



Power to Change the World

Thursday, January 10, 2008
Syracuse Post Standard
By Rick Moriarty
Staff writer

Decentralized networks - the Internet being the biggest - are transforming the world, and businesses would be smart to learn how to use them, author Rod Beckstrom said Wednesday in Syracuse.

"You can link with anyone any time," said Beckstrom, co-author of the bestseller "The Starfish and the Spider: The Unstoppable Power of Leaderless Organizations." "The size of the world has shrunk."

Beckstrom lectured on decentralized networks at the latest installment of The Famous Entrepreneurs Series at the Palace Theatre, in Eastwood.

Decentralized networks such as the Internet make global communications and networking fast and free, he said. That has allowed large numbers of people and groups to compete in areas formerly reserved for very traditional, highly structured corporations, he said.

"EBay is hundreds of thousands of small networks," he said in an interview prior to his lecture. "This has profound implications for every business."

Beckstrom describes traditional organizations - those with a chief executive officer at the top making most of the decisions - as spiders. Cut off a spider's leg and you've maimed it. He describes decentralized networks as more like starfish. Cut off one of its tentacles, it grows right back.

To respond to this new kind of competition, companies must first recognize the threat, he said.

"Denial doesn't work," he said. "The reality has changed."

The next step is to develop a plan for dealing with it, he said. And often, the best way to do that is to tap into the networks and use them, rather than fight them, to gain exposure and sell products and services, he said. In effect, centralized organizations must become more decentralized, he said.

In addition to being an author, Beckstrom, 46, is an entrepreneur. He started his first company, CAT-S Software Inc., when he was 24 in a garage apartment and grew it into a global enterprise with offices in eight cities around the world.

His advice goes beyond the business world, though. Beckstrom said the same strategies can be used in the military world to fight terrorism.

A classic example of a decentralized network is the al-Qaida terrorist organization, he said. Al-Qaida's decentralized structure makes it very difficult to destroy.

Recent successes in reducing violence in Iraq has been due to U.S. Army Gen. David Petraeus's tactic of enlisting the help of many local Iraqi tribes to provide security and fight al-Qaida, he said.

"He came in and realized there was no center in Iraq and he had to partner with tribal leaders in each area," he said. "His strategy is working. Violence has come way down, and we're losing fewer soldiers."