

WORLD BLU

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**THE WORLDBLU FORUM: REWRITING THE RULES OF BUSINESS
FOR A DEMOCRATIC AGE
OPENING REMARKS: CONVERGENCE IN BLU**

**OCTOBER 26, 2005
WASHINGTON, DC | MANDARIN ORIENTAL HOTEL**

Welcome to the *WorldBlu Forum: Rewriting the Rules of Business for a Democratic Age* and the launch of the world's first gathering on organizational democracy and freedom-centered leadership. I'm Traci Fenton, Founder and CEO of WorldBlu and Founder and Chair of the WorldBlu Foundation, which is hosting the WorldBlu Forum.

During the next several days, we're going to explore the concepts of organizational democracy and freedom-centered leadership and what they can mean to you, your organization, and the world.

THE JOURNEY

Although the quest for freedom is changeless and universal, the application of it to the world of business, which is our context, is still a largely uncharted terrain and we need your help defining it. What does it mean to be a democratic organization? What does it take to be a freedom-centered leader? It means something different to each person and each organization but the core principles that characterize a democratic work environment, such as transparency, accountability, dialogue and listening, innovation, and an absence of tyranny are shared.

We will venture into this new landscape with over 30 of the most illumined thinkers and practitioners on the topic of organizational democracy and it's real-world application to the art of business and the art of life.

Together, we'll go cave diving into questions such as:

WHAT will it take to...

Develop a democratic company from the ground up, wipe out "rankism", and spur economic development with organizational democracy?

HOW will we...

Redefine the relationship between management and employees, use technology to design sustainable democratic workplaces, or reinvent work using the right side of our brains?

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And WHEN will we...

See the first democratic Fortune 500 company, adapt our organizations to operate successfully in a “flat” world, follow democratic cues in nature, and understand the value of adopting a fourth bottom-line in corporate social responsibility?

PREPARING FOR THE JOURNEY

Over the past year as we’ve been putting together the WorldBlu Forum, I’ve had the privilege of interacting with CEOs running multi-million dollar democratic companies, best-selling authors, revolutionaries, technology gurus, and emerging leaders who will be sharing their insights with us here at the Forum.

I remember the awe I felt standing in the GE Durham plant where they make the jet engines that power Air Force One and most of the commercial planes we travel on. I watched them use organizational democracy as a strategy for producing an extremely technical and high-stakes product, earning them a global reputation for excellence. Plant manager Chuck Williams will be telling us tomorrow how they use organizational democracy at GE to achieve outstanding results. I remember the three-hour dinner I had in Charlotte, NC, with Mike Feretti, CEO of Great Harvest Bread Company when I learned more about their strategy for building “freedom-centered” franchises. I remember being in the Beverly Hills offices of Motek and listening with deep admiration as CEO Ann Price listed for me all the ways their company practices organizational democracy, creating a culture so amazing that *Inc.* magazine recently asked, “could this be the best company to work for anywhere?”

I recall earlier this spring sitting in a DuPont Circle coffee shop here in DC with Dan Pink shortly before his best-selling book, *A Whole New Mind* came out and discussing the inevitable global trends – trends such as the search for meaning, the quest to have business leaders think more like designers and the unstoppable forces of automation and technology all propelling this evolution toward organizational democracy, making it one of the most viable and powerful organizational strategies of our time.

A high point for me in the process of putting the Forum together was when I was in a Wellesley cafe just outside of Boston this summer having lunch with one of people I admire most in this world for his contribution to making it OK, even *cool*, to be a corporate revolutionary – Bill Taylor, Founding Editor of *Fast Company* magazine. We talked about his forthcoming book, *Mavericks* which contrasts old school, or what he calls “mogul” leadership (characterized by people like Donald Trump) with the next generation of “maverick” leadership (characterized by companies like Google).

And I still get goose-bumps when I reflect back to sitting in the Strathmore Music Hall just up the street from this hotel watching the Grammy-awarding winning conductorless Orpheus Chamber Orchestra perform. I remember feeling spellbound watching the world’s only conductorless orchestra modeling freedom-centered leadership. All I could think was, “Here it is, an example of how this all works!” and the result was such beauty, such excellence. It was completely captivating. Graham Parker is here from Orpheus to share an artistic model of organizational democracy.

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We'll be hearing from people like my mentor and dear friend, Elisabet Sahtouris, a futurist, author, and evolution biologist who travels the world addressing audiences from Boeing to the "Be the Change" global conference with her deep insights into how the universe naturally self-organizes around democratic principles. Mart Laar, the former prime minister of Estonia will tell us his story of how at age 32 he led the most successful transition to democracy of all the 28 post-Soviet communist countries. Fredo Arias-King will explain to us in rousing terms and with seasoned insights why the former manager of the band ABBA was more fit to help his country flip to democracy than a former KGB official and how these lessons of transition can be applied to companies around the world.

We'll be inspired by next generation leader Andrei Cherney, who at age 21 became the youngest White House Speechwriter in American history, and then at 25 published a best-selling book about how we must reinvent government for a democratic information age. For those of you wondering how organizational democracy can work in a large company, Rita Bailey, former director of Southwest Airlines University, will talk about how she helped build one of the most profitable, people-centered, and democratic companies in the world. And Sandy Wilder, CEO of Communio, will take us to the root of where all of these ideas must start – understanding our individual sense of purpose. Many of the ideas we'll be exploring will be shared not only by the Forum's onsite audience but will also be shared with our global audience, through podcasts and blogs on our new Internet platform called The Grid, donated to us by Forum speaker Thomas Mydsen-Mygdal, one of the leading influential thinkers in democratic technologies and CEO of United Minds based in Denmark.

WHY SHOULD YOU CARE?

All of these speakers – and about 20 more in addition to those I just mentioned – agreed to join us for this unprecedented event. Why? Because they understand the power of these ideas and their potential to reshape business and the world toward the economic and social prosperity for which we're all searching. For example, Bashar Al-Naher, representative of the Prime Minister of Iraq and one of our speakers at the Forum, believes that organizational democracy is a system that can not only be applied to his person and family life, but can be a major platform for advancing the democratic process in Iraq.

A HIGH-STAKES GAME

There appears to be what I will call an *external* democratization occurring. We see the effects of an external democratization at play in products and services everywhere from the democratization of information, to the democratization of media, music, healthcare, even fashion. And I believe there is also a growing and inevitable *internal* democratization taking effect inside organizations in the way people are choosing to interact with each other, driven by the number one megatrend of our era, spirituality, as cited by Patricia Aburdene in her book *Megatrends 2010: The Rise of Conscious Capitalism*. These two forces – external and internal democratization – are rapidly converging, and once aligned, I believe, will create a new democratic age.

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And thank goodness, because the stakes have never been higher! We are seeing the rapid breakdown of the Industrial Age institutions and mind-sets that can take us no further. The model has been outgrown. So what will be the new mind-set, the new model? We believe it's organizational democracy and its promise of answering three pressing demands.

First of all, it answers an ECONOMIC demand. Companies that operate on democratic principles tend to be financially sustainable, highly profitable, and usually boast low turnover rates and high levels of participation and productivity. They are generative, encouraging entrepreneurship and innovation (which is a key to economic prosperity) and they are adaptable, embracing necessary and inevitable market shifts and demands rather than fighting against them.

Organizational democracy also answers a SOCIAL demand. Consider the groundbreaking research that business school professor Gretchen Spreitzer and her team at the University of Michigan just released. Her research in 80 countries quantitatively shows that *companies* using organizational democracy to operate build more peaceful and prosperous *societies*. Employees working in environments that engage in participative organizational leadership and employee empowerment learn skills that have a powerful ripple effect on the communities around them. In countries where employees are engaged in the decision-making process at their companies there is LESS corruption and unrest. Yet in countries where employees are more compliant in following their supervisor's decisions without question, there is MORE conflict. Spreitzer's research indicates that business leaders must more *consciously* consider how the operating environment they create at *work* impacts *beyond* the corporate boundary to either stimulate or seriously undermine society's progress.

Finally, organizational democracy answers a MORAL demand. I remember one CEO of a democratic company up in New Hampshire saying to me a couple years ago that he chooses to operate his company using organizational democracy not only for its profound economic and social benefits but because morally it's the right thing to do.

This spring, the Gallup Organization released some staggering statistics. According to their research, 71 percent of American employees are either "not engaged" or "actively disengaged" from their work. This disengagement costs the US up to \$350 billion annually. But this isn't just a problem in the US; it's a global problem!

Consider the fact that 82 percent of Australian employees are "not engaged" at work, 88 percent of Chinese employees are "not engaged", 91 percent of Japanese employees are "not engaged" at work and 31 percent of French employees, for example, are "actively disengaged" at work.

Think about the larger issues at play here. People are going to work each day only to operate on the lowest possible frequency because there is nothing in the way the organization operates that engages them! I believe this is a moral problem.

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A VISION FOR 2020

People ask me all the time if organizational democracy is a political issue. It's not. It's not a left-wing or right-wing issue or a conversation about whether or not we should have employees voting for their boss. It is a *larger* conversation that defies categorization and shoots straight up the center, to the art of rewriting the rules of business FOR a democratic age IN a democratic age. It is about using freedom, not fear, as our premier strategy for success.

So our vision, and invitation to you going forward is this – to build 1000 democratic organizations– be it for-profit, non-profit, or governmental – by 2020. Can you imagine the *global* impact of 1000 organizations operating in various industries around the world on the principles of freedom rather than fear? What kind of effect would that have on our world economies and social systems, not to mention the collective consciousness? Tonight and throughout the Forum, we will begin exploring how to make this vision a reality.

Organizational democracy, the WorldBlu Forum, this vision for 2020 – they are ideas, bigger than a singular event with a fixed start and end date, bigger than one person or an organization. They represent a compound idea comprised of conversations, explorations, questions, hypotheses and practical applications that live beyond the walls of time and space. It is a dialogue about the possibilities and practicalities of a freedom that dares us to be artists in a creative dynamism of rethinking how we get things done by reaching in and pulling out our best selves and the best in others.

Thank you so much for being here and all for the personal and professional sacrifices I know many of you have made in order to be here and help shape this world-altering dialogue.

Why can't we use organizational democracy to build a more democratic world? I invite you to step over the line and join me in exploring just how we *can*.

Thank you!