terminology. They make different choices about who becomes entrepreneurial, who acts as the customer, how resources move, and what happens when a unit cannot sustain itself.

These distinctions prevent us from flattening every alternative organization into the same story. Entrepreneurship can mean running an explicitly defined internal business. It can mean building a microenterprise around an external user need or supplying another microenterprise that does. Or it can mean sensing opportunities and organizing dynamically around them.

The Architecture Behind Empowerment

Perhaps the clearest contribution of Dean's work is what he calls the golden rule of organizational design:

Authority must equal accountability.

In many companies, people are accountable for results they cannot control. Others hold authority without carrying the consequences. Committees blur responsibility. Budgets are inherited through political negotiation. Managers accumulate staff because resources create influence.

But a person cannot reasonably be held responsible for an outcome without the resources, information and decision rights required to produce it.

The golden rule points out that granting autonomy without defining the expected result does not produce empowerment. It produces chaos.

Business-within-a-Business connects three things which organizations routinely separate:

- What you must deliver
- What decisions you can make
- How your performance will be evaluated

Dean's model treats empowerment as an architectural question.

This may sound less radical than abolishing hierarchy. In practice, it can be deeply confronting. It asks support-services leaders to stop controlling their customers. It asks business leaders to stop owning every capability they depend on. And it asks managers to become accountable for products, services and value - not merely people, processes and activity. It does not ask managers to step aside, but it asks them to become entrepreneurs.

But an Organization Is Never Only a Market

All three models introduce some form of market logic inside the organization, although they do so differently. Business-within-a-Business defines internal customer and supplier relationships and uses fully burdened costs without price negotiation. Zappos linked internal services to customer-generated budgets, service agreements and team P&Ls. RenDanHeYi connects user and node microenterprises through relationships shaped by demand and user value. Across all three models, these mechanisms can make value and accountability more visible. But they can also make cooperation feel transactional and encourage units to optimize their own performance at the expense of the whole.

An internal market is not a real market. Some infrastructure must be funded before anybody asks for it. Some capabilities create value only over time. Collaboration often requires generosity that no service agreement can capture.

A company is not simply a marketplace. It is a social system held together by relationships, trust, shared identity, history and purpose. Market logic can make value and accountability more visible. It cannot carry the whole organization.

This is not an argument against the model. It is the tension at its center - and, perhaps, at the center of every attempt to organize through internal entrepreneurship. Haier has to prevent autonomous microenterprises from fragmenting the ecosystem. Zappos had to discover whether market dynamics could become more than a compelling metaphor and a collection of experiments.

Business-within-a-Business has to make internal customer-supplier relationships create integration rather than transaction costs and silos with new names.

Every model of freedom generates its own forms of constraint.

Why Have We Not Talked about It?

I kept returning to this question while reading Sergio Paiz's account of his implementation of the Business-within-a-Business organization at PDC.

Why did RenDanHeYi become part of the global management-innovation conversation while Business-within-a-Business remained comparatively obscure? Why do many of us know [Zappos' experiments with Holacracy](#) - [examined more critically in "Beyond the Holacracy Hype"](#) - yet not the internal-economy architecture Dean has developed over decades?

Part of the answer may be narrative.

Haier offered a dramatic story: a Chinese industrial giant dismantling bureaucracy and turning tens of thousands of people into entrepreneurs. Zappos offered a charismatic founder, a beloved brand and a radical experiment conducted in public. Holacracy came with a constitution, a distinctive vocabulary and a visible movement.

Business-within-a-Business sounds almost too ordinary.

It keeps managers. It keeps an organization chart. It talks about budgets, service providers, decision rights and

resource governance. It does not announce the end of management. It redesigns its mechanics.

That may make it less seductive - but potentially more relevant to organizations that cannot, or do not want to, reinvent themselves as a network of fully autonomous microenterprises.

There may also be a bias in the Future of Work conversation itself. We are often drawn to models that visibly reject hierarchy. We pay less attention to approaches that retain it while redistributing the authority inside it. We celebrate culture, purpose and autonomy, while the less glamorous design of budgets, internal services and resource allocation remains backstage.

But power often lives backstage.

Who controls the money? Who owns the specialists? Who decides what gets built? Who can say no? Who carries the consequences?

A model that answers those questions deserves a place in the conversation.

Success Stories Still Need Uncomfortable Questions

Sergio Paiz presents PDC's transformation as a considerable success. His published account describes an integrated structure in which people could operate as empowered entrepreneurs while accessing specialist capabilities across the company. He documents the model and the results over a period of 15 years.

But every organizational success story (PDC, Haier, and Zappos included) should make us curious about what the architecture alone cannot explain.

What else made it work?

How much depended on the judgment, persistence and power of PDC's owners and leaders?

How much freedom did people experience below the managerial level?

How much influence did internal customers have when a provider underperformed?

What happened when commercial accountability collided with cooperation?

How did the company balance immediate customer demand with investment in long-term capabilities?

Who defined - and could redraw - the boundaries of each internal business?

And what happened when authority and accountability could not be made as neat in practice as they appeared on paper?

These questions do not weaken the model. They are how we take it seriously.

Organization design never distributes freedom without also distributing constraint. Every structure decides where entrepreneurship can happen, what it can affect, and who can stop it.

Entrepreneurship Is a Design Decision

The most useful lesson from PDC is not that every organization should copy its structure. It is that entrepreneurship is not simply a quality we look for in people. It is something we can - and must - design for.

An organization cannot demand initiative while centralizing every meaningful decision. It cannot ask functions to serve the business while rewarding them for control, or hold people accountable for outcomes while denying them the authority to shape those outcomes. And it cannot expect collaboration across the enterprise while people continue to guard budgets, specialists and information inside departmental empires.

Changing job titles will not turn people into entrepreneurs. The surrounding architecture has to make entrepreneurial action possible.

Each of these models helps us see a different part of that architecture. RenDanHeYi shows what becomes possible when we close the distance between the enterprise and the user. Zappos reminds us that distributed intelligence needs fast feedback loops - mechanisms that allow an organization to sense and adapt more quickly than any central planner could. Business-within-a-Business adds another essential question: how can the economic and managerial architecture enable specialized parts of a large organization to act entrepreneurially without losing their ability to operate as one whole?

Perhaps this is why the book arriving in July in my mailbox did not feel like the introduction of an entirely new idea. It felt more like discovering a missing branch in a family tree I thought I knew.

We had been talking about entrepreneurial organizations all along: about microenterprises, self-management, market dynamics, customer proximity and distributed authority.

We just had not been talking enough about the businesses inside a business.

It is time we did.



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Dean is the originator of Business-within-a-Business. He writes and advises on internal businesses, customer-supplier relationships and entrepreneurial culture within a coherent enterprise.

Read More

[How Organizations Should Work: Envisioning a High-Performing Organization Made of a Network of Internal Entrepreneurs](#)

[Sergio Paiz: Every Manager an Entrepreneur The PDC transformation in practice.](#)

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WHAT REPLACES THE MANAGER?

Doug Kirkpatrick, Morning Star, and What Self-Management Can Teach Us
about Scale.

WRITTEN BY TINE BIEBER
DRAWING ON YEARS OF
EXCHANGE WITH DOUG
KIRKPATRICK

Doug Kirkpatrick, Morning Star, and What Self-Management Can Teach Us about Scale

There is a comforting version of self-management that fits neatly onto a keynote slide.

Remove the managers. Trust the people. Let autonomy do the rest.

Doug Kirkpatrick's work tells a more demanding story.

His thinking about self-management was shaped at The Morning Star Company, the California tomato processor that became one of the most widely cited examples of a substantial organization operating without conventional managerial hierarchy. Doug joined Morning Star as its first financial controller and was involved in the development of its approach to self-management. He later co-founded the Morning Star Self-Management Institute and has spent much of his career writing, speaking, teaching and advising organizations about alternatives to traditional command-and-control management. Today, through D'Artagnan Advisors and his work across several organizational innovation networks, he continues to explore what happens when authority and management are distributed more widely.

His books, including *Beyond Empowerment*, *From Hierarchy to High Performance* and *The No-Limits Enterprise*, develop a proposition that reaches beyond Morning Star itself.

Over the years, I have spent time with Doug and visited Morning Star. The case has remained one of the most widely referenced examples of progressive work. Our ongoing exchanges have kept the underlying questions alive: what actually replaces managerial hierarchy when the work still has to get done, and what does that teach us about scale?

The question is not simply:

Can we get rid of managers?

It is:

What if we separated the work of management from the position of manager?

That distinction matters.

A Factory Without Bosses Is Still a Factory

Morning Star operates in a context that is difficult to romanticize. Industrial food processing is capital intensive. Food safety matters and harvests create intense seasonal pressure. The equipment has to run, logistics have to work and decisions have consequences. Removing managers does not remove any of that.

People still need to coordinate work, allocate resources, solve problems, make investments, evaluate contributions and respond when commitments are not met. Morning Star's answer has been to organize much of that coordination through direct agreements between colleagues rather than through vertically assigned authority. At the center of this architecture is the **Colleague Letter of Understanding**, or CLOU.

It is sometimes described as an alternative to a job description, but that understates its role. Instead of receiving a fixed bundle of responsibilities from someone above them, colleagues negotiate commitments with the people affected by their work. The CLOU connects a personal commercial mission with responsibilities,

relationships, commitments and measures of contribution.

The basic organizing relationship starts to shift from:

manager → subordinate → assigned responsibility

toward:

mission → commitments → colleagues → consequences

The logic is no longer primarily:

Do this because I outrank you.

It becomes:

Our work depends on one another. What are we committing to?

Beyond Empowerment

This distinction also explains Doug's criticism of the language of **empowerment**.

To empower someone implies that somebody else possesses the power in the first place. A manager gives an employee more authority, which means that authority can also be limited, changed or withdrawn.

Self-management begins from a different assumption. People have authority over their own work and commitments. That authority is not unlimited and it is constrained by purpose, agreements, expertise, law, safety and the consequences a decision creates for others.

This does not mean that everyone decides everything. Expertise matters, risk matters and impact matters. When a decision affects others or carries significant consequences, advice becomes part of responsible decision making. Authority may be distributed, but judgment cannot be careless.

This is where self-management becomes more interesting than the vague promise of "freedom at work."

Freedom comes with responsibility. Two principles run consistently through Kirkpatrick's work: people should not be coerced by others, and people should honor the commitments they freely make. One protects agency and the other makes coordination possible.

What Can We Learn from This about Scale?

Morning Star is not a scaling framework in the conventional sense. It does not prescribe a certain number of teams, units, layers or governance bodies. What it offers instead is a different way of thinking about what actually becomes difficult as organizations grow.

Scale increases interdependence.

More people depend on one another and more decisions affect more parts of the system. Information has to travel further. Responsibilities become easier to blur. Conflicts become more difficult to resolve.

Traditional organizations often respond by adding managerial layers, approval mechanisms and reporting relationships. Morning Star asks whether that sequence is inevitable. Its architecture attempts to absorb some of this complexity through explicit commitments, direct coordination, accessible information, distributed authority and peer accountability.

The CLOU is one part of that system. Personal missions create direction, direct agreements clarify dependencies and advice brings relevant expertise into decisions. Operational information makes contribution more visible

and peer processes provide ways of dealing with disagreement and broken commitments. None of these mechanisms is particularly revolutionary on its own.

The scaling logic lies in the combination, though. As an organization grows, the challenge is not simply that there are more people. There are more relationships between people, decisions and pieces of work. Traditional hierarchy absorbs many of those dependencies through managerial roles. Morning Star attempts to make more of them explicit and manageable directly between colleagues. That makes the case relevant to scale far beyond the question of whether an organization has managers.

It raises a more fundamental design question:

Does increasing organizational complexity inevitably require increasing managerial hierarchy?

Morning Star suggests that at least some of that complexity can instead be absorbed through stronger commitments, clearer information and more distributed coordination.

The lesson for scale is therefore not:

Remove the managers.

It is to ask:

Where is coordination actually becoming harder as we grow?

Which dependencies need to become more explicit?

Which decisions genuinely need escalation?

Where are managers compensating for unclear responsibilities, weak information flows or poorly designed agreements?

Which management activities could become capabilities practiced more widely across the organization?

Self-management does not remove the fundamental problems of organizing. It changes **who solves them, and through what mechanisms.**

MANAGEMENT WITHOUT MANAGERS.

What Morning Star and Doug Kirkpatrick can teach us about scaling without adding more hierarchy



How coordination scales

TRADITIONAL SCALING

- Growth
- More interdependence
- More coordination needs
- More managers
- More approvals
- More layers

SCALING THROUGH COMMITMENTS

- Growth
- More interdependence
- More coordination needs
- Clearer missions
- Explicit commitments
- Direct agreements
- Advice
- Visible information
- Peer accountability
- Management as distributed capability

"The question is not whether scale creates more coordination. It does. The design question is where that coordination lives."

DESIGNING FOR FREEDOM

Freedom Needs Architecture

There is a danger in making the story sound too clean. Hierarchy performs functions, even when we dislike how it performs them. It settles disputes and assigns unwanted work. It makes trade-offs and evaluates contributions. It also gives people a recognizable place in the system. Remove formal managerial authority and those tensions do not disappear. They move elsewhere.

Research on self-managing teams has shown that peer pressure can sometimes become as powerful as managerial control. Informal hierarchies can emerge around expertise, tenure, personality, reputation, ownership or access to information. Removing titles does not remove power. This is the real design challenge.

A self-managing organization still has to make it possible for people to understand where authority sits, what others have committed to, how decisions are made and what happens when commitments break down.

In that sense, autonomy depends on something that receives much less attention than freedom:

legibility.

In a traditional hierarchy, managers are expected to know who does what, notice gaps, resolve overlaps and redirect effort. When that role is distributed, people need other ways to see the system.

Who is responsible for what?

What have we promised one another?

Which decisions affect whom?

Where is expertise located?

What happens when someone cannot deliver?

The less an organization relies on positional authority, the more visible its commitments, dependencies and consequences need to become. Too little visibility creates confusion and too much visibility can become surveillance. The design challenge lies somewhere between the two.

Not a Model to Copy

The least useful conclusion from Morning Star would be that every organization should introduce CLOUs and eliminate managerial titles. Practices do not travel independently from the system that gives them meaning. Put a CLOU into a conventional hierarchy and it could become a self-written performance contract imposed from above. Turn advice into a mandatory gateway and it becomes approval under another name. Remove formal managers without addressing informal power, and hierarchy may simply become harder to see. The more transferable lesson is architectural.

If an organization wants greater initiative, it has to examine where decision authority actually sits. If it wants accountability, commitments and consequences need to be visible. If it wants fewer layers, it needs credible alternatives for coordination, conflict resolution, resource allocation, capability development and performance judgment. If it wants freedom, it has to take informal power as seriously as formal hierarchy. And if it wants to scale without automatically adding another layer, it has to understand what that layer was solving in the first place.

That may be one of the most valuable lessons Morning Star and Kirkpatrick's wider work offer. **Scale does not**

necessarily require more hierarchy. But it does require more intentional architecture.

The larger the system becomes, the clearer its commitments, dependencies, decision rights and accountability mechanisms need to be. Morning Star demonstrates that the work of management can be distributed much further than conventional organizations often assume. But distribution is not deletion. When management is no longer concentrated in a managerial role, the organization still has to answer:

Who decides?

Who advises?

Who can object?

Who resolves conflict?

Who sees the whole?

Who carries the consequence?

Doug's contribution to the self-management conversation is not simply the claim that organizations can exist without bosses. Across Morning Star, *Beyond Empowerment* and *The No-Limits Enterprise*, the deeper proposition is that planning, coordinating, deciding and holding one another accountable do not necessarily have to be concentrated in managerial roles. They can become capabilities distributed throughout the organization.

So perhaps the question was never:

Can we get rid of management?

Organizations need management. The more radical question is:

Who gets to do it?

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Doug Kirkpatrick

Author, Speaker & Self-Management Advisor

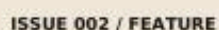
Doug was Morning Star's first financial controller. His writing and advisory work explore organizational self-management.

Read More

[Beyond Empowerment](#)

[The No-Limits Enterprise](#)

[From Hierarchy to High Performance](#)



THE WHOLE SYSTEM HAS TO ENTER THE ROOM

Participation matters only when it can change the conditions people are asked to own.

WRITTEN BY TINE BIEBER
DRAWING ON EODF
CONVERSATIONS AND
PAUL TOLCHINSKY'S WORK

Participation Is Not an Event

One of the persistent fantasies of organizational transformation is that a small group can redesign the system and everyone else will later experience ownership. A leadership team leaves the organization, writes the new structure on a wall, and returns with a communication plan. People are invited into workshops, trained in the new language and asked to commit to decisions they did not shape.

Through the EODF, I have joined conversations about Whole-Scale Change. As interest grows, I wanted to include it here and draw on Paul Tolchinsky's wisdom and experience. Rooted in organization development, socio-technical systems and Real-Time Work Design, it brings the whole system's realities into consequential choices.

A Thread Through This Issue

A thread runs through this issue. Emanuele Quintarelli argues that people must co-create a solution if they are to own it. Ali Cengiz shows how a movement grows when others become capable of carrying the work. Philipp Mäntele reminds us that lived reality must be able to challenge the model. These are different approaches, but they raise a shared question: whose knowledge can actually change the design? Whole-Scale Change brings that question into the process of transformation. It creates encounters between people who experience different parts of the system, so their realities can influence consequential choices. Later in this issue, Markus Heinen brings the same challenge into AI transformation: people cannot meaningfully own a future they had no opportunity to shape.

Multiple Realities Are Design Material

That means creating a microcosm: a group that contains the diversity of work, knowledge, authority, experience and consequence that exists across the organization. Leaders, frontline employees, specialists, customers and enabling functions do not enter the room as symbolic representatives. They enter because no single layer sees the whole.

Large systems contain multiple realities. The same process can look efficient from headquarters and impossible from the frontline. A standard may protect quality in one part of the organization and prevent judgment in another. What appears to be resistance may be information about a dependency the design team cannot see.

The purpose of bringing the whole system into the room is not harmony. It is contact. People need to encounter how the organization is experienced from positions other than their own. Only then can they build a shared picture strong enough to support joint action.

Bringing different realities together does not require everyone to interpret them identically. A shared picture must leave room for local knowledge, disagreement and revision. This is where Whole-Scale Change meets SINA's challenge: the model must remain open to what lived reality reveals.

From Participation to Design Choices

Imagine redesigning customer service. Headquarters sees response times. Frontline colleagues see recurring problems. IT sees dependencies. Customers experience the handoffs. Bringing these perspectives together matters only if they can change the workflow, resource allocation and decision rights. Otherwise, the workshop simply makes a predetermined design more familiar.

Real-Time Work Design brings this principle close to the work itself. Rather than separating diagnosis, design and implementation into long sequential phases, people examine the work, its technical requirements and its social system together. They test choices while the relevant knowledge is present.

The quality of the room therefore matters. Who is absent? Whose experience has been translated by someone more powerful? Which disagreement is being smoothed over for the sake of progress? Where is the decision actually made after the workshop ends?

These are not facilitation details. They are questions of power.

Involvement Has Consequences

Can participants influence the problem definition, challenge the assumptions behind the redesign, or say that an intervention is solving the wrong problem? Participation without consequence becomes theatre. It asks people to perform ownership while authority remains elsewhere.

Real involvement does not remove leadership. Leaders still hold responsibilities others do not. They establish boundaries, make commitments and protect the viability of the whole. But they stop treating the organization as an object that can be changed from outside. The people living in the system become participants in its authorship.

The Whole System Is a Discipline

No room can literally contain the whole organization. Whole-Scale Change is therefore not a promise of perfect inclusion. It is a discipline of repeatedly widening the field of vision and designing channels through which learning and influence can travel.

At scale, that may mean linked design teams, iterative large-group events, local experiments and visible feedback loops. The form matters less than the principle: people affected by a change need a credible path to influence the conditions creating it.

This is especially important at scale. As organizations grow, information becomes filtered through levels, functions and professional languages. Decisions arrive separated from the conditions in which they must work. A whole-system process shortens that distance. It makes contradictions visible while there is still time to change the design.

Freedom at work is not created by participation alone. But it is difficult to speak of freedom when people are expected to own a future authored entirely by others.

The whole system has to enter the room because the organization already lives in all of those realities. Design becomes more honest when they can meet.



Paul Tolchinsky

Whole-Scale Change & Real-Time Work Design

Paul is managing partner of Performance Development Associates and co-founder of the European Organisation Design Forum (EODF). A pioneer of Whole-Scale Change and Real-Time Work Design, he brings the knowledge of the whole system into design choices, linking participation, learning and implementation.



ISSUE 002 / FEATURE

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STOP DOING TRANSFORMATION TO PEOPLE

The missing half of AI transformation is not adoption. It is the human world being designed around it.

WRITTEN BY TINE BIEBER

IN CONVERSATION WITH MARKUS
HEINEN

The Missing Half of Transformation

After more than three decades inside large-scale change, Markus Heinen is asking what happens when AI can produce more of the work, faster than we imagined. The question beneath it is not only what organizations will gain, but what kind of human world their efficiency will leave behind.

When I spoke with Markus Heinen, we started with the promise of AI: enormous productivity gains, less repetition, faster coordination, and tools capable of turning an idea into an output almost instantly. Markus does not doubt that this transformation is coming. If anything, he is more convinced of its scale than most. But he kept returning to another question.

"Where does that leave the human being?"

Markus spent more than thirty years at Arthur Andersen and EY, most of them as a senior partner leading enterprise and SAP-driven transformations. He has seen technologies arrive with promises of efficiency before. He has also seen what happens when organizations treat people as the part that must simply adapt.

The language narrows. Work becomes streamlined. People are addressed as resources, users, or recipients of change, until they experience themselves as little more than executing parts of a system that is gradually learning to operate without them.

Markus described a kind of coldness entering the organization when efficiency and productivity become the dominant measures. It does not necessarily arrive through one dramatic decision. It enters through the language leaders use, the choices they reward, and the steady removal of everything that cannot be easily counted.

His current work calls this overlooked territory *The Missing Half*. Technology is one half of transformation. The other is human.

It sounds obvious, but organizations repeatedly invest in the first and assume the second will follow. They buy the tools, launch the pilots, train the people, and measure adoption. Yet the deeper questions remain largely untouched: What is this transformation actually for? What happens to recognition when output becomes cheap? Why should people share their knowledge when doing so may help eliminate their own role? What remains distinctly human when the result can be produced without the process that once gave it meaning?

Our conversation moved through these questions without pretending that either of us had a finished answer. That was what made it interesting. We were not discussing how to make people accept AI. We were asking what organizations must redesign if people are to remain authors of the future they are entering.

From Position to Contribution

For most of organizational history, recognition has been attached to position. Titles, reporting lines, salary bands, and formal authority make status visible. Individual contribution is harder to see.

When a team develops a strong solution, recognition often goes to the collective or to the leader who represents it. The person who noticed the pattern, asked the question that shifted the conversation, or quietly connected two pieces of knowledge can disappear inside the result. Conventional performance systems struggle with this because they were built around stable jobs and individual accountability.

The problem becomes even more visible in self-managing and decentralized organizations. People contribute through overlapping roles, temporary projects, relationships, and informal acts of initiative. The organizational chart explains less and less of how value is actually created.

From my own experience with Holacracy and purpose-driven organizing, I challenged the idea that contribution is necessarily less visible in these systems. Explicit roles, shared governance records, transparent projects, and regular check-ins can make work more legible than it is in a conventional hierarchy. The difficulty often sits around the new system. The legacy organization continues to ask

positional questions of a contribution-based reality.

Markus saw the same tension. New and old systems may exist beside each other for a while, but coexistence alone is not integration. Eventually, the established logic tends to reassert itself because it still controls the budgets, rewards, and institutional recognition.

AI could help organizations see contribution differently. It can trace how an idea travels, reveal repeated patterns across teams, and show how one person's work enabled something elsewhere. Markus sees real potential here. Rather than remaining inside one bounded task, people could notice possibilities across the organization, share what they discover, and become what he called "transformation architects."

He gave the example of several departments independently reviewing similar contracts. AI could recognize the repetition, reduce the coordination effort, and make parts of the work unnecessary. The immediate response would be to ask how many people are still required. But another question becomes possible: what else could the people who recognized this pattern redesign? Their contribution may shift from executing one task to seeing connections the formal organization has missed.

This is where recognition could become a source of energy. When people see that their contribution matters, they are more likely to share what they know. In Markus's words, that recognition can create a small fire inside an organization, one that may eventually become powerful enough to change its culture. However, there is a danger hiding inside the same idea.

I asked what happens when sharing itself becomes the measure. People are not passive objects inside a performance system. If sharing earns recognition, people will share in order to be recognized. If visible activity becomes a proxy for contribution, they will learn how to produce visibility. Something that began as an attempt to honor human contribution can quickly become another mechanism for steering behavior.

I had seen a similar dynamic around organizational purpose. What begins as an invitation to meaningful work can become prescriptive. People learn what the organization celebrates and start acting in ways that serve its purpose, even when doing so disconnects them from their own needs. A system designed to liberate people can become intrusive without anyone intending it.

Markus did not try to resolve the tension neatly. "We are talking about something that does not exist yet," he said. "I don't have the answer."

That honesty matters because the temptation is to take familiar systems of recognition, measurement, and reward and apply them to a world in which contribution is becoming more distributed and harder to define. But the old mechanisms may be part of the problem. AI can help make patterns visible. It cannot decide what a contribution is worth, whether it came at too high a human cost, or whether the most valuable act was the one that left the least visible trace.



Why Would People Share?

The question of contribution led us to trust. Organizations often speak about knowledge sharing as if it were a personal attitude. They encourage openness, create platforms, and celebrate collaboration. But people share inside a system of consequences. If someone believes AI may replace their role, holding on to knowledge can be entirely rational. As Markus put it, a fear-driven organization should expect people to protect what they know. Asking them to document their expertise while remaining vague about what will happen next is not involvement. It is extraction.

This is why intent cannot remain abstract. Leaders need to say what an AI transformation is meant to do. Is the goal to reduce costs, improve quality, remove roles, redesign work, or create new capabilities? Usually several of these are true. When the difficult parts remain unspoken, people are still aware of them. The real conversation simply moves underground. Markus had returned to this point in his recent writing: is the goal truly clear, has everyone understood it, and is it the right goal? An initiative can gather enormous activity around itself while quietly moving in the wrong direction. People may contribute to a sprint, solve the assigned problem, and still sense that the real purpose has not been named.

Intent, then, is not a sentence in a kickoff deck. It must reach the places where choices about money, roles, and continuation are made. It must be strong enough to stop an initiative when the promised value is not materializing. Trust grows from that clarity, but clarity alone is not enough. People also need evidence that their participation can change something. Many transformation programs involve people only after the architecture has been fixed. They are consulted, trained, and invited to comment, but the consequential decisions remain elsewhere. Markus often describes his work as turning the affected into the involved. The distinction is sharper than it first appears. Affected people live with the consequences. Involved people can influence the conditions creating them. Do not ask people to own what they could not shape. Real involvement is therefore not measured by workshops or change-champion networks. It appears in what people can question, refuse, stop, or redesign. It becomes visible when their judgment changes a budget, a role, a workflow, or the direction of the transformation itself.

What Disappears When the Output Remains?

At one point, our conversation moved away from organizational systems and into music. Markus had been experimenting with an AI music generator. Within a few days, he had created several songs he found astonishingly beautiful. The experience was energizing. It gave him access to a form of expression that would previously have required technical skill, other people, and far more time. This is one of AI's most exciting possibilities. It can help people bring ideas into the world that might otherwise have remained unreachable. But Markus contrasted that experience with his daughter's process of making music with other people: hours spent with a musician and producer, each person shaping the work, and the collective excitement when others later heard and loved the result. If AI produces the same song alone, the output may remain. The relationships around it do not. The example brought us back to recognition, but at a deeper level. People do not only need acknowledgement for what they produce. They need to experience themselves in relationships. They need to be seen, challenged, surprised, and changed by others. What is at stake is not simply status. It is belonging.

Organizations have always been imperfect places for meeting these needs, but they are places nonetheless. Work provides income and output, yet it also gives people colleagues, routines, shared problems, disagreements, and a place within something larger than themselves. If AI removes work without redesigning the social experience around it, organizations may become more efficient while human lives become thinner. This is why the autonomous enterprise cannot be judged only at system level. A process may become more autonomous while the people inside it become less free. Technology can remove friction, but some friction is relational. It is where we encounter another point of view, negotiate meaning, and become aware of our dependence on others.

The answer is not to protect every existing task or romanticize inefficient work. Nor is it to replace hierarchy with one universal blueprint for self-organization. Markus and I kept circling back to the need to connect worlds that are too often presented as opposites: formal accountability and decentralized intelligence, structure and free thought, economic purpose and human meaning. Organizations will continue to need regulation, capital discipline, clear decisions, and reliable execution. They will also need local judgment, experimentation, contribution beyond the job description, and people willing to share what they discover. The challenge is not to let these worlds coexist until one wins. It is to design their integration.



That design will live in practical choices. And increasingly, another question belongs on that list: who is accountable when AI begins to act? Decision-making may become distributed across people, models, workflows, and agents, but accountability cannot simply dissolve with it. A system can recommend, prioritize, or increasingly act. Someone still has to be able to answer for the consequences.

Who can see what? Who can decide? Who receives recognition? Who carries the risk? What remains a human judgment? What can be challenged? Where can someone say no?

The missing half is not a protected list of human skills left over once AI has taken the important work. It is our capacity to interpret meaning in context, to decide what deserves recognition, to notice when a contribution helped the system but harmed the person, and to remain in relationship when friction would be easier to automate away. AI may allow organizations to see contribution beyond the job title. Whether that produces greater freedom or a more intimate form of control will depend on the systems built around it. The question is no longer only what the machine can do. It is what kind of human world we are designing around it.

About This Conversation

This article is based on an interview between Tine Bieber and Markus Heinen and has been updated with ideas from Markus's current The Missing Half series. Quotations from the German-language conversation have been translated and lightly edited for clarity. Additional sources include Markus's VITAL framework, his overview of The Missing Half of AI, and recent LinkedIn posts on the human half of AI transformation, intent, leadership, accountability, and trust.



AUTONOMY IS NOT FREEDOM.

ADOPTION IS NOT OWNERSHIP.



Markus Heinen

Transformation Leader

Markus spent three decades at Arthur Andersen and EY, including leading EY Germany. He now explores the human side of transformation: agency, contribution and relationships in a world of AI and autonomous enterprises.

DESIGNING FOR FREEDOM MODEL IN THE WORKS

FREEDOM EMERGES THROUGH A LOOP, NOT A SINGLE INTERVENTION.

01

REALITY

What is happening in practice, beyond the formal story?

02

IDENTITY

Who have people learned they need to be here?

03

CHOICE

Which alternatives are visible, safe and meaningful?

04

DESIGN

Which structures and relationships shape what is possible?

FROM DESIGN TO LIVED FREEDOM

Use one real tension. Locate where the next move belongs.

01

SELF

What am I feeling, protecting or avoiding?

02

RELATIONSHIP

What has not been said between us?

03

ORGANIZATION

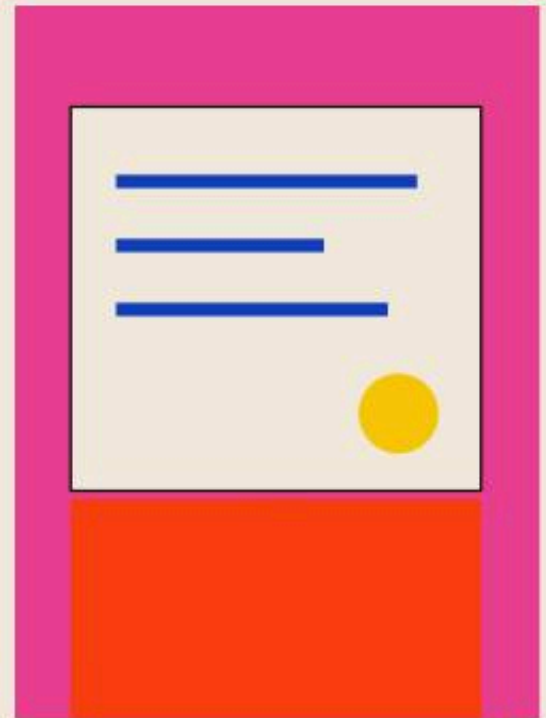
Which role, rule, resource or decision process reproduces this?

04

PRACTICE

What small experiment could change the conditions?

FROM INSIGHT TO PRACTICE.



You have located a tension. Now make a design move.

THE MODEL HELPS YOU SEE.

Use the Designing for Freedom model to locate what is happening between self, relationships and the organization. Name the tension and the conditions that keep reproducing it.

ORG KITCHEN HELPS YOU TEST.

The next pages turn that insight into a small experiment. Choose a structural ingredient, make a practical change and notice what it makes possible. Keep what works. Adapt what does not.

**DO NOT COPY THE RECIPE.
BUILD YOUR OWN.**

MINI ORG KITCHEN



A 12-MINUTE PRACTICE FOR TESTING WHAT SHOULD TRAVEL - AND WHAT MUST STAY LOCAL.

INGREDIENTS

- ☐ One scaling tension
- ☐ One shared need
- ☐ One local difference
- ☐ One assumption at risk
- ☐ One person near the work

PREPARATION

- ☐ Do not solve everything
- ☐ Name the need first
- ☐ Make power visible
- ☐ Keep it small
- ☐ Taste before scaling

SERVE WITH

- ☐ Curiosity
- ☐ Consent
- ☐ Useful disagreement
- ☐ Local authorship
- ☐ Permission to revise

COOK THE CONDITIONS

THE PRACTICE

01

NAME ONE TENSION

Write the sentence already in the room.

02

SEPARATE NEED FROM SOLUTION

What must the system make possible?

03

CHOOSE SHARED / LOCAL

What needs coherence? What needs authorship?

04

TASTE IT

What becomes easier after this small change?

TINY SCORECARD

WHAT CHANGED?

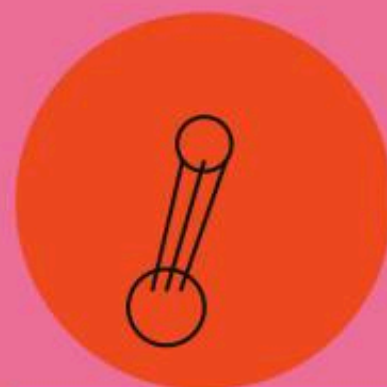
- ☐ More clarity
- ☐ Less control
- ☐ Stronger local authorship

TAKEAWAY

**DON'T COPY
THE RECIPE.**

BUILD YOUR OWN.

SCALING FREEDOM.



WHAT IT IS FOR

When growth creates distance, copying or control, return to the need before choosing the structure.

TIMING

Twenty-five minutes. Stop when one testable design move is clear.

ROLES

Host. Scribe. Affected roles. Someone close to the work. Someone willing to challenge the center.

INGREDIENTS

- ☐ One need worth protecting
- ☐ One structural ingredient
- ☐ One gift it offers
- ☐ One shadow it creates
- ☐ One counterbalance
- ☐ One reversible experiment

METHOD

- 01 Name the need without naming a model.
- 02 Choose one ingredient that could help.
- 03 Name its gift and its likely shadow.
- 04 Add a counterbalance.
- 05 Run one reversible test.
- 06 Keep, adapt or remove it.

WHAT TO WATCH FOR

Copying another organization. Solving for elegance instead of need. Local freedom without shared responsibility. Coherence that quietly becomes control.

SERVING SUGGESTION

**DON'T COPY
THE RECIPE.**

BUILD YOUR OWN.

REFLECTION QUESTION

WHAT CHANGED WHEN WE DESIGNED FROM THE NEED RATHER THAN THE MODEL?

TRY THE ORG KITCHEN



Every organization has a recipe.

Even when nobody has written it down.

DON'T COPY THE RECIPE. BUILD YOUR OWN.

BETA VERSION / MADE TO BE TESTED

Explore organizational forms, tensions and trade-offs. Use it alone, with a team or to start a design conversation.

Scan the QR code or click the link to try the tool.

leafy-valkyrie-8c90b5.netlify.app

Questions, ideas or feedback? Get in touch:

Tine Bieber on LinkedIn

kristinrbieber@gmail.com



SCAN OR CLICK

01

CHOOSE A TENSION

Start with what is happening.

02

EXPLORE THE MODELS

Notice the trade-offs.

03

COOK YOUR OWN

Build your own recipe.

FROM THE SYSTEM TO THE SPACE BETWEEN.



Freedom is a relationship. These tools start at different ends of it.

01 / ORG KITCHEN

The Org Kitchen starts with the organization. It is a lab for exploring organizational forms, tensions and trade-offs, and for making deliberate design choices. The aim is to develop design judgment: do not copy the recipe. Build your own.

02 / THE INNER FREEDOM LAB

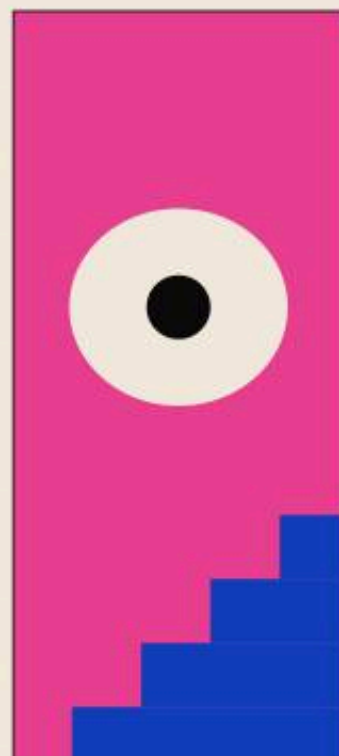
This tool starts with the person in relation to the organization. It grows from the question behind my upcoming book, *Inner Freedom Is Not a Job Title*: where does freedom actually come from?

After eight years of self-employment, considering a new chapter made that question personal. A job title or legal form cannot tell the whole story. Our needs change, and freedom also depends on our values, relationships and the conditions around us.

I created this space to make that reflection practical. Bring a real situation. Explore what belongs to you, what happens between people and what the system makes possible. Then choose one question or action to take back into your work.

USE BOTH. NOTICE WHAT EACH ONE HELPS YOU SEE.

EXPLORE THE SPACE BETWEEN YOU AND YOUR ORGANIZATION.



INNER FREEDOM IS NOT A JOB TITLE

The Designing for Freedom Tool

Explore the space between yourself, your relationships and the organization around you. Bring one real situation and a little curiosity. What can you influence? What is yours to question? What conditions would need to change?

Scan the QR code or click the link below to explore the tool. Bring a real situation and choose a next step.



SCAN OR CLICK

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SELF

What matters to me?

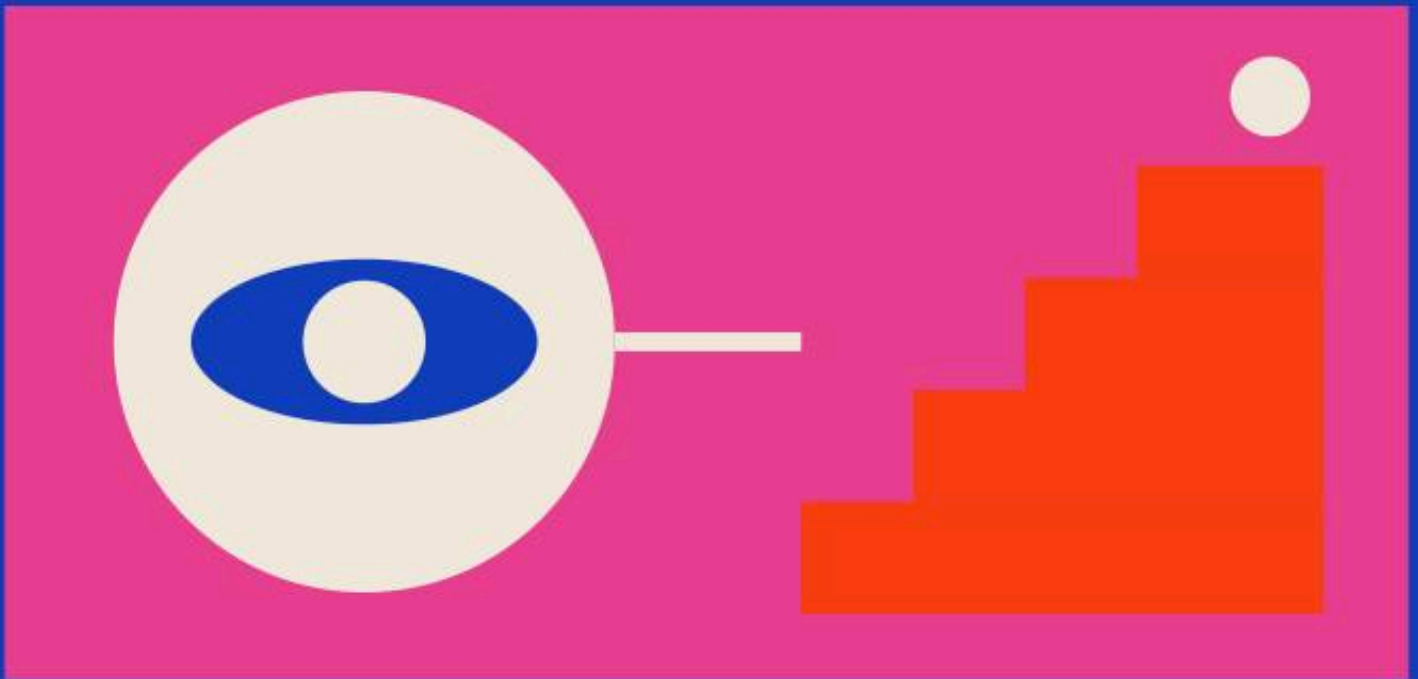
OTHERS

What happens between us?

SYSTEM

What conditions shape this?

START WITH YOURSELF.



THEN LOOK AT THE SYSTEM.

What does your organization make possible?

What does it make difficult?

NEXT / EXPLORE YOUR ORGANIZATION WITH THE EXERCISE

WHERE DOES YOUR ORGANIZATION STAND?

Score each condition from 1 (rarely true) to 5 (consistently true).

01

AUTHORITY

People know who can decide what - and can challenge a decision.

02

INFORMATION

Relevant information is accessible without relying on proximity to power.

03

RESOURCES

Responsibility is matched by meaningful access to resources.

04

RELATIONSHIPS

Disagreement is safe enough to produce learning rather than silence.

RETURN TO THE MODEL: SELF / RELATIONSHIP / ORGANIZATION / PRACTICE

CREDIT THE PEOPLE. TRACE THE IDEAS.

Editorial Direction and Writing: Tine Bieber. Interviews and conversations with Emanuele Quintarelli, Philipp Mäntele, Ali Cengiz, Rachel Murch and Markus Heinen inform this issue. Doug Kirkpatrick's article draws on a long friendship, ongoing exchange, a visit to Morning Star and his published work. Dean Meyer shared his thinking and gifted Sergio Paiz's PDC book; Hannes Alton edited the comparative article. The Whole-Scale Change essay draws on past EODF conversations with Paul Tolchinsky and published sources, rather than a dedicated interview for this issue.

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Tine Bieber: interview with Ali Cengiz. Community experiences and figures reflect his account.

Paul / Whole-Scale Change

Past conversations through EODF; Paul Tolchinsky's practice and experience.

Dannemiller Tyson Associates: Whole-Scale Change: Unleashing the Magic in Organizations.

DTA: Whole-Scale Change Approach; organizational and Real-Time Work Design practice.

DTA: History and the development of the approach.

Dean / Conversations & PDC

Dean Meyer: direct exchange, Business-within-a-Business thinking and feedback.

Sergio Paiz: Every Manager an Entrepreneur: How PDC Implemented the Business-Within-a-Business Organization, and the Remarkable Results.

Dean / Three Entrepreneurial Systems

Meyer (2002): *An Introduction to the Business-Within-a-Business Paradigm*.

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Haier / RenDanHeYi: model materials and research listed under Emanuele.

Tine Bieber: interview with Rachel Murch on Zappos' market-based dynamics, 2024.

Bernstein et al. (2016): "Beyond the Holacracy Hype." *Harvard Business Review*.

Article editing: Hannes Alton.

Doug / Morning Star

Tine Bieber: visit to Morning Star; ongoing exchange with Doug Kirkpatrick.

Kirkpatrick: *Beyond Empowerment: The Age of the Self-Managed Organization*.

Kirkpatrick: *From Hierarchy to High Performance*.

Kirkpatrick: *The No-Limits Enterprise: Organizational Self-Management in the New World of Work*.

Barker (1993): "Tightening the Iron Cage: Concertive Control in Self-Managing Teams." *ASQ*, 38(3), 408-437.

Hamel (2011): "First, Let's Fire All the Managers." *Harvard Business Review*.

Lee & Edmondson (2017): "Self-Managing Organizations: Exploring the Limits of Less-Hierarchical Organizing." *Research in Organizational Behavior*, 37, 35-58.

Martela (2019): "What Makes Self-Managing Organizations Novel?" *Journal of Organization Design*, 8:23.

Puranam, Alexy & Reitzig (2014): "What's 'New' About New Forms of Organizing?" *AMR*, 39(2), 162-180.

Morning Star: public Mission Focused Self-Management and Colleague Letter of Understanding materials.

Markus / The Missing Half

Tine Bieber: interview with Markus Heinen. German quotations translated and lightly edited.

Heinen: *The Missing Half* series; VITAL framework; LinkedIn writing on intent, leadership, accountability and trust.

Reflection / Model / Org Kitchen

Tine Bieber: lived experience, *Inner Freedom Is Not a Job Title* (forthcoming), Designing for Freedom model in development, and original Org Kitchen tools.

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AI & ORGANIZATION DESIGN



**FREEDOM IS NOT A FORMAT.
IT IS A PRACTICE.**