

NOWOS PROCESS GUIDELINES

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INTRODUCTION

This document contains the description of the most important processes within Nowos. The processes are designed based on:

1. the Nowos Mission Statement,
2. the Nowos Business Principles and colleague Values,
3. and the supporting environment as described in ManaCracy.

The aim of this document is to create simple guidelines that support the creation and maintenance of the type of environment we wish to build within Nowos: an environment that puts the Purpose and therefore, the people working for this Purpose at the center. An environment in which everyone can be at his or her full potential; whole and authentic.

Not all processes are described in great detail, for some just a quick description, or some examples are provided. This document is meant to be a living system, growing the way it wants to, just like the organization itself.

Together we create our culture, the way we choose to work together. Together we write our legacy.

1. MANA

Mana		
1.	Recruitment	<ul style="list-style-type: none"> • Interviews by future colleagues, focus is on fit with the organization and its purpose
2.	Onboarding	<ul style="list-style-type: none"> • Significant training in relational skills and in company culture • Rotation programs to immerse oneself in the organization
3.	Training	<ul style="list-style-type: none"> • Personal freedom and responsibility for training • Critical importance of common training that everybody attends
4.	Job titles & job descriptions	<ul style="list-style-type: none"> • No job titles • Fluid and granular roles instead of fixed job descriptions
5.	Individual purpose	<ul style="list-style-type: none"> • Recruitment, training and appraisals used to explore juncture of individual calling and organizational purpose
6.	Flexibility & time commitment	<ul style="list-style-type: none"> • Honest discussion about individual time commitment to work vs. other meaningful commitments in life • High degree of flexibility in working hours, as long as commitments are upheld
7.	Performance Management	<ul style="list-style-type: none"> • Focus on team performance • Learning goals instead of targets • Peer-based processes for individual appraisals • Appraisal discussion turned into personal inquiry into one's learning journey and calling
8.	Compensation	<ul style="list-style-type: none"> • Self-set salaries with peer calibration for base pay • No bonuses, but equal profit sharing • Narrower salary differences
9.	Appointments & promotions	<ul style="list-style-type: none"> • No promotions, but fluid rearrangement of roles based on peer agreement • Responsibility to speak up about issues outside of one's scope of authority
10.	Dismissal	<ul style="list-style-type: none"> • Dismissal last step in mediated conflict resolution mechanism • Caring support to turn dismissal into a learning opportunity

Table 1 Mana

1.1 Recruitment

The aim of the recruitment process is to allow both parties to have a good, honest and truthful look at each other and figure out if we are meant to journey together. Interviews are executed by future colleagues (team members) and the focus is on fit with the organization and its purpose. There are no recruitment targets to make; there are no interview techniques to be trained in.

A guideline in the recruitment process is: 'talent is good, **character** is better'. The attitude of a candidate is equally if not more important than persons skills, experience or talent. Of course, skills and experience matter, but roles are so fluid that it makes little sense to hire somebody for one particular box. Moreover, when people are self-motivated, they can pick up new skills and experience in surprisingly little time. In the interview it's really about having an honest conversation with each other ("will the real person please stand up?"). For the team members this means to lead by example in the interview.

There are a few important factors determining the long-term performance of a person. The following questions support team members to focus on the right factors in the interview:

1. Self-efficacy: Know and believe in your strengths - go for it
 - a. Do we feel this person knows and beliefs in him/herself?
 - b. Do we feel this person has the ability to exert control over his/her motivation and behavior?

- (Or is he/she willing, ready and able to learn this?)
2. **Adaptability:** Develop a large adaptive capacity and thus be able to tackle the challenges of tomorrow
 - a. Do we feel this person has the ability to adapt and change?
 - b. Do we feel this person has a growth mind-set: "I am able to grow, change my beliefs, learn", instead of a fixed mind-set: "I am a such and such person" (Or is he/she willing, ready and able to change this?)
 3. **Vitality / fit with the job requirements:** Be aware of the vital and mental job demands and the fit with this person.
 - a. Do we feel this person fits with the vital and mental job demands?
 - b. Will this person thrive in this role?
 4. **Intrinsic motivation / dedication:** Make sure you are intrinsically motivated for the work you do - ensure a high level of dedication. We ourselves and the organization are obliged to investigate our own calling to see if and how it resonates with the goal of the organization. We try to let our role be inspired by our inner core and not by our ego.
 - a. What is the individual goal/calling/purpose of this person and do we feel it deeply resonates with the calling of the organization, team and role?
 - b. Do we feel this person is intrinsically motivated to work dedicated to do this work (do we feel this job is part of this person writing his/her legacy?)
 5. **Talent / organization fit:** Know the value of talent: talent is overestimated, but we can not do without it - and make sure you are on the right stage
 - a. Is this person energized by the organization's values and by its purpose?
 - b. Will this person thrive in a self-managing environment?
 - c. Will this person fit in?

This means informing candidates thoroughly on self-management, the values of the organization and what it's like to work here.
 6. **Individual goal:**
 - a. What is the individual goal/calling/purpose of this person and do we feel it deeply resonates with the calling of the organization, team and role?
 7. Do we want to work with this person on a daily basis?

A bad hire is someone who is a chronic complainer, who is not happy, who blames others, who doesn't take responsibility, who is not honest, who doesn't trust people. A bad hire is someone who needs specific direction and wishes to be told what to do. A poor hire is someone who isn't flexible and says: 'it's not my job'.

1.2 Onboarding

The main aim of the onboarding process is to make new team members feel welcome, to get to know each other and to give new hires a chance to figure out if working in a self-managing environment really suits them. We choose to have a relatively long and extensive trial period of three months. This means that the percentage of people leaving during the trial period might be larger than in more traditional organizations. This does not indicate any 'failure', but just means both parties are sincere and honest in deciding if this self-managing environment truly suits the new hire.

The first days and weeks are critical in making someone feel that he/she has come into a new and different workplace. At the heart of the onboarding process is some form of training that helps new hires understand and navigate the new environment they joined, namely on:

1. **Self-management:** a training that helps to understand how self-management works, what is different from a traditional organization and what stays the same, what skills are needed to thrive in this environment and how decision-making takes place. Particularly for people who were previously in leadership positions, the transition can be difficult.
2. **System awareness & collaboration:** training on what system awareness means in the organization, with the focus on interrelationships and inclusion of multiple perspectives. Enhancing the collaborative skills of the new hires, and make them familiar with practices like social sensitivity, listening, offering feedback, collaborative dialogue, action learning, addressing conflict, the advice process and coaching skills.
3. **Team Mastery:** training on the way of working of the team, to enhance Partnership amongst the team members. Training includes the meeting practices, roles and working with the team charter.

4. **Personal Mastery:** training that helps a person to be aware, assess and develop their own Self Awareness and Self Management (personal responsibility, self-regulation, flexibility, the ability to self-start), in order to help them thrive in the context of self-management.

Most importantly, we celebrate somebody's arrival at the company. The team takes the lead in making their new member feel welcome, show how we treat each other and how we create a safe environment. Whatever that may look like depends on the team.

During the trial period, the new hire is buddies up with a different colleague from the team every month and together with the buddy colleague the new hire makes a plan on what to experience and try out in the trial period. At the end of the trail period, the team colleagues and the new hire, together decide if a fixed contract is the right next step.

1.3 Training

A self-managing organization provides for exceptional learning opportunities: no one stops you from picking up a new role, or from trying out new things. The more you are seeking to contribute, the more your reputation grows, the more people will turn to you for advice or help and the more you will be trusted to take on new roles and launch new initiatives.

Within Nowos the people themselves are responsible for their own training. If they feel they need training in a specific area, they can sign up for any training inside or outside the company, provided they use the advice process (within their team and with any other relevant people) and budget the costs in the team budget.

It is also possible for employees to become trainers themselves and to create classes of subjects they are passionate about.

Some areas are of critical importance for the whole organization and for these items common meetings are set up that everybody is encouraged to attend:

1. **Dialogue to establish a common culture:** in these dialogues or meetings, items related to the creation of a common culture are discussed. Examples: what are the organizational values, how to deal with conflict or tensions, how to get things done without hierarchy, coaching or facilitating skills, listening skills, the use of certain organizational tools etc. Employees can put items on the agenda to discuss with the whole organization as they come up.
2. **Personal Mastery:** processes that help a person to be more aware, assess and develop their own Self Awareness and Self Management (personal responsibility, self-regulation, flexibility, self-starting) and to stimulate sustainable performance through continuous attention to personal leadership, energy and inspiration.

1.4 Job titles & job descriptions

Within Nowos we don't use job titles. We do have fluid and granular roles instead of fixed job descriptions. Everyone in the organization fills a unique combination of roles. The absence of a job title and job description forces us to search within ourselves for a personal, meaningful way to define who we are and what we can contribute. There is no preset template to conform to, no pre-given label that can shape our identity. With no one telling us how to do a particular job, we might as well do it from our own selfhood, and infuse it with our unique personality.

The team defines any necessary roles of the team they create (the Mana team creates the first team), any necessary changes are discussed in the governance meeting of the team. The definition of a role includes:

1. name/definition of the role
2. purpose of the role
3. scope (area of full authority)
4. accountabilities/activities
5. any necessary skills/expertise

1.5 Individual purpose

One of the most important things to keep track of is to make sure the organizational purpose resonates with our individual purpose. This process starts in the recruitment phase. Within Nowos we invite each individual to create their own mission statement (or legacy) including objectives that provide the basis for a request of feedback from peers and the following of any trainings. It could take the following form, but everyone can decide for him/herself how it looks:

1. **Purpose:** The purpose is a vivid and inspiring description that defines your reason of existence: what is your calling? What is the legacy you want to leave behind?
2. **Objectives and Results:** Each person defines his or her own objectives coherently with his/her purpose. As with any other piece of information, these are openly shared and accessible within the organization. Objectives answer the question: "What do I want to achieve?" and are normally defined in qualitative terms. On the other hand, Results answer the question: "How will we know that we have succeeded and reached our objective?" and could be expressed in measurable terms. The individual's objectives also drive the teams' objectives; they should be consistent and represent a significant contribution. Every team member is responsible for reviewing their own results vis-à-vis the results achieved and use conversations with coaches and their peers as a basis to raise the bar and improve in the future.
3. **Strategy:** "a plan of action designed to achieve an overall aim", which translates into a plan to achieve the objectives.
4. **Desired Roles:** definition, purpose of the role, scope (area of full authority), accountabilities/activities, and necessary skills/expertise.
5. **Resources & Support:** what do you need in order to reach your objectives and results? Whom will you ask to support you by giving you feedback, by mentoring, or coaching? What do you want to receive feedback on? Do you need any training to reach your objectives?

1.6 Flexibility & time commitment

At Nowos, no one controls working hours. All people are trusted to have self-discipline and work together until the job is done. However, we don't have the assumption that people should put their commitment to work above any other commitment in their lives. If we want to be authentic and whole at work, we must learn to speak up about other important commitments. We must stop pretending that work will always trump other commitments in all circumstances. At regular intervals (for example, every quarter), the team comes together and discusses how much time and energy, at this moment in their lives, they are willing to commit to the organization's purpose.

1.7 Performance management & organizational productivity

Most of us naturally want to receive feedback on our contribution at work: was it helpful? Was it worth the effort we put in? However, most performance appraisals in traditional organizations are a form of judgment and control. Good work is taken for granted and negative feedback is withheld, building up over time because of so many things being left unsaid. Or we use feedback to try to mold other people into how we believe they should be. Moreover, traditional performance goals ensure that we show what we already can do. Or just avoid discovering what we cannot do.

At Nowos, we try to do it differently: we celebrate and recognize positive contributions and without judgment, we inquire truthfully with each other into what isn't going so well. Next to this, we use learning objectives instead of the more traditional performance objectives. Learning objectives lead to our ability to develop our capacities. A performance target can be for example: we are aiming for a market share of 10 percent. A learning goal can be: we want to discover at least five ways to increase our market share.

Individual Performance:

Performance Management within Nowos takes place foremost at the team level and peer feedback is given on the spot, throughout the year. One of the most important elements in creating peak, or flow experiences is immediate feedback on our actions. This makes daily peer feedback of the utmost importance for our happiness. Moreover, we take the point of view that feedback is never objective, so in order to learn, we must

get involved, we must open up. We must learn to speak in “I” language and share how we have been inspired, touched, puzzled, hurt, frustrated or angered as a result of what the other person has said or done, so to understand the impact of our behavior. Feedback given that way is not an objective evaluation, but a joint inquiry.

Peer feedback loops within Nowos can take the form of:

1. **Team development:** teams are like mini-companies with their own P&L and their own governance. On the one hand, it’s the team that provides itself with feedback, for example by including a session at the end of any meeting. It doesn’t need to be a long session – even one statement or 30 seconds for each team member is fine, as long as it becomes a healthy habit. At the same time, in order to take into consideration how an external observer perceives the behaviors and results of a team, the Team-Rep can ask their Coordination team or another collaborating team to provide them with some useful feedback.
2. **Seeking feedback from Peers:** feedback can come from any peer and from any place in the organization, and it can be spontaneous or requested. An example of spontaneous feedback is when, at the end of a meeting, a person wants to share some positive remarks or a piece of feedback to another person concerning how they performed at the meeting. Requested feedback is when one person reaches out to one or more colleagues from their team or from another team. Another good way to commit to regular peer feedback is by inviting each other to pair up with a “buddy” and invest 15 minutes each week to give each other feedback on their most recent challenges and accomplishments. Peers, individually or as an advisory board, are responsible for helping to provide their colleagues with opportunities for learning and developing.
3. **Coaches** are available in the mana team to support people, and one of their roles is to provide them with input and feedback (or feedforward: “what would you do differently next time?”). As the approach to both work and self-development is continuous learning, the easiest way for a person to check how they are perceived in terms of their personal effectiveness is to generate reiterative peer feedback loops so that the person can make continuous adjustments to their route to success and satisfaction.

Team Performance:

Within teams, the Team **Governance** is used to discuss the performance of the team. The Team Charter has the following items:

1. **Purpose:** purpose is a vivid and inspiring description that defines the reason of existence of the team, including its context: the problem it’s trying to solve or the opportunity it’s going to chase, the consequences of the problem/opportunity going unaddressed, and the relation of the team to the larger organizational purpose. The purpose clarifies why the group comes together and helps the team make decisions based on what action will move the team closer toward its goals. The team purpose should resonate with the overall purpose.
2. **Objectives and Key Results (OKRs):** The OKR framework is a simple approach to creating alignment and engagement around goals. Each team defines its own learning objectives coherently with its assigned purpose. Teams only focus on one (maximum two) relevant and stretching objective(s), which in turn drive the definition of the Key Results and the team’s strategies. As with any other piece of information, the OKRs of each team are also openly shared and accessible within the organization. According to the OKR framework, objectives answer the question: “What do we want to achieve?” and are normally defined in qualitative terms. Furthermore they must be relevant for the whole organization, consistent with the team’s purpose, and must inspire the team members. An example could be: “Learn the most effective ways to get people to hand in their old phones.” On the other hand, key results answer the question: “How will we know that we have succeeded and reached our objective?” and must be expressed in measurable terms. Normally for each objective there should be two or three solid key results. Building on the previous example, some possible key results could be: “Test the first prototype in the next 12 months”, “Keep the total cost of the prototype to €150,000” and “Have no mechanical failures while testing the prototype”. The team’s OKRs also drive the individual team members’ OKRs, which should be consistent and represent a significant contribution to the team’s OKRs. The individual OKRs are shared with the rest of the organization, as well. Each team is responsible for reviewing their OKRs vis-à-vis the results achieved and using these conversations as a basis to raise the bar and improve in the future.

3. **Strategy:** “a plan of action designed to achieve an overall aim”, which translates into a plan to achieve the objectives (financial but not only). Teams are fully empowered to determine the best strategies that will allow them to achieve their OKRs. The definition of strategy evolves within the context of an uncertain and rapidly changing environment, where prediction is no longer a meaningful activity and the ability to create adaptive plans becomes a key success factor. Teams are also entitled to suggest, during their operational meetings, changes in strategies to their teams, should they devise ways to increase the speed and impact of execution of the team versus their OKRs.
4. **Roles (incl. scope & accountabilities):** name/definition, purpose of the role, scope (area of full authority), accountabilities/activities, necessary skills/expertise
5. **Budget & Resources:** what do we need in order to reach our objectives?
6. **Team & team members assessment:** how do we assess the performance of our team and of our team members?

As a ritual on team performance, each team might want to discuss their performance evaluation with their peers (this might be the whole organization, another team, or the Mana team), to support the team in it's growth.

Self-correction of the living system

Next to these individual and team specific tools to engage each other in conversations on performance, there might be others relevant to enhance the self-regulation of the living system in which we operate within Nowos. A few examples of these are:

1. The use of one or two **shared performance indicators** that make it easy to spot where in the organization things might flow greatly and other parts of the organization where something seems to be in the way. Within Nowos, such an indicator could be Rentability and Material/co-worker ratio (kg/fte). The way we could use this indicator is for example to show which teams/individuals might need some help from a coach and which teams might have some lessons to share with others, based on promising results.
2. Cross-team **meetings** could be used to immediately take care of division of labor across teams. This might be a short daily, weekly, or monthly stand-up meeting to figure out which teams need extra pairs of hands and which teams could easily spare some.
3. **Multifunctional teams**, the way Nowos operates in the operational teams, is a way to self-correct the system. Instead of creating teams that engage with the client (sales) and other teams producing items (operational), multifunctional teams (sales, marketing, production, after-sales), more easily provide immediate feedback throughout the whole organization process.
4. Another way to self-regulate is to together create **shared norms** specifically aimed to self-correct unpromising projects, roles, meetings and support functions. Examples are:
 - a. When you are in a meeting and you feel a lack of engagement, simply walk away. You don't have to excuse yourself, just pack up your things and move.
 - b. When a project feels unpromising and lacking of energy to you, you could decide to transfer to other projects/teams.
 - c. When you have new ideas: create a meeting. When people show up, it shows there is interest and energy in the ideas, if not, simply let it go.
 - d. The same idea holds for roles and support functions: if nobody needs the role, then nobody asks for it and the role simply disappears.

1.8 Compensation

Within Nowos, people set their own salaries on the basis of a few guidelines:

- The highest paying person can not earn more than 7 times the salary of the lowest paying person (based on a full time contract);
- There are no bonuses, but everyone shares equally in any profit;
- Every person sets their own salary and writes a letter stating the salary they believe to be fair for themselves and why. They may back up the letter with any peer-based feedback, or any other relevant data;
- Every team elects a salary advisory team (own team members + one elected person per directly linked team) to give advise on the fairness of the salaries of the team;
- The salary advisory team might tell you that, in comparison to peers, you have been to humble, or to generous with the level of your salary;

- The salary advisory team only has advisory power: if you want to keep your salary at your stated level you can. However, the salary advisory team may start the conflict resolution process in order to gain agreement.

1.9 Appointments & promotions

As there are no ranks and no job descriptions, Nowos has no promotions. Instead, there is a fluid rearrangement of roles based on peer agreement. Everyone in the organization has the responsibility to speak up about issues outside of one's scope of authority (as there are no bosses to deal with these issues).

1.10 Dismissal

Within Nowos we believe there is no such thing as failure; there are only invitations to learn and grow. To realize (or to be told) that we aren't cut out for a particular job is life's way of saying: "you've been given a gift". Look within and you might find a new road opening up, leading you to where your talents are calling you. Colleagues can do much to support a person in that phase. Held in that way, it becomes much easier for a person to explore why a job might not have fit his talents or calling, and where and how to look for work he or she is called to do. As a ritual for leaving the company the team might join together for a meal and prepare a personal story about the person leaving.

In practice, dismissal is the last step in the mediated conflict resolution mechanism. A Mana team member signs off on the dismissal, provided the conflict resolution process is finalized.

Nowos offers everyone a one month salary if they have second thoughts and choose to leave the organization. Everyone will be better off not staying in a marriage that isn't meant to be.

2. DAILY LIFE

Daily life		
1.	Office spaces	<ul style="list-style-type: none"> • Self-decorated, warm spaces, open to children, animals, nature • No status markers
2.	Meetings	<ul style="list-style-type: none"> • Specific meeting practices to keep ego in check and ensure everybody's voice is heard
3.	Decision-making	<ul style="list-style-type: none"> • Fully decentralized based on advice process and consent
4.	Conflicts	<ul style="list-style-type: none"> • Regular time devoted to bring to the light and address conflicts • Multi-step conflict resolution process • Everyone trained in conflict mgmt. • Culture restricts conflict to the conflicting parties and mediators; outsiders are not dragged in
5.	Information Flow	<ul style="list-style-type: none"> • All information is available in real-time to all, including about company financials and compensation • Total transparency invites outsiders to make suggestions to better bring out purpose
6.	Values	<ul style="list-style-type: none"> • Clear values translated into explicit ground rules of (un) acceptable behavior to foster safe environment • Practices to cultivate discussions about values and ground rules
7.	Reflective spaces	<ul style="list-style-type: none"> • Quiet room • Group meditation and silence practices • Large group reflection practices • Team supervision and peer coaching
8.	Mood management	<ul style="list-style-type: none"> • Conscious sensing of what mood would serve the organization's purpose
9.	Community building	<ul style="list-style-type: none"> • Storytelling practices to support self-disclosure and build community

Table 2 Daily life

1.11 Office spaces

Within Nowos we make our work setting colorful, inviting, warm and find out whatever way our place fits our organization's culture and purpose. We forget any preconceived notions of what a workplace should look like. Our place is special and we are all welcome to let it show up in its own unique way.

1.12 Meetings

We intent to let our meetings be a place where the presence of others helps us listen in to our authenticity and voice what we really care about. We are careful to keep our egos in check.

Team members within Nowos come together primarily in two types of meetings, namely governance meetings and operational meetings, the duration and frequency of which is established in advance by participants of the teams. The Meeting Host makes sure the meetings are planned and minutes are made.

In the meetings there are certain ways of working that the Facilitator facilitates:

- **Rounds:** the Facilitator asks a question and each of the team members briefly answers (no more than 2 minutes, no comments).
- **Check-ins and check-outs:** with a certain question from the Facilitator (how are you feeling, how do you feel about the meeting, what do you need in order to be here completely etc.).
- **Balcony moments:** to see what happens in the meeting from the perspective of being on the balcony (stepping out of the situation and observing what's really going on).
- **Advice:** for items that fall into the responsibility of a specific role and for which the team member requests input from the group (advice process).
- **Team decisions:** the following agenda is kept when discussing any issues or opportunities on joint responsibility (see for a detailed description the paragraph on decision making):
 1. Presentation of the issue/idea and the driver
 2. Clarification round
 3. Reactions round
 4. Dialogue and discussion
 5. Integration of objectives
 6. Decision

Governance meetings are aimed at determining how the team is functioning and developing guidelines on how work is done in the team:

- Define or amend team purpose
- Define, modify, or remove roles and responsibilities for each team member
- Define, modify, or remove team priorities, objectives, processes and key results or metrics
- Hold elections for the elected roles (Facilitator, meeting host & connectors)

The general agenda can have the following form:

1. Check-in
2. Facilitator gathers emerging issues and ideas: what do you need, from whom?
3. Progress: to discuss strategic issues/opportunities. The agenda item owner can:
 - Request support
 - Request a particular action/behavior/process to be followed
 - Propose ideas/solutions
 - Request or share information that can advance a project
 - Request help from the team to clarify the issue the proposer would like the team to address
4. Check-out

Is there a new role needed? Then the following process can be used:

1. The team member who needs the new role creates a proposal (responsibilities, desired skills and qualities/experience);
2. The Facilitator facilitates a round where team members either vote for a colleague who volunteered

- to take on the role, or nominate a desired candidate.
- 3. Input is gathered on the volunteers and desired candidates;
- 4. Everyone can change his/her nominees/votes (and share reasons);
- 5. Everyone can share any objections on the nominees;
- 6. The proposal maker integrates any objections into a decision.

Operational Meetings are aimed to make sure progress is made on operational items. A typical agenda of an operation meeting can look like this:

1. Check-in
2. Facilitator gathers emerging issues and ideas: what do you need, from whom?
3. Metrics update
4. Project updates (briefly share, & ask clarifying questions)
5. Progress: to discuss tactical issues/opportunities between one team member and another, or to discuss strategic issues/opportunities (for example: finding a solution to a changing request from a client that impacts the work of the whole team). The agenda item owner can:
 - o Request support
 - o Request a particular action/behavior
 - o Propose ideas/solutions
 - o Request or share information that can advance a project
 - o Request help from the team to clarify the issue the proposer would like the team to address
 - o Share viewpoints from other teams present
6. Check-out

1.13 Decision-making

We believe in the power of collective intelligence. Nobody is as smart as everybody. Therefore, in principle, all decisions are made using the advice process:

In principle, any person in the organization can make any decision. But before doing so, that person must seek advice from:

- (a) all parties who are likely to be meaningfully affected and
- (b) people who we believe have additional and substantive expertise on the matter.

The person is under no obligation to integrate every piece of advice; the point is not to achieve a watered-down compromise that accommodates everybody's wishes. But advice must be sought and taken into serious consideration.

Usually, the decision maker is the person who noticed the issue or the opportunity, or the person most affected by it. Forgetting to uphold the advice process is one of the few things that can get somebody fired.

As a checklist, the proposer can take a look at his/her own proposal before starting the advice process to see if there are any valid objections to it. An objection is considered valid if:

1. it proves that the proposal generates a violation of the organizational purpose, values, existing policies, or any other agreement previously adopted by the organization;
2. the proposal would hinder one of the roles or abilities of the team towards achieving its purpose;
3. the proposal would create new issues;
4. the objection is based on a well-grounded set of data and information.

A final check on the validity of the proposal is the question "Is it safe enough to try, knowing that we can revisit it at any time?"

A typical advice process meeting (which may include the team and/or any other relevant individuals) can have the following rounds:

1. **Presentation:** The "owner" presents the idea or the proposal to solve a problem, and the driver behind it.
2. **Clarification:** All members of the team and/or the advice group have the opportunity to ask clarifying questions with the aim of developing a better understanding of the proposal presented. This is not a space for debating, offering opinions, or making objections: the only goal is to better understand the proposal.

3. **Reactions:** In this step, each participant of the team can share his or her reaction to the proposal. People can share freely whatever reaction they feel or advice they have and there is no debate or discussion. The facilitator makes sure team members don't interrupt, but instead really listen to each other's views on the situation. The proposer can receive fresh comments that can contribute to refining the proposal.
4. **Dialogue:** After hearing all reactions, team members can get into a dialogue with each other, to use the intelligence of the collective and find the best possible solution.
5. **Objections:** In this step, the Facilitator checks if any member of the group has objections. If there are no objections, the proposal is adopted. If there are objections, they are first tested for validity and then are recorded without discussion. An objection is considered valid if:
 - a) it proves that the proposal generates a violation of the organizational purpose, values, existing policies, or any other agreement previously adopted by the organization;
 - b) the proposal would hinder one of the roles or abilities of the team towards achieving its purpose;
 - c) the proposal would create new issues;
 - d) the objection is based on a well-grounded set of data and information.

A final check on the validity of the proposal is the question "Is it safe enough to try, knowing that we can revisit it at any time?"
6. **Decision:** The proposer has the choice to amend his or her proposal or to keep the proposal as it is. Valid objections have to be overcome in the proposal.

1.14 Conflicts

Every individual within Nowos has the responsibility to address issues. An issue is any potentially limiting factor, situation, or dynamic that can emerge:

- At an individual level, as an emotional issue, or perception of a gap between reality and expectation;
- At an organizational level, as an individual or group perception of a gap between the current situation (or a situation that is anticipated) and the organizational purpose/principles/values.

It is everyone's responsibility to reveal an issue and to allow a broader peer group to discuss it, as the driver may reveal a challenge, or an opportunity for a team or for the organization. A driver is what underlines an issue. If the issue is a symptom, the driver is the cause of the symptom. It is a description of what is happening that may support/accelerate or hinder/slow down the organization. There are normally five ways to process an issue:

- 1) If the issue refers to a situation in the governance of a team (a problem with roles and/or accountability, with the policies of the team, with how the team functions), the issue should be processed in one of the periodical Governance Team Meetings;
- 2) If the issue refers to a situation in the dynamics of two or more teams connected to the same Coordination Team (a problem with conflicting roles and/or accountability, with the policies of the group of teams, with how the teams collaborate), the issue should be processed in one of the periodical Governance Coordination Team Meetings;
- 3) If the issue refers to an operational problem or obstacle related to a project, the issue should be processed by a peer group including the parties impacted by the problem and one or more members of the relative Coordination Team(s).
- 4) If the issue has a more general character, the issue should be processed by the Mana Team.
- 5) If anyone has a personal matter to discuss with another colleague, the conflict resolution process is followed.

Conflict Resolution

When conflict arises within Nowos, the following process is followed:

- 1) When one colleague perceives a difference with another, we agree to privately engage with the other colleague as soon as practical and attempt to resolve any differences to our mutual satisfaction. As a general rule, we will not discuss such matters with other colleagues. However, if a colleague feels uneasy directly discussing a matter regarding another colleague, then they

should go to another colleague together to discuss alternatives for solving the issue, keeping in mind that confidence should be maintained with their chosen ombudsman.

- 2) If either of the colleagues do not feel the matter has been resolved to their satisfaction, then both of them agree to engage with a contingent of approximately three (3) to six (6) colleagues appropriate for the matter. Appropriate colleagues would be those in the affected work environment or those with relevant expertise with the issue at hand.
- 3) If the issue is not resolved to the satisfaction of both parties, a summary of the issue, verification that the colleague process for gaining agreement was followed, and potential resolutions supported by named colleagues shall be immediately prepared, signed by both parties, and forwarded to one of the Mana Team members of Nowos. This person will either (a) decide the issue and provide a written summary of the decision to both parties; (b) call a meeting with both parties and the panel; or (c) designate a person to decide the issue.
- 4) In attempting to resolve differences, the following shall be given careful consideration: A) our **Purpose** and any specific objective; B) the relevant facts, assumptions and values; and C) the method used to determine the proper direction. Other courses of action, upon mutual agreement among the affected colleagues are encouraged; however, either party has the option of requiring the above steps to be taken at their request.
- 5) When a course of action has been determined, it is incumbent on each colleague to follow that course of action. If new material information becomes available which could change the chosen course of action regarding any particular matter, then it should be presented for consideration and a new determination. Until a new course of action is determined, each colleague agrees to follow the chosen course of action and work energetically toward achieving the **Purpose** in the manner decided.

1.15 Information Flow

One of the key elements of distributed authority is that information flows in all directions, and all information is available to all members of the organization. Because the work is carried out by groups of peers collaborating in the same team and in collaboration with other teams to express the purpose of the organization, every co-worker is able to access any information, be it: (1) organizational – i.e. purpose and values of the organization, purpose of teams, roles and responsibilities of the co-workers, existing policies, both at an organizational and team level, metrics, finances and business results; or (2) operational – i.e. product or service development.

In caring for ourselves and others, each colleague commits to (1) share relevant information with others, (2) take initiative to forward information that they believe may be helpful to another's activities, even if it is not asked for, and (3) responding to respectful inquiries made of them by other colleagues in a respectful and responsive manner.

1.16 Values

Our values represent the identity of the company and its philosophy and as such, they are a distinctive element of the organization and define how the organization is perceived internally and externally. Values are deeply ingrained principles that guide all of the company's actions, behaviors, and decision-making. The Values can be found in the Business Principles.

1.17 Reflective spaces

Wisdom traditions insist on the need for regular silence and reflection to quiet the mind and let truth emerge from a deeper part of us. At Nowos, we applaud taking up any contemplative practices, such as (but not limited to) meditation, prayer, yoga, walking in nature, tai chi and chi gong and we support each other to integrate these practices into our daily lives.

Our intent is to set up a quiet room in the office, to open up space for individual reflection and mindfulness in the middle of busy days. We applaud any effort to create collective moments for self-reflection (group coaching, team super-vision, large-group reflections, days of silence and any other initiatives).

1.18 Mood management

Organizations, like the human beings they comprise, have moods. Psychology, neuroscience, and ancient wisdom traditions all teach us in their own way how powerfully moods and emotions can limit – or increase – what we can achieve.

At Nowos, our intention is to collectively consciously manage the mood ourselves and of the organization. As with purpose itself, we should be careful not to project our individual wishes onto the organization. Our personality might tend toward certain moods more than others – for instance some people prefer a playful atmosphere at work, while others prefer a more serious, focused mood. The question, of course is: what is the mood that would best serve the organization at this moment in time so as to achieve our purpose?

Within Nowos, at this moment in time we adopt an energetic mood of play and creativity, while embracing silence, true listening and reflection (Yin and Yang). It's the responsibility of every individual within Nowos to sense the current mood, to feel if this resonates with the company Purpose and to address any tensions on the mood.

Next to the mood management of Nowos as a whole, we also intent to take responsibility of our own individual moods by each day addressing the question to ourselves: "what is my mood and what do I currently need?" And to listen to the answer that comes up.

1.19 Community building

As stated the Business Principles on leadership, at Nowos we aim to create a strong community within and outside of the organization. In order to achieve this sense of community (whānau), we use storytelling practices and the creation of a common language to address important changes in standards and ways of working.

3. MAJOR ORGANIZATIONAL PROCESSES

Major Organizational processes		
1	Purpose	<ul style="list-style-type: none"> • Organization seen as a living entity with its own evolutionary purpose • The concept of competition is irrelevant; “competitors” are embraced to pursue purpose • Practices to listen into the organization’s purpose <ul style="list-style-type: none"> ○ Everyone a sensor ○ Large group processes ○ Meditations, guided visualisations etc. ○ Responding to outside prompting
2	Strategy	<ul style="list-style-type: none"> • Strategy emerges organically from the collective intelligence of self-managing employees
3	Innovation & product development	<ul style="list-style-type: none"> • Inside out: offer is defined by purpose • Guided by intuition and beauty
4	Supplier management	<ul style="list-style-type: none"> • Suppliers are chosen also by fit with purpose
5	Purchasing & Investments	<ul style="list-style-type: none"> • Anybody can spend any amount provided advice process is respected • Peer-based challenging of team’s investment budget
6	Sales & Marketing	<ul style="list-style-type: none"> • Marketing as simple proposition: this is our offer to the world (inside out) • No sales targets
7	Planning, budgeting & controlling	<ul style="list-style-type: none"> • Based on “sense and respond” • No or radically simplified budgets, no tracking of variance • Workable solutions and fast iterations instead of searching for “perfect” answers • Constant sensing of what’s needed • No targets
8	Environmental and social initiatives	<ul style="list-style-type: none"> • Integrity as intrinsic yardstick: <i>What is the right thing to do?</i> • Distributed initiative taking, everyone senses the right thing to do
9	Change management	<ul style="list-style-type: none"> • “Change” is no longer a relevant topic because the organization constantly adopts from within
10	Crisis management	<ul style="list-style-type: none"> • Everyone involved to let the best response emerge from collective intelligence • If advice process needs to be suspended, scope and time of suspension is defined

Table 3 Major Organizational processes

1.1 Purpose

Within Nowos, we see the organization as a *living entity* with its own evolutionary purpose. If we accept that an organization has its own energy, its own sense of direction, and that our role is to align with it rather than direct it, it follows that it's our main job, as parts of this living entity, to listen in to the purpose of the organization. With listening in we mean to *sense* it and set out it's course accordingly.

How to sense? Let self-management work its natural magic. Every one of us is a sensor; we are all gifted to notice when something isn't working as well as it could, or when a new opportunity opens up. Sensing happens everywhere, by everyone, all the time.

Practices that help us to listen into the organization's purpose are:

- Large group processes
- Meditations
- Guided visualizations
- The Empty Chair (take a seat at the chair to solely listen to the organization)
- Responding to outside ideas and questions

Profits are a natural byproduct of a passion for the purpose and a job well done. Philosopher Viktor Frankl captured it best: *"Success, like happiness, cannot be pursued; it must ensue, and it only does so as the unintended side-effect of one's personal dedication to a cause greater than oneself."* We believe that by focusing on purpose rather than profits, profits tend to roll in more plentifully. However, we don't say this with the aim to secretly put profits on top of the agenda. We are dedicated first and foremost to our purpose.

When the purpose is truly embraced, the concept of competition becomes irrelevant. We do not believe in the concept of winning or losing, but in aiming to achieve our purpose together. Any "competitors" are embraced to pursue the same purpose and add value to it (as together we accomplish more).

1.2 Strategy

Within Nowos, there is no formal strategy process. No one at 'the top' sets out a course for others to follow. There is no form of document that charts out a roadmap. Instead, we have a very clear sense of the organization's purpose and a broad sense of the direction the organization might be called to go. A more detailed map is not needed. It would limit the possibilities to a narrow, predefined course.

With the purpose as a guiding light, everyone, individually and collectively, is empowered to sense what might be called for. We see strategy as an organic process. It happens all the time, everywhere, as people toy with ideas and test these ideas out in the field. The organization evolves, morphs, expands, or contracts in response to a process of collective intelligence. What works gathers momentum and energy within the organization; other ideas fail to catch on and wither.

1.3 Innovation & Product Development

In traditional organizations, product development and innovation is predominantly a left-brain process: it focuses on technical features, stage gates, and costs of manufacturing. Within Nowos, we also invite the intuitive power of the right brain. We wish to factor in feelings and intuition.

Moreover, because of self-management innovation & product development can take place anywhere in the organization. This means that it doesn't come up to a few people at the top deciding what idea is worth pursuing and what idea to toss. These decisions are now made by the employees themselves, based on their mind, their intuition and the ideas that come up in dealing with their customers.

1.4 Supplier management

Within Nowos, we choose our suppliers by fit with our purpose. As we exist to fulfill our purpose, any of our investments should also help to fulfill this purpose. Moreover, we use two checklists on sustainability and inclusion to make any further considerations:

- bcorporation.net: Sample Supplier Survey
- Minimum Standards

1.5 Purchasing & Investments

Within Nowos, anybody can spend any amount on investments and outside purchasing, provided the advice process is respected and the amount is included in the team budget, so as to avoid issues that impact the rest of the organization (for example, issues on cash flow). There are no authorization limits and no procurement departments.

1.6 Sales & Marketing

Essentially, marketing within Nowos boils down to this statement: *“This is our offer. At this moment, we feel this is the best we can possibly do. We hope you will like it.”*

We do not go about filling a need of the world by tuning in to the noise of the world (the surveys, the focus groups, the customer segmentation), but by listening within. What product would we be really proud of? What product would fill a genuine need in the world?

With regards to Sales, we set our targets the same way as in the rest of the organization: we set our own learning targets. There are no Sales targets to reach. Targets rest on the assumption that we can predict the future, they skew our behavior away from inner motivation, and they tend to narrow our capacity to sense new possibilities.

1.7 Planning, Budgeting & Controlling

Instead of trying to ‘predict and control’, we try to ‘sense and respond’. The paradigm of predict & control naturally prompts us to look for perfect answers. If the future can be predicted, our job is to find the solutions that will reap the best results in the future we foresee. Making predictions gives us a comforting sense of control. But the current reality is that organizations and the world we live in have become complex systems. In such systems, it becomes meaningless to predict the future and then analyze our way into the best decision.

Instead, with Nowos we make peace with a complex world in which perfection eludes us. We shoot explicitly not for the best possible decision, but for a workable solution that can be implemented quickly. Based on new information, the decision can be revisited and improved at any point.

In order to provide for the need of a forecast to inform and coordinate important decisions on the organization level, each team creates its own budget using the advice process (the budget may be simplified, with a relatively large proportion of unexpected costs). If a budget is established, there is no tweaking from above. Whatever numbers the teams forecast becomes the budget. We do, however, challenge each other on the budget. The Mana team merges the budgets of the different teams and sees if challenges on the budgets are needed, considering the effect on the rest of the company (on items such as cash flow, or the pace of growth of the company).

In short, the way our PDCA (plan–do–check–adjust) cycle is developed is:

- Based on “sense and respond”
- Radically simplified budgets, no tracking of variance
- Workable solutions and fast iterations instead of searching for “perfect” answers

- Constant sensing of what's needed
- No targets

1.8 Environmental and social initiatives

As stated in the purpose of Nowos, we exist to create positive change in the environment. When it comes to environmental and social initiatives, there is one fundamental question we ask ourselves: *“what is the right thing to do?”*. The second question is: *“How can we do it in financially acceptable ways?”*

Environmental and social initiatives can be initiated by anyone, from any place of the organization. Whether they directly impact our purpose or not, it all comes down to the question: what's the right thing to do?

If we perceive a conflict between the purpose, values and profits, we will try to adhere to the purpose and values, even if doing so might result in diminished profits or foregone opportunities. At Nowos, we don't adhere to these values as a means to achieve economic success, but because adherence is a worthwhile goal in and of itself.

1.9 Change management

Within Nowos, we don't need to impose change from the outside. Because our organization is self-managing and we make sure the organization can move naturally like a living system, the organization has the innate capacity to sense changes in it's environment and adapt from within. In a forest, there is no master tree that plans and dictates change when rain fails to fall or when spring comes early. The whole eco-system reacts creatively, in the moment.

Within Nowos, people are free to act on what they sense is needed; nobody is boxed in by static job descriptions, reporting lines, and functional units. Everyone can react creatively to life's emerging, surprising, non-linear unfolding. Change is a given, it happens naturally, everywhere, all the time, mostly without pain and effort.

If we feel this process isn't running smoothly, we need to ask ourselves: where are we still stuck in the machine paradigm? How can we help the organization express itself fully as a living system?

1.10 Crisis management

Like already stated, in normal times we use the advice process to make decisions, with the help of the consent method if a person feels insecure about the decision to be made.

An important question to ask is whether this process can still be upheld in times of crisis. The intention of Nowos is to do just that. If the advice process needs to be suspended, the scope and time of suspension is defined ahead of time. Moreover, everyone get's involved in times of crisis, to let the best response emerge from collective intelligence.

Pressing 'STOP'

There is one other process in place that can be used when facing a crisis: it's pressing a figurative 'stop' button, as a means to start a different kind of conversation. Everyone in the organization has the ability to press it. Pressing the button sets a whole system of checks and balances in motion:

1. Pressing the button means that somebody feels the current system no longer works;
2. Everyone can start the procedure, provided they state the
 - a. Scope of the procedure;
 - b. Time of the procedure;
 - c. Who is in charge of the process of coming to a decision;
3. When this procedure is active, the entire organization observes the process and holds the 'button presser' accountable;
4. All stakeholders are informed on the process (including shareholders).