



A Review of No Rules Rules by Reed Hastings and Erin Meyer

By Barbara Sims, CFO.

This book is fascinating. Netflix is a well-known household name that is used in conversation as much as say google is (i.e. I'll "google" it). Having also worked as an Executive Team on our Trust Culture Deck using the likes of Netflix as a comparison, I was interested to understand how the company has managed to achieve its global status.

The book is written jointly by Reed Hastings (Netflix CEO) and Erin Meyer (INSEAD Business School) in four sections setting out the steps to build a "Culture of Freedom and Responsibility". Each chapter sets out each stage in the culture building process, or as Reed phrases this – "connecting the dots". Reed and Erin's reflections on their employment history, where they went wrong, and how Netflix is so different. This is intertwined with some interesting anecdotes to clearly highlight the point being made.

It was interesting to read the drivers to success and how Netflix had used their ability to future proof, take risks (the right risks) and think beyond the here and now. This book resonated with me and our discussions as an Executive Team when thinking about the education system as it currently stands. We need to take the opportunity in front of us, to learn from the events of the past 12-18 months, be bold, be brave and create a future education system that is fit for purpose and will give the next generation the best possible chance in life with all the society changes that are happening around us.

The overriding message throughout the book is the importance of having "talent density", a small number of rockstars (love this term!) who are fully aligned to the vision and values of the organisation. Why pay twice when you can pay once at tope market rate for a Rockstar? A no-brainer...so obvious yet rarely considered. Reed explains the importance of talent density as they thrive off each other and work collaboratively to create a better and innovative organisation.

Once this talent density has been created, it is at that point that feedback and candor are increased according to Reed. It highlights the importance of addressing conflict, but also providing feedback to aid development of those around you. This is so important and where you have an organisation with a high talent density, individuals will thrive on being their absolute best and appreciate this candor. But, you must have the right people in place. This feedback and candor extends to leadership who Reed believes should be completely open, honest and transparent.

The final stage in the road to a culture of freedom and responsibility is to find ways to remove controls. I have to be honest, being a Chief Finance Officer, some of these chapters initially made me uncomfortable at the thought of implementing the likes of "removing travel and expense approvals".... However, the way Reed explained the rational behind these areas, I really understood and could see the benefit (but don't tell anyone I said that!!). Reed is absolutely right. If you have individuals in an organisation who are fully aligned to the vision and values; expectations and behaviours are clearly set, all decisions will be made in the best interests of the organisation.

The final message in the book links to this. Netflix have done so well because they "lead with context and not control". There is a brilliant tree analogy that explains this term which highlights the CEO as the roots who sets the context and the rest of the organisation grows from this. If the roots are solid, the tree will grow in the right direction.