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By Ori Brafman and Rod Beckstrom

Changing the Rules—

Lessons from a Starfish World

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Welcome to a world where a battle between the Spanish conquistadors and the Apache Indians explains the woes of the recording industry. Where Wikipedia and Alcoholics Anonymous teach us how to fight terrorism. And where leaderless organizations are taking business and society by storm. It all comes down to the difference between starfish and spiders.

Cut off the leg of a spider, and you end up with a seven-legged creature. Cut off its head, and the spider dies.

At first glance, a starfish looks a lot like a spider—both creatures appear to have legs radiating from a central body. But looks can be deceiving. With a spider, what you see is pretty much what you get. A body's a body, a head's a head, and a leg's a leg. Cut off the leg of a spider, and you end up with a seven-legged creature. Cut off its head, and the spider dies.

But with starfish it's a whole different story. If you cut off an arm of a starfish, it will grow a new arm. And even more incredibly, the severed arm can grow an entirely new body. Starfish can perform this magical regeneration because a starfish is a neural network—basically, a network of cells. Instead of having a head like a spider, the starfish replicates all of its organs across each leg. The starfish doesn't have a brain, there is no central command, and there is no hierarchy.

But Cortés hadn't come to sightsee. He had come in search of gold, and the Aztecs had plenty of it.

Just as there are starfish and spiders in the animal kingdom, there are starfish and spider organizations. And when a spider organization takes on a starfish weird things happen.

Take the story of the famous Spanish explorer, Hernando Cortés. When he encountered the Aztecs in 1519, Cortés expected to see savages. Instead, he found a civilization with a population of more than fifteen million, its own language, an advanced calendar, and a central government. "The city," he marveled, "is as large as Seville and Cordoba."

But Cortés hadn't come to sightsee. He had come in search of gold, and the Aztecs had plenty of it. Seeing an opportunity to get rich, Cortés went on the attack.

He met with the Aztec leader, Montezuma II, and threatened to kill him unless he handed over the gold. Montezuma obliged, but Cortés killed him anyway, and chaos ensued. The Spanish army surrounded the Aztec capital, barricaded the roads, and blocked off the aqueducts.

By 1521, just two years after Cortés had arrived, the entire Aztec empire—a civilization that traced its roots to centuries before the time of Christ—had collapsed. The Aztecs weren't alone. The Spanish had similarly conquered the Incas, and they eventually gained control of the entire continent. By the 1680s, the Spanish seemed unstoppable. With the winds of victory at their backs, they headed north and encountered the Apache. This meeting—in the deserts of present-day New Mexico—sheds light on such disparate conflicts as America's current war on terror and the record industry's battle against music swappers. Why? Because the Spanish lost.

The Spanish lost to a people that at first seemed primitive. Unlike the Aztecs and the Incas, the Apache hadn't put up a single pyramid, paved a single highway, or even built a town to speak of. The Spanish first tried to subdue the Apache by turning them into farmers. Some Apache did take up rake and hoe, but the vast majority resisted. Not only did they resist, but they actively fought back—raiding everything in sight that was remotely Spanish.

The power lay with the people, who were free to do what they wanted.

You'd think that against an army like the Spanish, the Apache wouldn't have had a chance. But that wasn't the case. For two hundred years, they stood up to the most powerful armies in the world: first the Spanish, then the Mexicans, and finally the Americans.

It wasn't that the Apaches had a secret weapon that was unknown to the Incas or Aztecs. Nor had the Spanish army lost its might. The Apache persevered because their society was decentralized, like a starfish.

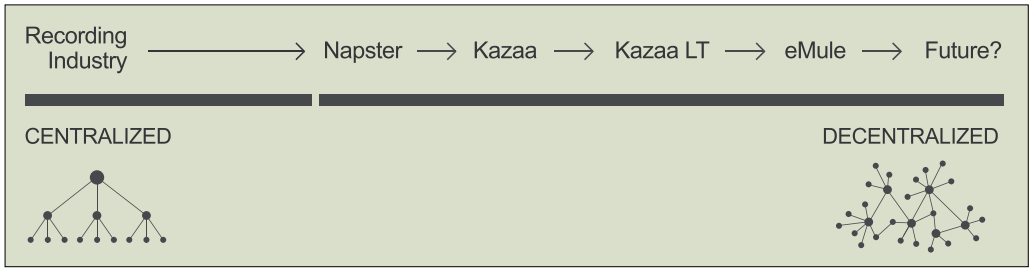
Apache society lacked political hierarchy, rigid structure, and formal leadership. Instead of chiefs, the Apache had Nant'ans, who held no authoritative power and led by example. Tribe members followed the Nant'an because they wanted to, not because they had to. The power lay with the people, who were free to do what they wanted. In fact, the phrase "you should" doesn't even exist in the Apache language.

When the Spanish killed a Nant'an, another person would just take his place. When the Spanish raided villages, the Apache became nomadic. The more the Spanish attacked, the more decentralized—and difficult to control—the Apache became.

Fast forward three hundred years, and we see the battle between the Spanish and Apache repeat itself.

Spider-like record labels, for example, have been engaged in a futile fight against starfish since 2001. When Napster came on the scene, the record companies sued and managed to drive the company out of business. But the labels had won a pyrrhic victory. Soon after Napster's collapse, Kazaa came along, offering a more decentralized solution (without a central server). What did the record companies do? They sued again, and put an end to Kazaa. With Kazaa gone, an even more decentralized program, eMule, emerged. There are no offices, there is no paid staff, there are no servers. No one even knows who created eMule.

As with the Spanish and the Apache, the more the record labels attack, the more decentralized—and resilient—the music swapping programs become.



Starfish organizations like Alcoholics Anonymous and Wikipedia are incredibly difficult to control.

Just like the Apache, there's no one in charge of AA. Anybody can join or start a support circle. And if you cut off an arm of AA, it will just grow a new one. Similarly, anyone can post a Wikipedia article. The site is policed only by its members. Every user is an equal. Cut off an AA circle, and a new one will emerge. Remove a Wikipedia article, and someone will just write a new one.

This starfish resiliency can also be dangerous. One of today's most notorious starfish organizations is al Qaeda. Anyone can start an al Qaeda cell. There is no hierarchy. Cells are distributed across the world. Take out a cell, and a new one will emerge; take out a leader, and another will replace him. The more we fight al Qaeda, in fact, the more decentralized it becomes.

But there are three strategies that will work against a decentralized opponent:

- Change the ideology. Starfish organizations are based on ideology (be it AA members' desire to help each other fight addiction or Wikipedia members' commitment to creating an objective source of information). Given that you can't take out the leader—either because there isn't a leader or because someone else will just take his place—and given that cells or circles, like arms of a starfish, will regenerate themselves, the only key component that one can change is ideology. In the war on terror, for example, this would mean employing tactics like setting up schools or providing social services.
- Centralize the opponent. Why did the Apaches finally lose after two hundred years of independence and insurrection? Because of a simple program implemented by the American government: as compensation for moving to reservations, the Nant'ans were given cows to distribute amongst the tribe. In giving Nant'ans control of a scarce resource, the Americans gave them real, as opposed to symbolic, power. As a result, the Apaches became more centralized, and therefore much easier to control. Rather than going after al Qaeda's leadership, we should think of ways to make the organization more centralized.

- Decentralize ourselves. "It comes down to a game of soccer," a senior special-ops officer said, describing U.S. efforts to combat terrorism. "It's like taking a soccer team, handing them a pigskin, and expecting them to be able to play football." This is as true for the war on terror as it is for the record labels or for a software company facing open-source competition. Take, for example, IBM's move to hire engineers who work on Linux. Rather than fighting the open source movement, IBM is supporting the community and shifting its business model to offer related consulting.

In the words of the special-ops officer, we need to start playing a new game. But before we can effectively play, we need to recognize the rules of this new starfish world:

RULE #1: DISECONOMIES OF SCALE

Traditionally, the bigger the company or institution, the more power it could wield. Small players might have had the advantage of flexibility, but the safe bet would be on the big guns.

Starfish have changed everything. AT&T was huge, had massive infrastructure, and employed tens of thousands. Skype had just a few employees and a handful of PCs to its name. Because Skype didn't have to support a large payroll, a marketing budget, or expansive facilities, it could thrive on minimal revenues. This lean approach, combined with a large decentralized network of users, enabled Skype to wreak havoc on the phone industry.

Basically, as counter-intuitive as it sounds, it can be better to be small. Because it didn't have a physical company to support, eMule didn't mind that its millions of users were getting songs for free.

Size matters. There's power in being small.

RULE #2: THE POWER OF CHAOS

As you read this, parents worldwide are beseeching their kids to clean their rooms. “How can you get anything done in this mess?” they ask. Similarly, to run an organization, the conventional thinking goes, you’d better be organized and structured.

But in the starfish world, messy kids can rejoice. In seemingly chaotic starfish systems, users are free to do whatever they want. Want to download a song? Sure, why not? Want to create a piece of software? Go for it. Want to write an article for Wikipedia? Be our guest. Want to create a website featuring your pet cat? Go right ahead.

Starfish are wonderful incubators for creative, destructive, innovative, or crazy ideas. Anything goes. Good ideas will attract more people, and they’ll execute the plan. Try to institute order and rigid structure, and, while you’ll have standardization, you’ll also squelch creativity. Where creativity is valuable, learning to accept this chaos is a must.

RULE #3: BEWARE THE HYDRA RESPONSE

Attack a starfish and you’ll soon be reminded of Hydra, the many-headed beast of Greek mythology. If you cut off one head, two more will grow in its place. The Spanish learned this lesson the hard way when they fought the Apaches. When the record labels destroyed Napster, they got Kazaa and eMule. Go after al Qaeda’s leadership, and the organization will only spread and proliferate. Cut off the arm of a starfish, and it will a grow a whole new body. As we’ve seen, there are ways to battle a decentralized organization. But for goodness sake, don’t mistake it for a spider and try to cut off its head.

Welcome to the starfish revolution.

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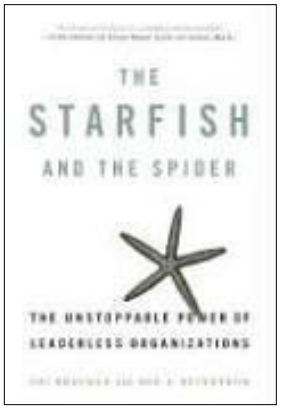

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For more details or to buy a copy of Ori Brafman and Rod Beckstrom's, *Book The Starfish and the Spider: The Unstoppable Power of Leadership* click here.

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Ori Brafman is a lifelong entrepreneur. His adventures include a wireless startup, health food advocacy group, and a network of CEOs working on public benefit projects, which he co-founded with Rod Beckstrom. He holds a BA in Peace and Conflict Studies from UC Berkeley and an MBA from Stanford Business School.

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Brafman and Beckstrom are the authors of *The Starfish and the Spider: The Unstoppable Power of Leadership*, available from Penguin Group, October 2006.

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