

10PINES: UNDERSTANDING THE DIFFERENCE BETWEEN EQUAL AND FAIR

SEMCO STYLE STORIES

Have you ever asked yourself, what it takes to maintain a culture of trust and commitment during growth? In this episode of Semco Style Stories we travel all way to Argentina and visit 10Pines, an Argentine software company that's pioneering the adoption of an Agile approach in business. Starting out as a small group of firm believers in working Agile, Jorge Silva and his team continuously rebelled against traditional businesses with low quality, commitment and high turnovers. The question, however, is how a mindset prevailing in software development can be applied to an organizational design that involves management, profit-sharing, and decision-making. As software engineers who are trained in the principles of the Agile manifesto, the co-founders of 10Pines found the implementation of those principles in their business to be quite easy - especially in the beginning. People over procedures and collaboration over contracts seem logical in a small group of like-minded individuals. The challenges, however, came when they had to maintain that firm belief in times of growth.

As one of the co-founders of the business back in 2009, Jorge Silva is characterized as charismatic, and passionate in all his endeavors. Having received an MBA, he now teaches at several universities in Argentina, all while being a mentor and software engineer. Jorge shares that role with his colleague and fellow software engineer Ángeles Telles Arena. After joining 10Pines in 2016, Ángeles has been thoroughly involved in the growth process of the organization. Both have taken on the role of a mentor, which they labelled 'gardener', and support several mentees in the company, who are dubbed 'pines'.

In this article, we will guide you through the journey of implementing human-centric methods in every aspect of 10Pines, along with the challenges the business faced, the proud moments they reflect upon and the path they envision for the future.

Planting the Seeds

Right from the initial days of the organization, in 2009, the business experienced rapid growth that it maintained throughout the following years. For the organization to grow this rapidly, the original four founders needed to have clear insights on how to implement the ideas they were having. Balancing agility and entrepreneurship with you vision is already a herculean task - and it can become immensely difficult in the absence of the right understanding and/or tools that make for a well thought out organizational design. It was Ricardo Semler's renowned book, *Maverick: the Success Story Behind the World's Most Unusual Workplace*, that instilled in them the wisdom to create their own version of a self-managed organization. Jorge dubbed it beautifully as their bible. And, in the words of Ricardo Semler himself, the leaders of 10Pines began to understand that growth and profit are a product of how people work together.

Creating a culture of collaboration, that remains firmly at the center of the organization is one of their main beliefs. It may sound odd, but it is not the people themselves that are most important, but the context they collectively create that generates the best version of themselves. In fact, their recruitment process is geared towards matching individuals with roles that are a natural fit for them, which in turn, boost their comfort levels. On the flip side, the process also prioritized the need for people working with the new recruit to feel comfortable with him/her. With this as the basis for growth and collaboration, the founders planted the seeds for a successful business. Over the years, their peers collectively sowed these ideas with a firm belief and confidence.

The mentality of continuous improvement

At 10Pines, the need for employees to collaborate has been emphasized throughout their existence and it has not just made their business performance outstanding, but also increased their degree of happiness as a company. Especially during the COVID-19 pandemic. As Ángeles puts it, "I think we're probably one of the few companies in the world where employees miss going to the office on a day-to-day basis. We all rely on that strong social connection."

But when things get tricky, people get creative. To make people feel more comfortable in their new reality, a group for employee well-being was formed within the first few weeks of working from home. Next, to mimic general social activities, 'licenses' were created: Licenses for taking days of due to COVID-related stress; licenses for extended family time; and even licenses for having a special meal to replace the typical lunchbreaks. Basically, they were trying to bring the focus back to what brought them together and continuously build that into newly emerging ways of working.

By continuously experimenting and trying to improve, the 10Pines gardeners and pines have started to believe in the power of collaboration. When new collaborations or projects fail to work, they learn from the mistakes and see them as an opportunity to finetune the initial thought. These retrospective analyses are vital at 10Pines, as Ángeles mentions, for moving forward and growing. Short-term growth can often be realized easily, but one should be aware of growing on the wrong fundamentals. There are too many examples of collapsing buildings that were built on the wrong foundations.

"GROWTH IS RESPONSIBLY INVESTING IN YOUR PEOPLE."

Understanding how to prepare for decision making, how to provide constructive feedback, and conduct trainings on building trust in collaborations are examples of practices 10Pines uses to facilitate conscious growth. In Ángeles' own words, "Growth is responsibly investing in your people." Then, when responsible growth is achieved, they urge you to celebrate the successful collaborations!

It can be challenging, as Jorge mentions, to grow while maintaining this culture of trust and collaboration, especially since there are not many sources that provide information on how to do it. Hence, experimentation and evolving over time remain crucial.

The organic organizational cycle

Growing as an organization starts with growing as an individual. It is an organic cycle in which experimentation and interdependence remain prominent topics. As of now, 10Pines, for example, works with internal crowd-funding projects, where employees can create proposals to buy new goods or equipment for the office or people. The next step is getting people on board with the proposal and then finding the right suppliers that fit the budget before pitching and launching the project. Another example is the 'No Client Friday'. The idea behind it is to take the main task you were supposed to complete and then don't do it. Instead, dedicate your time to something that is beneficial for you and the company - like hosting a talk or researching an unexplored avenue! These are great examples of how companies can enhance the entrepreneurial spirit within their people.

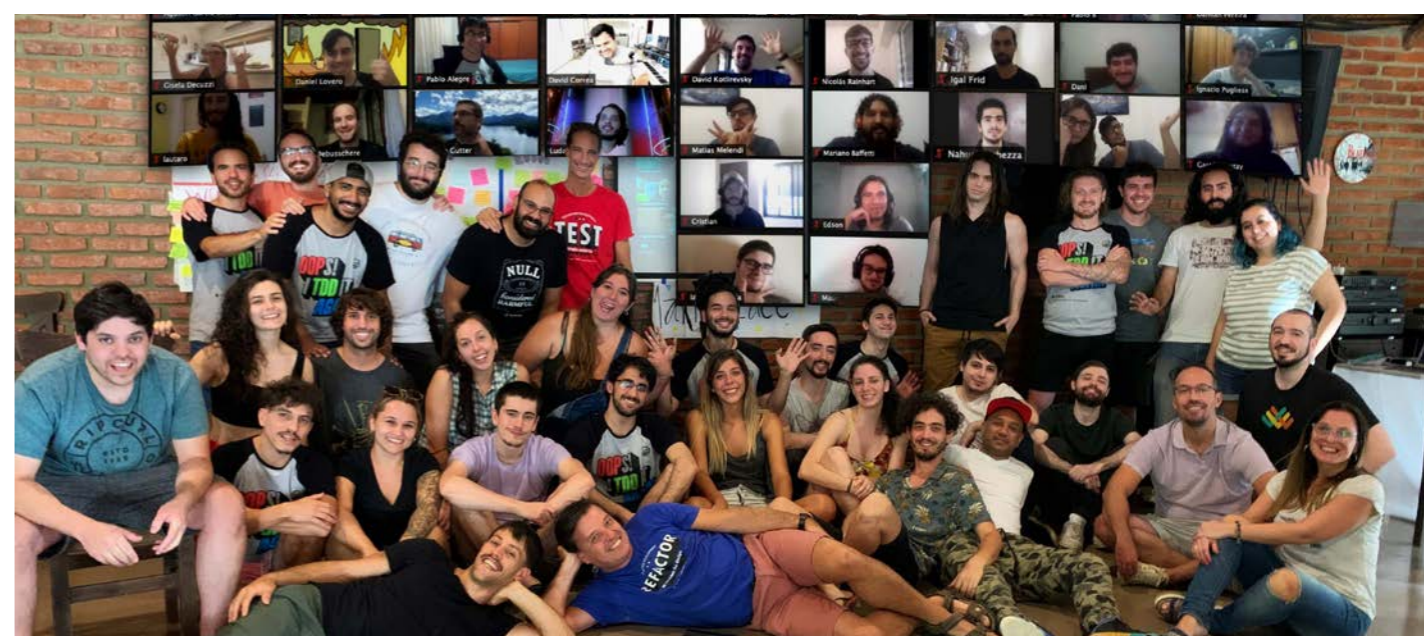
But, in order to give 'gardeners' and 'pines' the right tools to start experimenting, it is crucial to have some facilitative policies in place. Jorge categorizes their policies in three ways:

Trusting your future selves

At the core of experimenting, training people and pursuing happiness and growth lies the ability to effectively respond to challenges at hand.

"WE DON'T SPLIT THE PROFIT EQUALLY, BUT WE TRY TO FIND A FAIR ALTERNATIVE."

Supporting people and operations with the right tools starts with building the right values into the heart of the organization. Values that are created by and for the people. Inspired by the words of Ricardo Semler, on working wisely around people, instead of smartly around structures and processes, 10Pines has instilled a system that respects the methods of the Japanese concept 'Nemawashi'. Derived from the ancient art of bonsai, it is understood to mean 'preparing the roots for planting', and refers to building soft consent on new content from people that will be affected by it.



A transparency of information policy (also known as Open Book Management), a training policy, and a profit-sharing policy. He has emphasized that the policies are interdependent, which makes their combination an organic cycle structured around facilitating consent-based decision making.

It works like this: By creating transparency of information, all organizational members can access the information they need to make decisions. But for the information to be used, it has to be understandable for each individual, and the training policy facilitates this. Then, when everyone can access the right information and understand it correctly, good decisions can be made. The profit-sharing policy is aimed at making decisions that benefit both the organization and the one(s) responsible for making those decisions. With 50% percent of the profit being shared annually, among all 10Pines, everyone's benefit is at stake. A final note from Jorge summarize it all and shines a light on his character: "We don't split the profit equally, but we try to find a fair alternative. It would not be fair to equally share between someone who has twenty years of experience and someone who just started their first job here."

Initial feedback, quick huddles or informal conversations are prime examples that represent the process of acclimatization to new soil.

The people of 10Pines have started a success story by trusting their future selves to make the right decisions. Paradoxically, this means a focus solely on the present. Simply put, if you cannot look into the future, do not try to shape your reality according to it. According to Jorge that entails dealing with the challenge of growth when it arises: "We're not trying to define how we are going to work, and then grow. We define how we are going to work when we have the problem of growing."

At 10Pines, they have something called a 'root group' - it's a group of people who have had the time to get comfortable with others they would be for a while with. It's a safe space that's dedicated to boosting engagement and giving people the freedom to speak out without fear of repercussion. Being able to trust a root group of people will strengthen organizational resilience for years to come. And thus, by creating strong roots, inspired by newly emerging and ancient methods, 10Pines has created their own authentic organization. Their authenticity and unique approach to growth will continue to inspire and enlighten future of work!



Watch the full episode of this Semco Style Stories with 10Pines here!