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# Why Opening Up Your Organization Matters

Whenever I talk with leaders of companies in industries from manufacturing to retail, from software to consumer goods, I hear a consistent theme: frustration that they can't move fast enough, given the organizations they have, to stay competitive. They know that capabilities like speed and agility are becoming the core of competitive advantage, and yet most of them struggle to keep their organizations moving as rapidly as all the changes in their environments. The typical chain of command is too slow to respond to opportunities. Central planning takes too long and consumes too many resources. Internal resources alone are too limited to address the challenges of today, let alone tomorrow.

To succeed, these leaders know they must build organizations capable of successfully navigating the challenges of a fast-paced environment, but they don't know where to start. That's because the

classic rules of the game—which used to define who won or lost in business—are being swept away. Old standby strategies that everyone learned in business school—like scale, scarcity, and positional advantage—no longer seem to apply. Continuing to do what they've done before—and just pedaling harder—doesn't seem to work anymore. What is the new organizational model for success? And how do you build it?

If you lead or aspire to lead an organization of any kind, then you face these same challenges. You can't keep doing things the way you've always done them. You need to tap the knowledge, creativity, ideas, energy, and power of your employees. At the same time, you know that needed talent, ideas, and resources lie outside your company—and that your organization's success depends on successfully tapping into those sources of knowledge, too. That means you must further knock down the walls of your organization in ways that allow you to collaborate with your customers, vendors, and partners—to open up your organization in a way that keeps you on the cutting edge of change.

An "open organization"—which I define as an organization that engages participative communities both inside and out—responds to opportunities more quickly, has access to resources and talent outside the organization, and inspires, motivates, and empowers people at all levels to act with accountability. The beauty of an open organization is that it is not about pedaling harder, but about tapping into new sources of power both inside and outside to keep pace with all the fast-moving changes in your environment.

But how do you make this kind of organizational model work? How do you harness the power of the crowd *inside* (your employees) as well as *outside* (everyone else)—especially at scale?

This book reveals the secrets of how an open organization really works by taking an insider's in-depth look into one of the premier

open organizations in the world, Red Hat (a software company with a value of more than $10 billion where I am the CEO), along with illustrative examples of other companies operating this way too, such as Whole Foods, Pixar, Zappos, Starbucks, W. L. Gore, and others. This book will show leaders and aspiring leaders—in companies large and small, and in established companies as well as start-ups struggling to grow—how to develop a new, open organizational model that uniquely matches the speed and complexity that businesses must master today.

## From Crowdsourcing to Open Sourcing

Much has been written recently about a new way of working called "crowdsourcing," which is the power of mass participation to generate phenomenal ideas, solve complex problems, and organize broad movements. We've seen examples, such as Wikipedia or the Linux operating system (which played a key role in Red Hat's start), where communities of people spontaneously self-organize around a problem or activity. Work is distributed in a network-like fashion and people are held accountable, all without a formal hierarchy. A growing number of organizations have learned to successfully tap the "wisdom of the crowd" (as documented by James Surowiecki in his book of the same name) in order to drive innovation and gain a competitive advantage through collaboration. The power of these networks has been well documented and explored in books like *Wikinomics* and *Macrowikinomics* by Don Tapscott and Anthony D. Williams; Clay Shirky's *Here Comes Everybody*; *Crowdsourcing* by Jeff Howe; and the numerous books and articles by open innovation evangelist Henry Chesbrough.

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Many big-name companies, ranging from General Electric and Dell to IBM and Starbucks, have turned to the crowd as a way to generate new product ideas and turn customer feedback into the seeds of innovation. Consumer product giant Procter & Gamble does all that and more; it has developed a program through which it collaborates with smaller entrepreneurial companies to bring new game-changing products to market. In the program's first two years alone, it reportedly generated two thousand new ideas, one hundred of which were turned into new product lines. Or consider Threadless.com, a company that uses its community of consumers and artists to make and sell clever T-shirts, both through its own site and more recently through a partnership with The Gap. There's even a company called InnoCentive that firms can hire to help them use the power of the crowd.

There are also competitions like the Ansari XPRIZE, which awarded $10 million to the first nongovernment organization to launch a reusable manned spacecraft into space twice within two weeks, or Kaggle, which crowdsources solutions to big data–type analytical challenges, that get a multitude of participants to deliver a bunch of ideas or solutions, where the single best of the bunch wins and receives an award.

## The Limitations of Crowdsourcing

As effective as these "tapping the wisdom of the crowd" approaches are at providing companies with new ideas and solutions to problems, they are often limited in that they are either timebound, say, for the duration of a competition, or are narrowly focused on a single, specific goal, such as generating an idea for a new product. It's a one-and-done kind of result and not the basis for any kind of sustainable competitive advantage. So, while many companies have

tapped the power of participation in targeted ways, few have leveraged its power more broadly within their own organizations. *What if you could make this kind of engagement standard, not just one-and-done, for how work gets done in your organization, so that you're engaging at this level every single day?*

Another problem with crowdsourcing is that it's a one-way transaction. Crowdsourcing approaches typically depend on the contributions of volunteers—people who contribute to the product primarily for the reputational advantage, not necessarily for a monetary one. And, too often, it seems that companies approach these volunteers with the goal of extracting value, with what has been called a "Tom Sawyer" model of collaboration.[1] As you might recall from your childhood reading, Tom was a bit of a manipulator, someone who was always trying to get out of doing chores. One time in particular, he was tasked with whitewashing his Aunt Polly's fence as a punishment. So Tom reached out to his community and tricked his friends into doing the work for him by pretending that it was a whole lot of fun to do the job. He even got them to exchange trinkets for the privilege of doing the work.

While this approach worked for Tom once, it certainly wouldn't happen again. Similarly, when today's organizations reach out to the crowd—both inside and outside their walls—they're thinking the way Tom Sawyer did by asking for help without giving much in return. This is rarely sustainable. *What if there were a way to treat both those outside your company and those within your company differently, in a way that truly inspires, motivates, and rewards top performance?*

### The Promise of Open Source

One model that successfully harnesses the power and commitment of talent and engages that talent in an ongoing way over time is open

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source. The term "open source" is traditionally used in the software arena and designates a process in which anyone can contribute to or access code, unlike traditional software development, which is proprietary and owned by the company that produces it and governed by intellectual property law. In open source, those who do the work volunteer their time and effort, and these volunteer, participative communities are both long running and capable of tackling multiple problems and opportunities simultaneously.

For examples of open source communities, think about the phenomenal innovations that continue to come out of Silicon Valley—far more than any one company could generate on its own—or how scientists worldwide worked together to unravel the human genome. The US legal system is another great example of the innovative power of an open community. Can you imagine any single person or even team of lawyers sitting down to create a set of rules vast and flexible enough to encapsulate a legal system that has, in fact, grown organically on a case-by-case basis? It's an extraordinarily complex system in which attorneys' individual arguments and judges' opinions ripple out and have an impact on the lives of millions of people. And it's a system that depends on the deep engagement of many diverse individuals playing different roles, building on the work of each other, in this case, over centuries.

Open source communities operate on a level beyond crowdsourcing, going beyond the one-way and one-time-only arrangements in which a lot of people give their ideas or answers but don't engage with each other over time. Instead, the way they operate is better described as *open sourcing*, where contributors work together as a community, building on each other's work, to arrive at the best solution to a complicated problem. These communities involve many people working toward a similar outcome. They usually involve a diverse community of people who opt in as a way to work for a

common cause about which they are passionate. And they produce results: they are more responsive to fast-changing environments and better at accomplishing "big, hairy, audacious goals" than any one single firm or organization.[2]

Now imagine the impact of applying that kind of power within your own business, where talent from a diverse range of organizations and backgrounds—external volunteers from the crowd as well as your own employees and in-house teams—all come together to work toward something your customers can benefit from. But can a single organization catalyze or influence disparate groups on its own? How do you get people fired up and passionate about volunteering their efforts, whether they are outside or inside the organization, toward something your organization will gain from?

Clearly, it's not enough to just employ the strategy of "build it and they will come." They won't. Or if they do, without a set of guidelines in place, you could wind up generating more ill will than value by asking for help. Asking people to contribute their time and energy can be the competitive edge that propels an organization forward—or an anchor that pulls it down.

But when it's done well—wow! Imagine how innovative and responsive your organization would be if it could constantly generate new ideas and deliver on them without any top-down interference? That's the promise of open sourcing.

To do this, you must transition into thinking of people as members of a community, moving from a transactional mind-set to one built on commitment. Perhaps more importantly, you need to apply the same principles to your employees—the folks you pay—as to people who might volunteer their efforts for free. Just because someone is on your payroll doesn't ensure that you are getting the best of his or her abilities. Or that another organization won't lure your superstars away. You need something more to hook them in a way

that inspires them to truly opt in and bring their passion and energy to their work every day. What you need, in short, is to build a culture that truly embraces the notion of being *open* in every sense of that word. When you can accomplish that, the results are astounding.

This book explains how to lead and manage the open way.

# The Open Organization

One company that not only gets the idea of open source, but was born out of the open source movement, is Red Hat, the world's leading provider of open source software solutions. It's perhaps no surprise that a company that has built a business running and operating open source systems—where openness, transparency, participation, and collaboration are the very basis for how the company makes money—espouses those same principles when managing it. Red Hat has been managed using open source principles for more than twenty years. Managing and leading an open organization could not be more different from leading a more conventional one.

I know because I'm the company's president and chief executive officer. Red Hat was an open organization long before I ever came on board in 2007. Long before I joined Red Hat, I made my mark as a quintessential top-down kind of leader. This company changed me and taught me how to be a better leader; this book is largely about the lessons I've learned on why an open organization is so much better than a traditional one, and how to lead one.

### *Red Hat's Success*

Red Hat is recognized for reliability, profitability, and growth: its stock is publicly traded with a market value of more than $10 billion.

One of very few software companies with annual revenues of nearly $2 billion and certainly the only open source one, it's been lauded by publications like *Forbes*, *Bloomberg Businessweek*, and others for cutting-edge innovation and for being a great place to work.[3] It's part of the Standard & Poor's 500 and has more than seven thousand associates. You may not have heard of Red Hat, but you're likely using its technology every day. Its products power airline systems, banking networks, and underlie the majority of stock market equity trades. It counts more than 90 percent of the *Fortune* 500 as customers, as well as influential organizations such as DreamWorks, Sprint, and the New York Stock Exchange.

Its success comes from the open organization model.

## *A New Management Paradigm*

Red Hat's open organization operates using unusual management principles that leverage the power of participation—both internally and externally—to generate consistent financial results. It uses open sourcing to tap a massive, disparate community of people, all with different skills and motivations, to make super-high-performing products capable of running some of the most secure and mission-critical computer systems in the world. We've learned that to successfully reap the rewards from open sourcing something, we have to engage and support the community as we work together on shared goals. We don't just look to a crowd for ideas. We innovate in, with, and through communities. By embracing participation from contributors within and outside the walls of the organization, Red Hat has created a competitive advantage that enables it to compete against—and beat—far larger rivals. Red Hat operates in a really fast-paced environment, and the organizational structure, an open one, is the best way for it to keep pace with the flurry of changes it faces every

single day. We have harnessed the power of what economists call the "network effect" that results when you connect people and ideas. The more people you connect, the more value they create, which in turn attracts more people, and so on. Red Hat's management system encompasses principles such as:

- People join us because they want to.

- Contribution is critical, but it's not a quid pro quo.

- The best ideas win regardless of who they come from.

- We encourage and expect open, frank, and passionate debate.

- We welcome feedback and make changes in the spirit of "release early—release often."

In short, we've found that the best practices in creating open source software also translate well into managing the entire company.

We have leveraged these components to create a new sort of company—an open organization—a rebooted, redesigned, reinvented organization suitable for the decentralized, empowered digital age. By opening up the business and encouraging participation at every level, from both within and outside the organization, we've obtained the incredible results I've described.

Red Hat is the only company that can say it emerged out of a pure bottom-up culture—namely, the open source ethos—and learned how to execute it at scale. It has gone beyond the theories and developed a leadership system that works, one that everyone from CEOs to departmental managers and aspiring leaders need to pay attention to because it emerged specifically to address the new rules of business and a socially connected and conscious workforce. Red Hat is the epicenter for a new management paradigm. The purpose of

this book is to show you how to create this kind of open, community-driven culture and how to lead it in a way that allows your organization to get more done, faster, and with more innovative results.

## Leading the Open Organization

Before I arrived at Red Hat, I had spent most of my professional career devoted to studying businesses. As a partner with The Boston Consulting Group (BCG), where I worked for ten years (with a two-year stint attending Harvard Business School), I saw the inner workings of literally hundreds of companies. My job was simple: identify and solve problems. I was there to help companies recognize their limitations and figure out ways to overcome them. Similarly, as chief operating officer at Delta Air Lines, I was chief problem solver and took a lead role in Delta's restructuring. I learned a lot over my six years there, as well as during my time at BCG. I thought I knew how well-performing organizations should operate. I thought I knew what it took to manage people and get work done. But the techniques I had learned, the traditional beliefs I held for management and how people are taught to run companies and lead organizations, were to be challenged when I entered the world of Red Hat and open source.

Red Hat has shown me alternatives to the traditional approach to leadership and management—ones better suited to the fast-paced environment of business. The conventional approach to business management was not designed to foster innovation, address the needs and expectations of the current workforce that demands more of jobs (hello, Millennials), or operate at the accelerated speed of business. I came to realize, in other words, that the conventional way of running companies had major limitations that are now becoming more acute.

My change in thinking began in 2007. I had just left Delta after helping the company through a successful turnaround. A new CEO had come in and I felt it was the right time for me to move on and find my next opportunity. Because Delta was such a high-profile company and the turnaround was considered successful, I received dozens of calls from recruiters offering opportunities—especially more chances to turn around companies—at a wide variety of companies, from private equity firms to *Fortune* 500 giants. I'll admit that, after years of hard work, it was nice to be wined and dined and courted by such big names.

Then I received a call from a recruiter for Red Hat. Being somewhat of a computer person myself—my undergraduate degree at Rice University was in computer science—I knew about Red Hat's core Linux product and had been using the desktop version for some time. But I didn't know much about the company itself or the true extent of how pervasive open source development had become. After doing some research, I was intrigued. Part of the appeal came from the fact that I was wary of taking on any other turnaround opportunities after my time at Delta. I had been in charge of laying off tens of thousands of people. As someone who cared deeply about the people with whom I worked, I found the process extremely painful for my associates and myself. Many of the other companies courting me wanted more of the same. I just couldn't do it. I hated laying people off. Red Hat, on the other hand, offered something very different. It was growing. It offered me a chance to help create something new while also getting back to my tech roots. I found it extraordinary how a company could make so much money selling software that, in theory, anyone could download off the internet for free.[4]

After telling the recruiter I was interested in the interview, he asked if I would mind flying to Red Hat's headquarters in Raleigh, North Carolina, on a Sunday. I thought to myself that Sunday was a

strange day to schedule a meeting. But I was headed up to New York on Monday anyway, so I could stop on the way, and I agreed to the interview. I hopped a plane from Atlanta to the Raleigh-Durham airport. My cab dropped me off in front of the Red Hat building, then on the campus of North Carolina State University. It was 9:30 a.m. on Sunday, and there was no one in sight. The lights were off, and, after a check, I found the doors were locked. Was this a gag? I wondered. As I turned to get back in the cab, I noticed the driver had already pulled away. Just about that same time, it started raining. I had no umbrella.

As I started to walk somewhere to hail a cab, Matthew Szulik, then Red Hat's chairman and CEO, rolled up in his car. "Hi there," he said. "Want to go grab some coffee?" While this seemed like a strange start to an interview, I knew I could certainly use some coffee. At the very least, I figured I'd be closer to getting a cab back to the airport.

In North Carolina, Sunday mornings are pretty quiet. It took us a while to even find a coffee shop that was open before noon. The shop wasn't the best in town or the cleanest, but it was open and had freshly brewed coffee. We grabbed a booth and began to chat.

After thirty minutes or so, I was feeling good about the way things were going. The interview wasn't traditional, but the conversation was great. Rather than dig into the nuts and bolts of Red Hat's corporate strategy or its image on Wall Street—things I had done homework on—Szulik asked me more about my hopes, dreams, and aspirations. It seems clear to me now that Szulik was gauging whether I was going to be a good fit for Red Hat's unique culture and management style.

After we finished, Szulik mentioned he wanted me to meet Michael Cunningham, the company's general counsel, and suggested maybe that I could have an early lunch with him. I agreed, so we started

to get up to leave. As he grabbed for his wallet, Szulik realized he didn't have it. "Oops," he said. "I don't have any money. Do you?" This kind of caught me off guard, but I told him I had some money and didn't mind springing for the coffee.

A few minutes later, Szulik dropped me off at a little Mexican eatery where I met up with Cunningham. Again, this was not a traditional interview or setting by any means, but another great conversation. As Cunningham and I were getting ready to settle the bill, we were informed that the restaurant's credit card machine was broken. They could only take cash. Cunningham turned to me and asked if I could cover it because he had no cash. Since I was on my way to New York City, I had a good amount of cash so I paid for lunch.

Cunningham offered to give me a lift to the airport and we headed off in his car. Within minutes, he asked, "Do you mind if I stop and get some gas? We're running on fumes." "No problem," I replied. As soon as I heard the rhythmic thump of the pump begin, there was a tapping on my window. It was Cunningham. "Hey, they don't take credit cards here," he said. "Could I borrow some cash?" I was starting to wonder whether this was really an interview or some kind of scam.

While in New York the next day, I was talking to my wife about the interview with Red Hat. I told her the conversation had been great, but I wasn't sure whether they were serious about hiring me or if they just wanted some free food and gas. When I look back at that meeting now, I realize that Szulik and Cunningham were just being open and treating me like any other person they may have had coffee or lunch with or got gas with. Yes, it was ironic and funny that they both had no cash. But, for them, it wasn't about the money. They, like the open source world, didn't believe in rolling out red carpets for anyone or trying to make sure everything was perfect. They just wanted to get to know *me* rather than try to impress or court me. They wanted to know who I was.

That first interview with Red Hat showed me that working here would be different. There wasn't a traditional hierarchy and special treatment for leaders, at least not the kind that you might find at most other companies. In time, I also learned that Red Hat believed in the open source principle of meritocracy; that the best idea wins regardless of whether the idea comes from the top executive or a summer intern. Put another way, my early experiences with Red Hat introduced me to what the future of leadership looks like.

## How I Learned to Lead the Open Organization

You can't lead an open organization in the traditional top-down fashion—what I was used to and, frankly, quite good at. I learned this the hard way.

My first instinct when I took the job was to recoil at what felt like chaos. "I need to get this company ordered and structured so that it performs better," I thought to myself. Over time, though, I've come to appreciate that Red Hat is the product of a complex, subtle, and powerful organizing system that truly frees people to be more creative, take initiative, and get more stuff done. Working here is inspiring and motivating, and it results in things getting done quickly. As a direct result, I've learned to change my own style of leadership to fit in rather than the other way around.

When I was at Delta, for example, I was incredibly detail oriented. I would receive daily fifteen-page reports, in the smallest font you can imagine, that would contain everything from yields per route to flight performance by airport and by fleet. In meetings I would ask why the Cincinnati–St. Louis route was underperforming and call out individuals if their numbers weren't up to par. I thought

that leading meant making sure people were executing and holding them accountable for metrics. Eventually, I became known as the guy with the "binders" because of all that data I carried around with me.

My job at Red Hat couldn't be more different. Sure, I still care about numbers—we are a public company after all—but I have an impact on them indirectly by working through our people and culture. I spend the majority of my time thinking about our strategic direction and culture and talking to customers rather than worrying if things are being done precisely as I would choose. A huge part of that means trusting other people to do the right thing—to be hands-off enough to allow the people in the organization to direct themselves and make their own decisions.

That might sound a bit crazy to many, especially those who came up through conventionally run organizations as I did. I've written this book to help convince you that there is, in fact, a better way to run a company—an open and collaborative way. But, one thing I can personally vouch for is that shifting your mind-set isn't always easy. I thought by joining Red Hat I could change the company and help it grow up. After all, why had it hired me if not to change things in some way? But the truth is that Red Hat quickly changed me, especially my views on how companies can and should be run. Given today's realities, Red Hat has taught me that there is a better way.

I've also learned that the skills required to lead a company that relies heavily on the principles of open innovation are vastly different from those needed to run a business based on the hierarchical structure of a conventional organization. Changing the way you might be used to leading will be painful, but it will also be critical for every twenty-first century leader to understand and embrace.

Top-down decision making simply doesn't work at a company like Red Hat whose business model depends on collaboration and shared ideas, rather than control of assets. A person with positional

authority can try to impose this kind of command-and-control model—after all, conventional organizations have been run that way for generations—but we've come to learn that it simply won't work here at Red Hat. Our people expect—actually, they demand—to have a voice in how we run the company, ranging from the mission statement to the travel policy. As CEO, I can't simply send orders down the ranks and expect everyone to jump on board. In order to drive engagement and collaboration to the roots of an organization, you need to get people involved in the decision-making process. And you know what? It works. Red Hat is a faster, leaner, and more innovative company as a result.

At Delta, for example, I led a massive organization of men and women who grew up in a world of hierarchy and who reliably followed the chain of command. So I was surprised to realize that at Red Hat, I had to build credibility and influence with the whole team before I could truly make an impact. Early on, I issued what I thought was an order to create a research report. A few days later, I asked the people assigned to the task how things were going. "Oh, we decided it was a bad idea, so we scrapped it," they told me in good cheer.

That's a difficult concept for many of my peers in other companies to embrace. Other CEOs to whom I've told this story have gasped, "What do you mean they didn't do what you asked them to? That's insubordination! You should have fired them." At first, I felt that way, too. But, the truth is that my team was right to turn down the job—it either wasn't a great idea or, just as importantly, I hadn't done a good enough job selling them on why they should jump into it. A leader's effectiveness is no longer measured by his or her ability to simply issue orders.

People need a thick skin to deal with the extensive and often relentless feedback involved in working the way we do at Red Hat.

It takes time, effort, and a good dose of humility—especially if you're the CEO—in order to build such a culture. (If you don't openly allow and encourage your employees to tell you you're wrong, you'll never build an organization that can innovate better than your competitors.) That means, of course, that we operate on the bleeding edge, as we continue to move forward, making plenty of mistakes and learning from them as we go.

My job is not about conjuring up brilliant strategies and making people work harder. What I need to do is create the context for Red Hat associates so they can do their best work. My goal is to get people to believe in the mission and then create the right structures that empower them to achieve what once might have been impossible.

It's a bit like living in the Old West. We have the opportunity to do something new. While that's exciting, it's also unsettling to think that everything you learned in business school or in running a conventional organization may be outdated or obsolete. Managing this kind of structure introduces a great deal of complexity and often makes decision making far harder. But the end result is nothing short of magic, something that Red Hat's shareholders, who have seen a quadrupling in the value of their stock over the past four years, can attest to.

## What You Will Get from This Book

As word has leaked out about Red Hat's success and the collaborative nature of its culture, bellwether organizations like GE have asked, "How do you create such magic?" This book is the answer to that question. The principles, insights, and tips throughout will help you turn your organization into a more open one and will help you transform your own leadership style, as I've transformed mine.

But the lessons don't apply to just big companies. For too long, entre-preneurs have been told that eventually their organizations need to mature by embracing the conventional hierarchical systems that big companies use. The open organization offers an alternative to that kind of stale thinking. Small companies have much to gain by keep-ing the same participatory dynamics on which they now thrive to grow into the future.

Organizations of all shapes and sizes and in all kinds of industries can benefit from the open organization model in this book. Though I feature my own lessons as CEO of Red Hat and the voices of other Red Hat associates throughout, I'll also describe how companies such as Whole Foods, Pixar, Zappos, Starbucks, W. L. Gore, and others are applying and succeeding with these ideas, too.

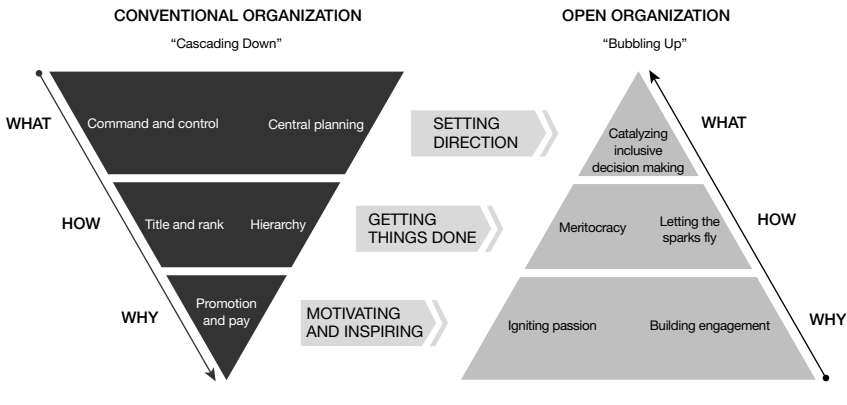## *Your New Playbook for Leading and Managing*

In the following pages, I'll show you how to rewrite the rules for get-ting work done by tapping the power of the crowd inside and outside your organization's walls.

I will describe how an *open organization* management system—visually depicted in figure 1-1—functions differently from con-ventional management thinking in core areas like motivating and inspiring people, getting things done day-to-day, and setting direc-tion. The book is organized into six key areas in three sections—the *why*, the *how*, and the *what*—and describes how we as a team run the company based on the best practices we've culled from build-ing open source software. Some of these concepts will be familiar to readers; others will open up new areas of discussion. But the key point is that all these components complement each other and func-tion together as a cutting-edge management system that is the foun-dation for building participative communities. This is a blueprint for

**FIGURE 1-1**

**The conventional organization versus the open organization**

CONVENTIONAL ORGANIZATION
"Cascading Down"

OPEN ORGANIZATION
"Bubbling Up"

| | | | | | |
|---|---|---|---|---|---|
| WHAT | Command and control | Central planning | SETTING DIRECTION | Catalyzing inclusive decision making | WHAT |
| HOW | Title and rank | Hierarchy | GETTING THINGS DONE | Meritocracy — Letting the sparks fly | HOW |
| WHY | Promotion and pay | | MOTIVATING AND INSPIRING | Igniting passion — Building engagement | WHY |

the kind of environment you as a leader need to create in order to get people to opt in to your community.

I'll focus on best practices, such as how to stoke employees' passion (chapter 2), how to engage the workforce (chapter 3), and why everyone in an open organization like Red Hat, including the CEO, has to earn a level of influence through merit (chapter 4). I'll also talk about how opening yourself up means that you need to find ways to encourage collaboration (chapter 5) and how decision making is a lengthy process, but once it is done, execution becomes much more effective (chapter 6). I'll wrap up by talking about the changing nature of leadership within a community (chapter 7) before discussing in the epilogue what the future of open source organizations looks like and what might be possible because of them. Throughout, I'll offer you some hands-on tips for adopting these best practices in your own organization, no matter how open it currently is.

What follows isn't management theory. Rather, it is an empirical observation about how Red Hat and other companies on the cutting edge of management operate and lead. I'll share the lessons we

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continue to learn so that you, too, can thrive in an economy where all the old rules about how to lead the organizations of the future are changing. I'll also share stories about other companies and organizations, so you can also learn valuable lessons when thinking about building a passionate and engaged workforce. Over time, I hope these and other practices are ultimately codified into a new management paradigm. But I'll leave that to the academics. Perhaps these lessons can become a part of what business schools teach in the years to come.

I turn first to where it all starts—with igniting passion.