



Make it real!

# INTRODUCING THE BETA CODEX NETWORK

The network dedicated to the BetaCodex  
(formerly: the Beyond Budgeting model) and organizational transformation

**BetaCodex Network Associates**

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White paper Mar 2008, updated Nov 2009

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# Identity, vision & mission

- **Our Identity:**

We are the network with answers for organizations in the knowledge economy. The consequent application of our alternative mindset turns these answers into reality.

- **Our vision:**

The BetaCodex is the standard organizational codex.

- **Our mission:**

The BetaCodex Network helps organizations to transform their management models from command & control (or: Alpha) to Beta, in order for them to sustain superior competitive success.

The BetaCodex Network is the most important platform for achieving transformation and improving the model.

# A tale of water bottles (Part I)

## In the beginning...

**... there was an empty water bottle.** It was then 1998. There were also a couple of Englishmen, who were trying to fill the bottle. The bottle about to be filled up, or the problem those Britons wanted to solve, was to discover what was lying “beyond budgeting”. That quest arose from a simple observation: Most organizations were then doing budgeting, at least annually. But to anyone questioning the practice thoroughly, it would quickly become apparent that managing by budgets didn't make any sense at all in a dynamic and complex world. So the Englishmen had a feeling that there had to be an alternative to this managing by “command and control”. There had to be some better solution to management, somewhere “beyond budgeting”. There surely had to be some existing practice or model that would enable organizations to get rid of damaging and obsolete rituals like budgeting. In early 1998, the group set off to fill the bottle with knowledge and insights, confident that this would then lead them to a coherent solution.

**So it came** that the Englishmen, named Jeremy Hope and Robin Fraser, together with Peter Bunce, founded a community of “sponsors”, a membership, which would finance the quest to fill the bottle. The community would soon become known as the BBRT. And thus the BBRT set out to find organizations that didn't have budgets and which solved management problems in rather different and “unusual” ways. Few people in the world then actually believed that the bottle could be filled with water. But soon, the Britons came across exceptional companies which were willing to share their experiences. Those were firms like Handelsbanken, AES, and Borealis.

**With the years, the bottle was filled with water.** That happened gradually. The bottle was being filled up, drop by drop. It took a while, but the case research and the thought process and the presentations to the members over time added up to a real solution. In other words, knowledge about the solution to the problem was accumulated and the problem solved, over time. Drop by drop. And after 7 years of work or so, it became apparent that the bottle was now almost full. No one had quite noticed this happening, and that the original mission of the BBRT was fulfilled, but it became undeniable. The problem was solved, the research and joint work had solved the mystery of what lay “beyond budgeting”. There WAS indeed a whole world out there, beyond budgeting! The solution made complete sense, it was coherent in itself and adding up with what other sciences said. And the solution also clearly promised exceptional and holistic performance in a competitive world, as the cases proved.

And then, at some point, the bottle was full. This is NOT the end of the story, of course.



## A tale of water bottles (Part II)

**What happened, then? Well, the BBRT community went on discussing about the bottle** and how they had managed to fill it up. They showed the bottle around. They shared the insights with the world and managed to convince many people that the solution was well worth looking at. The fact the BBRT had filled the bottle led to recognition and not rarely to applause.

But there also still seemed to be a barrier: Organizations somewhat admired the bottle and the water in it, but they didn't drink it. Or at least not as enthusiastically as everyone within the BBRT had expected. Organizations didn't start doing what the solution suggested should be done. And consequently, they weren't able to make use of the solution's potential. So what was wrong? Why didn't everybody take the solution and just make it happen?

Robin Fraser was the first in the team to recognize the problem. He reckoned that the solution to the first bottle problem alone wouldn't do it. All right, the bottle's rationale was irrefutable; the BBRT's insights and conclusions were all correct; the cases proved the point. But how would a CEO of a company approach an enormous change such as "management model transformation, towards the beyond budgeting model", in practice? The mere answer that there was a world beyond budgeting wouldn't help the management team to overcome their doubts, or to initiate a change process. Nor would the promise alone help change agents to challenge existing structures and practices. The first bottle by itself ultimately thus wouldn't enable real-world organizations with their real-world management models - although visibly obsolete – to make the change happen.

**Some members of the BBRT community previously had approached change anyway**, each of them in their own fashion, but they evidently hadn't got very far, or the changes wouldn't stick. Some had outright failed to implement the solution, some thought they had actually managed it, but these would suffer a backlash later-on. Many in the community would not try to do implementation, even after years, hesitating, because implementation still seemed too large a challenge. So the BBRT again stood in a fog, having to face a problem. And over time, the fog lifted and it became clear to Robin and others in the group that there simply was *more* than one bottle. That there was in fact a second bottle, stacked on top on the first one.

And that SECOND bottle was still pretty much empty...



# A tale of water bottles (Part III)

**Robin Fraser was the first one in the BBRT** to get a full grasp at the second bottle. Robin, the one in the movement who had most experience in consulting, recognized pretty early-on that the second bottle, overall, so far only contained a couple of drops of water.

He also saw that while there were a lot of good ideas out there about how to create change in general, there wasn't, on the other hand, much experience available about something quite as big as transitioning complete management models. There wasn't much experience about transformation available from case companies either, because those few organizations which had done it in the 70s or 80s hadn't thoroughly documented the process. In addition, not many people out there would even believe that transformation could be done in the absence of a super-hero-like CEO or company owner. Not even in the BBRT itself the belief in transformation was sufficiently wide-spread. But Robin was firmly convinced in that the second bottle was what now mattered and that it could actually be filled. It was then 2004.

Overall, the situation that Robin and some other like-minded people in the BBRT faced was very much like the situation in 1998: **There was a totally fresh problem to be solved.** A bottle to be filled, almost from scratch. So that team intensified working on tools and concepts to make transformation happen and to start pouring some water into the newly identified bottle. Robin made a bold and promising attempt in 2004 and 2005 with a company from the Mediterranean, to bring about full-fledge transformation. But it did not yet quite happen.

**And there was an additional challenge.** While the first bottle problem had been about research derived from cases and science, the second bottle would be more about actually practicing transformation and deriving conclusions from that. While the first required understanding the nuts and bolts of a new management model in theory, the second would be about understanding the nuts and bolts of people changing their organizations, their companies. The new work would be far more “practical”, requiring more diverse skills and a more diverse team. And individuals willing to take huge perceived risks and go for transformation anyway.

So what does all that mean for the network and the international membership?



# A tale of water bottles (Part IV)

**The BetaCodex Network** is about the second bottle. It is the next generation of the Beyond Budgeting (or: BetaCodex) movement. It understands itself as the BBRT's logical continuation – but it is different from the BBRT, in several important ways.

As understanding of the emerging new model has become wide-spread, we believe now is the time for gathering organizations around the world, independent of their size, industry or location, to **make it real**. The commitment of the BetaCodex Network thus is to continue the BBRT's work in a way that is consistent with the need for practical transformation, by filling the second bottle. The Network's vision is: “The BetaCodex is the standard management model.” Transformation, in consequence, is for everyone. Period.

Even though the BetaCodex Network and the BBRT are intimately related through the belief in the same model, there are some significant differences between the two associations. For instance, the BetaCodex Network is about to be **far more open, collaborative and inclusive** than the previous effort, in order to significantly increase the speed of model and method development and shared learning. This is not just an option. It is a necessity. Because the Network will achieve its vision not through mere research but through application in the real world. Organizations starting transformation need solutions for their real-life problems, and they cannot wait infinitely. The amount of practical innovation needed for transformation over the course of the next years will be immense.

As a consequence, and firstly, the BetaCodex Network has to be **“open source”**, which means that everyone in the world will be able to contribute to the network's work (much like on the web-encyclopedia Wikipedia). Being truly open source will enable the Network to capture far more talent and innovative potential than before. Open source also means that everyone in the world can gain access to the full intellectual capital of the network. And that intense collaboration will happen through the Network's internet portal and web tools.

**Secondly, the BetaCodex Network is strictly non-commercial.** There will be no membership fees. And voluntary donations will be exclusively dedicated to finance joint network projects, such as the BetaCodex web portal, web-based tools, and special membership activities. Donations will not be used for income generation of Network Associates.



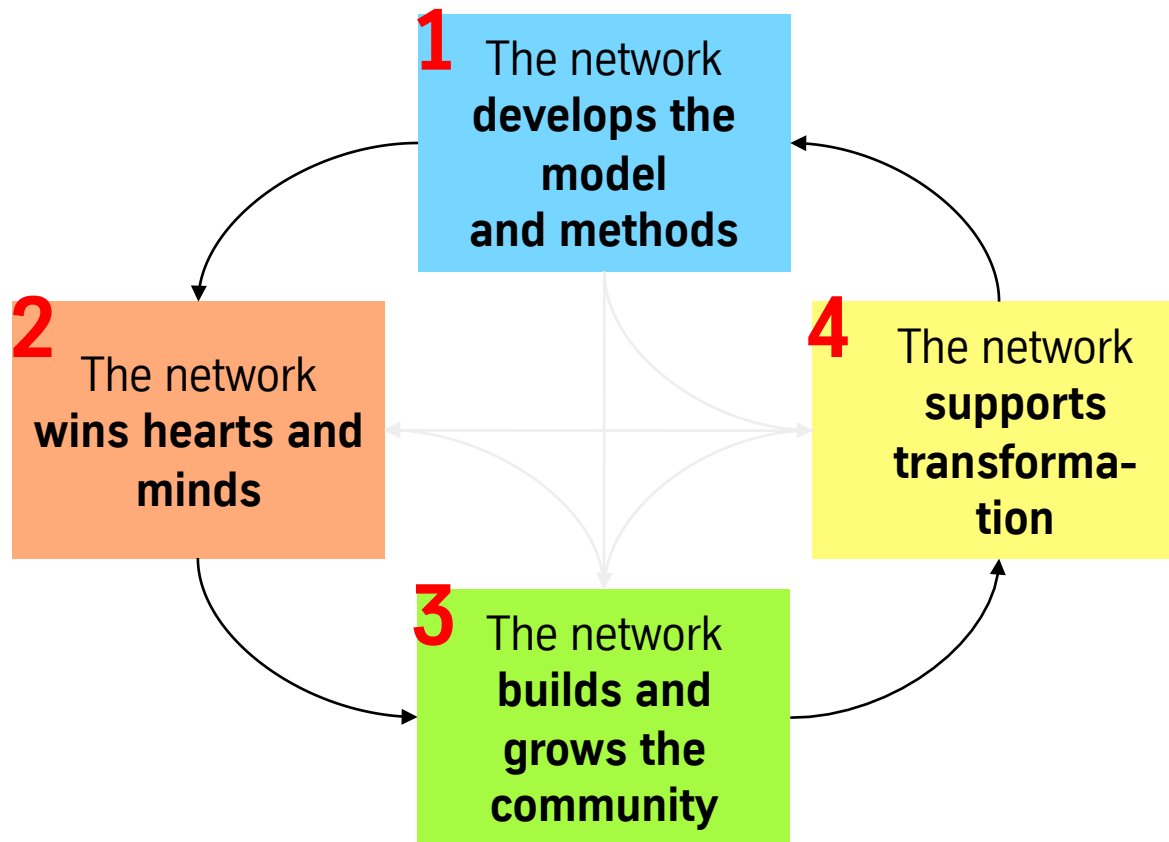
# Our logos, trademarks and slogans



**Make it real!**

- **There are two separate logos.** One for the “codex”, one for the “community”.
- **Red** expresses our passion. And the courage that we know is needed to create large-scale change – within organizations and within the international business community.
- The **round dot** refers to the format of the networked model, which defines itself as being driven “from the outside in”.
- Working as a true **“network”** with no hierarchy describes our own organizational structure.
- **“Transformation”** is key to our mission and describes the way we create a better future.
- **“BetaCodex”** is the current name of the “model”. Originally coined “Beyond Budgeting” back in 1998, when the BBRT was founded, a re-branding become necessary. The BetaCodex brand was publicly adopted in Autumn 2009.
- The **“larger than”** sign stands for “forward-looking” and it signals that transformation leads to a better future.
- The **“fat writing”** in the logos indicate that we are not just about business. *We mean it.* We believe in our vision. We will not resist until our vision is accomplished. Period.
- **Make it real!** Is being used as an additional slogan with the logos. It reinforces that the BetaCodex is not a talk shop. It exists to make transformation happen – no less!

# The role of the BetaCodex Network, within the movement



## What the BetaCodex Network does:

1. We jointly develop the model and develop/offer methods (research) and tools.  
We also do related things, like supporting research projects or university chairs in relevant research.
2. We create gravitation/attraction for the model. Worldwide.
3. We offer our members an exchange platform they see value in.  
The platform will offer shared learning and exchange of methods and tools among peers.
4. We offer transformation resources, such as implementation methods, and a wide array of products and web-based tools, a support network, and services/advice – e.g. implementation workshops.



# Some unique features of the BetaCodex Network

- **The BetaCodex Network is the world's first open source network in the management arena.** Which means that we are open, collaborative and inclusive, in order to significantly increase shared learning and the speed of model and method development. This is not just an option. It is a necessity. *Anyone* in the world will be able to contribute to our joint work (much like on the web-encyclopedia Wikipedia) – not only Associates, but also academics, associations, and the broad public.
- **Being “open source” requires close, virtual relationships** and work methods. We will put adequate infrastructure in place, e.g. online forums and virtual tools, to allow for intense collaboration. Our portal should be a main work place for you, if you deal with beyond budgeting.
- **An exclusive virtual online forum** will be the backbone for the virtual interaction between Associates - companies as well as individuals.
- **Several meeting formats** (hosted meetings at clients, peer talks, Rapid Business Conferences, fireplace gatherings, work meetings) will be the backbone for “real world” interaction within the network.
- **The network's reach is global**, thus the network language is English. All membership and meetings are global, in principle.
- **Associates are part of a powerful, international, fun and energizing community**, composed of brilliant individuals.
- **The BetaCodex Network is a true leader's network.** It will have no internal hierarchy, and no Associate possesses formal power. We believe everyone in the Network can be and should be a leader, and contribute to the movement in his or her way. The Network invites all members (Associates) to share, and to “send” for the movement.
- **The network is strictly non-commercial.** There will be no membership fees. Projects are financed through donations. These will be exclusively dedicated to finance joint network projects, such as the network's web portal, web-based tools, and special membership activities. Donations will not be used for any Associate's income generation.

# Membership principles for the BetaCodex community

- We believe that BetaCodex Network membership should be ample and wide-spread.
- Members can be: firms, other organizations, individuals or independent consultants.
- Members are called “BetaCodex Network Associates” and they can use this title in their communication
- We anticipate that there will be different types of interest among Associates, in practice:
  - “consuming mostly” – these will constitute the larger part of membership
  - “co-developing” – these are the most valuable to the network
- It’s up to the member to specify his or her interest and to explain how (s)he will contribute to the movement.
- Membership donations are used for joint investments by the network, *not* for individual income generation of the network's directors.
- In a world still dominated by tayloristic thinking and management, all Associates who have as individuals reached the “Neutral Zone” or the “Beginning”\*\*, are “maverick material”, by nature. Within the Network, these individuals will be valued and regarded as such, and stimulated to “broadcast”, in the ways they find challenging and appropriate. They should become involved in individual coaching and feedback.

# **Want to become a member of the BetaCodex community?**

**You are interested in becoming a BetaCodex Network member?**

**Or have already decided for yourself to become one and join the community?**

We are glad you want to join the movement!

Please join the BetaCodex Network by simply registering on the [www.betacodex.org](http://www.betacodex.org) website.

Please don't forget to include a photo on your Associate profile.



formerly: the beyond budgeting  
transformation network  
founded 2008

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Here you can learn and share information about the methodology, experiences and much more! As suggestions, we recommend:



Invite friends and  
colleagues!



Learn more about the  
network!



Share knowledge in the  
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Find events near you!



Read the white papers!



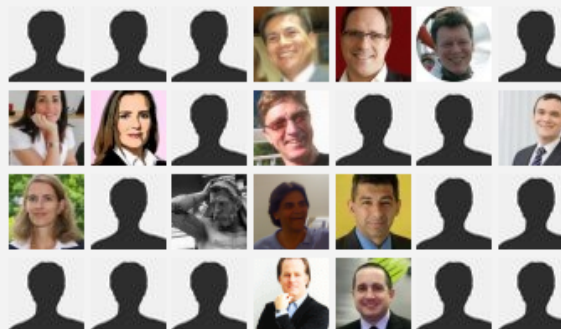
Research video, audio &  
other media!

### Niels Pflaeging

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### Welcome to the open source movement for organizational transformation!

The BetaCodex Network was founded in April 2008. Back then, we called it the **Beyond Budgeting Transformation Network**, with a nod to the think tank from which it had very recently originated - the Beyond Budgeting Round Table. We wanted this new network to be quite different from the previous one, though. More future-oriented. More action-oriented.

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### Next events



06/14/2010 - 05:00

[DE] "Bye-bye Management! Wie bedingungslos marktgetriebene Führung nach dem Beta-Kodex funktioniert", Workshop mit Niels Pflaeging an der

FH Flensburg (Flensburg/D)



[DE] manager lounge: "Bye-bye Management" - local lounge mit Niels Pflaeging (München/D)



the  
betacodex  
network

*since 2008*

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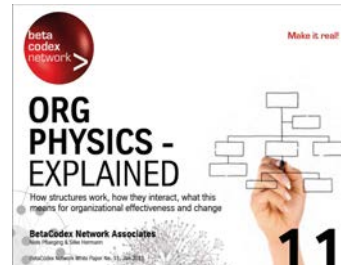
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Paper concept & design: Niels Pflaeging

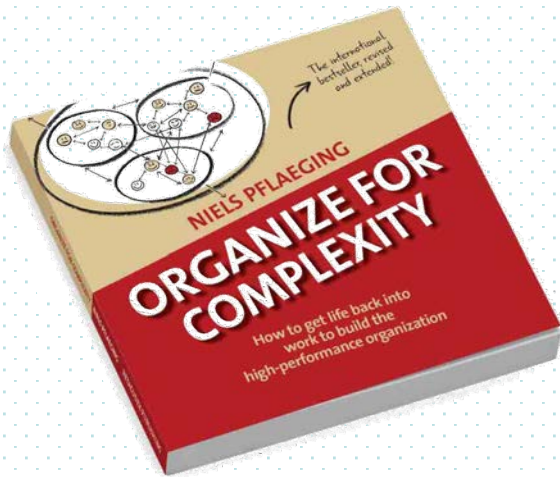
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# The BetaCodex Network white papers

Find all our white papers on [betacodex.org/white-papers](http://betacodex.org/white-papers) and on Slideshare.



# Related books from Follett Publishing

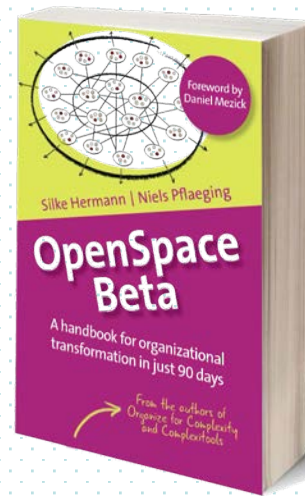


Organize for Complexity. How to get life back into work to build the high-performance organization

Niels Pflaeging

2015, 5<sup>th</sup> edition 2020

*Also available in German, Portuguese, Turkish*

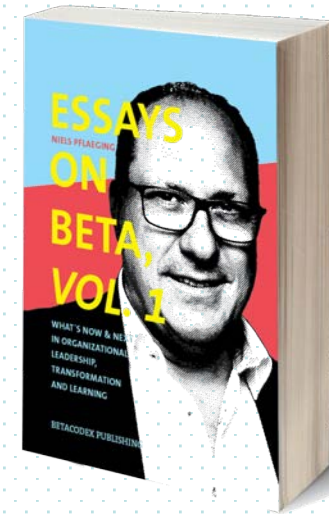


OpenSpace Beta. A handbook for organizational transformation in just 90 days

Silke Hermann | Niels Pflaeging

2018, 2<sup>nd</sup> edition 2020

*Also available in German and Korean*



Essays on Beta, Vol. 1. What's now and new in organizational leadership, transformation and learning

Niels Pflaeging

2020

*Nominated for the UK Business Book Award 2021*