

Ali Schultz:
Well hi, Jer.

Jerry Colonna:
Oh hi, Ali.

Ali Schultz:
Let's talk about the Arc of Dysfunction. It's something that I've heard you talk about for a long time, and I know that you talk about it often in groups like when you were in Spain with the business school folks this summer, um, and I think it would be a useful nugget of Ops Manual wisdom for our audience.

Jerry Colonna:
I'm happy to talk about this. So the Arc of Dysfunction is my tongue-in-cheek, playful way of describing what I think all organizations go through, all startups go through; and when I say all, I mean all. Every organization goes through it.

I want you to visualize an arc on a piece of paper, and on the lower left-hand side of the arc, I want you to write the words "Unhealthy and dysfunctional." And the point of this is that every organization starts off as unhealthy and is functional. Now if you're hearing this, right, you should be relieved because one of the challenges is that when we start a start-up, when we start a company, when we started an organization, and we start to experience the unhealthy dysfunction, we think we're broken. We don't know what we're doing, so to understand that this is actually normal is really liberating is to realize like, "Oh, where right there. That's where we are." Now, the degree of unhealth and dysfunction varies tremendously. I've had situations where I've had companies where the unhealthy dysfunction manifested in fist fights, for example, literal fist fights.

Ali Schultz:
That's always fun.

Jerry Colonna:
Rolling on the floor, punching. That's not the norm, but it's happened enough times. Three that I can think of immediately, but that's not an uncommon experience. And you know all, Ali, you've done a lot of work in understanding the dysfunctions and co-founder relationships, oftentimes that's the moment in time when we see that operating. Okay. So why do we start up organizations? Well, we start up organizations because what we're trying to avoid is life in, flip all the way over to the other side of the arc, organizations that are healthy, functional, and boring as shit, and I often joke, it's the post office. It's IBM. It's like everything works. Nobody's fighting. Nobody's really in that tension place and it's stultifying.

Ali Schultz:
All the systems are in place. The processes work.

Jerry Colonna:

It's just just like where is my growth? Where is my growth? Okay? So the apex is the interesting spot and I describe the apex, the top of that arc as healthy and dysfunctional. And dysfunctional means high growth, a really challenging environment, and lots of change. "We have to pivot. Oh, wait, there's a new opportunity. Wait, what's going on."

And the point of the tongue of the cheek reference is, it's a different kind of dysfunction than what we see at the start of this experience. It's not dysfunction that creates an existential threat. "Oh, the business is going to fail. If we don't figure this out." It just feels dysfunctional. "We're going through another reorg. Come on, we just settled in. It's been a year." Yeah, guess what right? Running a company with five hundred people is very different than running a company with a thousand people, which is still different from running five thousand people.

So it creates this sense of dysfunction, and within that dysfunction is a health and the health is, I'm growing. I'm learning, I'm being challenged. I'm coming up against my edge. Oh my God, I've never done this before, and from, you know, as coaches we love when our clients are like, "Oh my God, I'm at the edge."

You know as our mutual friend Brad Feld's father Stanfeld would say, "If you're not standing on the edge, you're taking up too much space," right? That's that apex moment.

The challenge is, between unhealthy dysfunctional and healthy dysfunctional...most of the startups that we tend to work with either fail or are sold, or bought, depending on who's in charge in that space.

You know, if I were to draw this out on a whiteboard, I would take that apex moment and I would lengthen out the arc all the way across the board because the goal is to maintain that healthy dysfunctional energy for as long as possible so that we don't end up in that trough of healthy, functional, and boring. Because at that point as the business starts to decline into that space, the really energetic growth-oriented, thoughtful, intelligent people jump ship and start new businesses.

Ali Schultz:

Hm.

Jerry Colonna:

So that's the Arc of Dysfunction.

Ali Schultz:

So how does knowing where you are on the arc, inform you and your company?

Jerry Colonna:

First of all, I'll go back to one of the first things I said which was, understanding that all organizations go through this can be really liberating and comforting. To realize that you know it's another variation in my old line, which is just because you *feel* like shit doesn't mean you *are* shit right. Just because you feel like it doesn't mean that you don't know what you're doing. It's just a normal part of the process.

The other thing to recall is if you think about this as a framework where you are in certain pieces and certain steps of that arc are really important. You know, Scott Belsky wrote a brilliant book a number of years ago called *The Messy Middle*.

It's a good description for that moment in time when you've lost some of that initial energy, but you haven't yet found the escape velocity where the machine just starts working and working and working. It's a similar kind of framing and understanding that, "Oh, we're in that spot, we're in the between unhealthy and healthy dysfunctional means we just have to keep pushing through and stay focused."

So I like, if we're using my framework as the arc of this function, then what we know, we have to move towards health. not moving away from quote, unquote dysfunction, We have to turn dysfunction from fist fights into the energetic pursuit of growth while maintaining the sustainability of the business, right? There's a healthy balance there.

Ali Schultz:

Yeah, I think the other thing that's useful to call out is you know, the dysfunction is really that chaos that allows for the creativity to happen.

Jerry Colonna:

That's right.

Ali Schultz:

Or to have space happen. It's not referring to necessarily people. Yeah, the fist fights, and people dysfunction, but I think the healthy part of that pair is, how can we as a group of humans who have joined in on this mission, face that chaos and the bumps in the road and all the questions that we're holding and the decisions we need to make from a really healthy point of view or a really healthy place, or another way to say that is, how can we be adults in the room and manage this chaos well?

Jerry Colonna:

That's right. That's right. I think you just said that really really well, and I would just build upon it by saying creativity plus innovation right, because imbedded in that chaos, or what can feel like chaos is a massive amount of potential innovation if you are in the right relationship with it. You know, if you're holding your seat well while the whole thing is bouncing around, and part of that healthy experience is to keep referring back to purpose, keep referring back to the values and the mission. That sort of creative solidity in the first place, while the form of the business goes

through its rapid changes, and its different iterations and its creative expressions, and its innovations.

Ali Schultz:

Hm, hm. I think too. It kind of calls for a presence in the room from those individuals who are at the helm or leading that. So that you know that artistic kind of mastery of, you know, "How are we listening for what's here"? And "How are we listening for what might be emerging?" Or "What are we sensing about what might be emerging in all this chaos?" Is given plenty of space, because chaos is just innately, at times, frustrating, annoying, just loaded with all things pointed towards fear and and unrest, or it can be so unsettling, and so to use that as creative impetus. I think it calls upon each person in the room to really have some sense of ground and presence To be able to face that well.

Jerry Colonna:

I agree completely. I would add one word to that and that is that, to the presence, is that notion of gravitas.

Ali Schultz:

Hmm.

Jerry Colonna:

That I can hold myself steady while the world is swirling around me, and I can provide steadiness to others by holding that and realizing that what feels like chaos may simply be the creative spirit that is just driving... "Okay, we know we've been successful doing this for the last two years. We're going to do it differently now because we see the opportunity."

Ali Schultz:

Yeah, all right. Well, thanks, Jer,

Jerry Colonna:

Thank you.