

Networks for change and financial growth

Personally I've been lucky enough
to be involved in a piece of research
in sustained organisational change
at the Royal Shakespeare Company,
that was in fact remarkably successful.

And I think it holds some useful lessons
that I want to share with you.

One explanation
of what happened at the RSC
is to see the changes that happened there
in terms of networks.

Take a look at these three diagrams
and you will see a powerful representation
of how the RSC changed.

In 2007 we asked members of staff
to tell us who they were connected with;
formally through working relations,
informally at work and socially.

And then we went back in 2009
and asked exactly the same question.

Now, if you look at these diagrams
you can see that in all three cases
the networks have become denser,
quite considerably denser in some cases,
with more connections.

And as well as being more

of these connections
we found through interviews
that the contacts were more frequent and deeper.

In other words the RSC's networks
had become much stronger.

It had become a much
more connected organisation.

That was a very, very important finding,
because networks have become
a major way in which we get things done
in the 21st century.

We work in organisations
and we think that they make things happen.

But in fact in order to function,
they work within much wider networks
of clients, audiences, customers,
funders, contractors,
suppliers, supporters.

Organisations and networks each have
their own advantages and disadvantages.

Organisations have legal form
like being a company or a charity.

They're relatively stable
and we understand what they are.

They're often very, very good
at getting one thing done.

But they're frequently bad

at change and innovation.

You have to wonder why for example

the mountain bike was invented

not by a bicycle company

but by a bunch of hippies in a garage.

You have to wonder why

the computer was not invented

by an enormous corporation like IBM

but invented by a bunch

of hippies in a garage.

They're very good at getting

this one thing done

but they're frequently bad

at change and innovation

and they tend to get bureaucratized

as they grow as well

and to find change very difficult.

Sometimes people resent working for them

and they have to be bribed

to go to work in the morning.

Networks are completely different.

In a true network;

people join of their own free will,

they bring with them their talents,

their time and their resources,

So networks can grow very, very quickly

and they can be astonishingly

effective and efficient.

Which is not to mean

they are always benign, of course.

Now small organisations in particular

can benefit from thinking of themselves

not simply as organisations,

but a part of something bigger.

And once you start thinking

in network terms

it changes what you do

and it helps you understand

just how much you can achieve

and how many people are out there

who can help you to achieve it.

In particular it changes

your relationship with the community

of users and clients.

Because it exposes

the flimsiness of the barrier

between the inside and the outside.

In fact there is no barrier.

Instead of there being a division

between the organisation

and its users or community,

there is in fact, a network connection.

And it's through a network connection

that a small number of people

inside an organisation

can effect massive change outside it.

Let me finish with a story

that illustrates what I mean.

I've spoken already

about this think tank called Demos.

And as you might imagine, we used

to sit around a lot discussing ideas.

One day, we were having a discussion

about what Demos is.

Some people described it

in structural terms:

"It's a charity."

"It's a company."

Others said, "it's the staff."

Now, the staff, that was

about 20 people in an office.

So a very organisational response.

But then we thought, well,

what about all the interns

who come and go?

There are usually

about 20 of them as well.

And what about the Board?

So yes, let's include them in the number.

So Demos is now a hundred people

or so.

What about all the past interns

who keep turning up

for coffee once a month

and won't go away?

What about the previous members of staff?

All right, let's include them,

now we've got up to a number of about 500.

So what we thought of

as a very small organisation

is getting bigger all the time.

Then somebody said, "Aha!

We have a database on our computer"

"with 5,000 names on it,

and we regularly post stuff to people,"

"so let's include them."

Bingo. With a ten-fold increase in size

we're now 5,000 people instead of 500.

But then somebody came with this

and plopped it on the table:

A map of the world.

He said, "Do you know, it's really remarkable,"

"in the last couple of weeks

we've had people visiting our website"

"from Australia, Canada,

the Turks and Caicos Islands,"

"Romania, Russia, Japan."

That was when the penny

kind of really, really dropped.

We realised all of a sudden, that we

weren't 20 people sitting in a room

or 5,000 people connected

by the postal service.

We were really as big as the number of people

who wanted to join in this project.

If we turned this from thinking

of an organisation into a network.

And the effect of that

was that within a month

we completely changed our business model

and our way of working.

Instead of being a quasi-publisher

writing little books like this

and giving most of them away

and selling the rest.

We realised that we were

in the business of ideas.

That's what we wanted to do.

Get ideas out there.

So we put our next pamphlet

on the web as a free PDF

with a Creative Commons license.

We were astounded by the results.

Immediately, instead of one of these

being read by about 500 people,

it was reaching

tens of thousands of people.

That first PDF pamphlet

which was about migration in Europe

had a 100,000 downloads.

The income that we lost

through not selling the pamphlets,

was more than made up for

by our funders realising

that this new way of doing things

was far more effective

and consequently

they were ready to pay for it.

And our turnover went up 70% in a year.

But it didn't stop there.

The network was not just a new means

of distributing product,

it wasn't just a better way

of getting stuff out there.

The network provided

a space for interaction,

a way of growing the project.

We were all involved

in the same big endeavour

of learning, inquiry and growth.

Whether we were somebody

supposedly inside the organisation

or somebody supposedly outside of it.

So seeing ourselves as a network
instead of a small organisation
meant that we saw the outside world
not as something difficult or scary,
but as a huge community
with whom we could work.

Instead of thinking of ourselves
as providing something for our community,
we simply expanded the idea
of what that community was.

The RSC in their process of change
arrived at the same point.

Instead of seeing themselves
as putting on theatre for an audience,
they began to see the audience
as part of themselves,
part of the same project.

As Michael Boyd put it
in his New York speech.

"The time might be right for theatre
to offer a better, more honest,"
"more active and intimate relationship
between the performer and the audience."

"I sense a new contract being drawn up
among young theatre artists and audiences"

"that acknowledges the audience

as part of the ensemble."

Translated into museum terms

this would mean;

no barrier between the

organisation and the public,

no more "them" and "us",

no more doing things for people,

but instead, a joint endeavour,

doing things with each other.