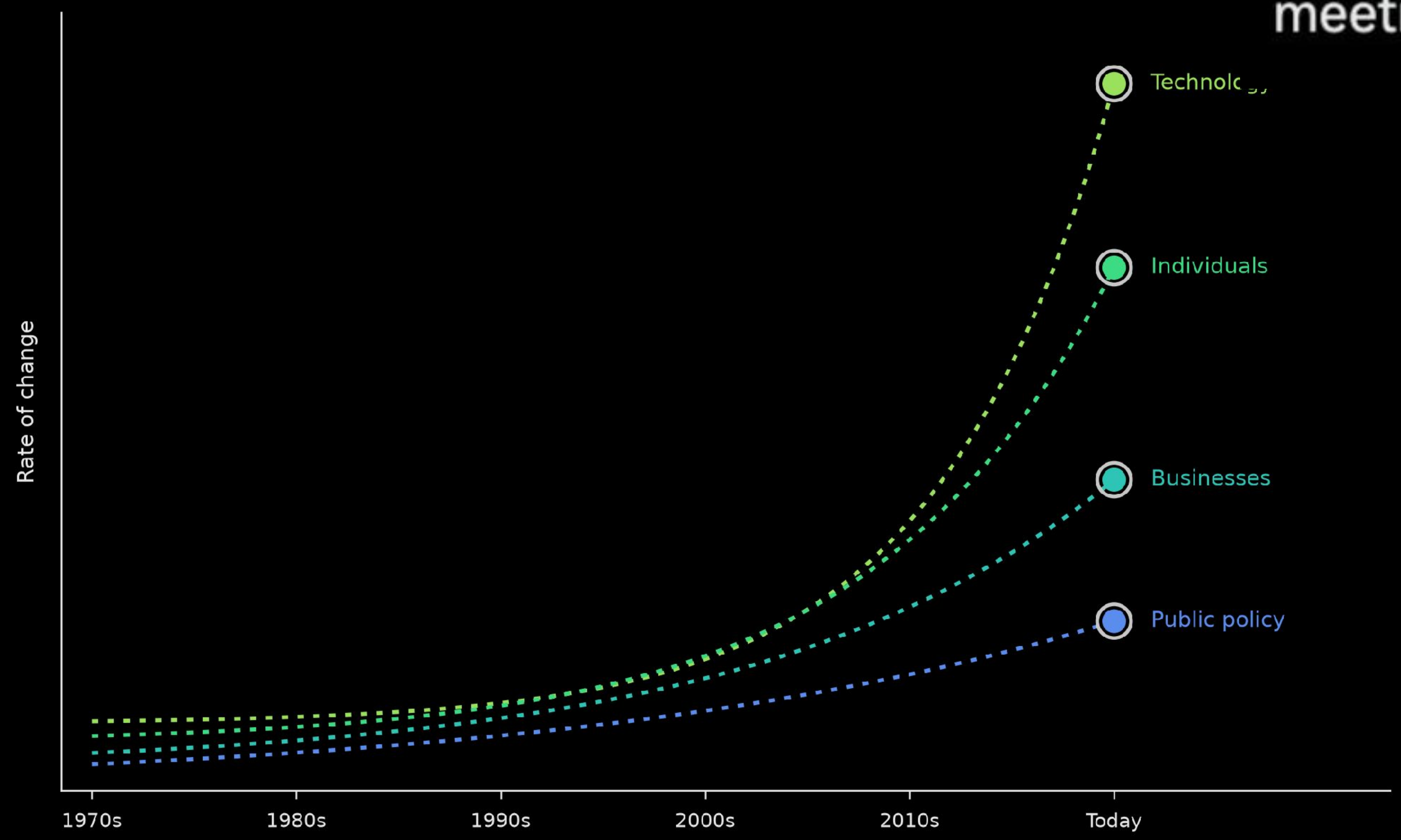
openexo

THE ORGANIZATIONAL SINGULARITY

The problem

Todd Saunders @toddsaunders

The token cost to build a production feature is now lower than the meeting cost to discuss building that feature.



“If the rate of change on the outside exceeds the rate of change on the inside, the end is near.” *Jack Welch*

80 Years of Thinking About the Firm

Each thinker solved one layer of the problem. This book is the synthesis.

1937	1947	1976	1997	2009	2014	2026	2026
Coase	**Simon**	**Boyd**	**Christensen**	**McChrystal**	**ExO 1.0**	**Dorsey/Botha**	**ExO 3.0**
Why firms exist	Bounded rationality	Tempo wins	Why winners die	Governed autonomy	Beyond the firm boundary	Hierarchy collapses	The architecture that replaces it

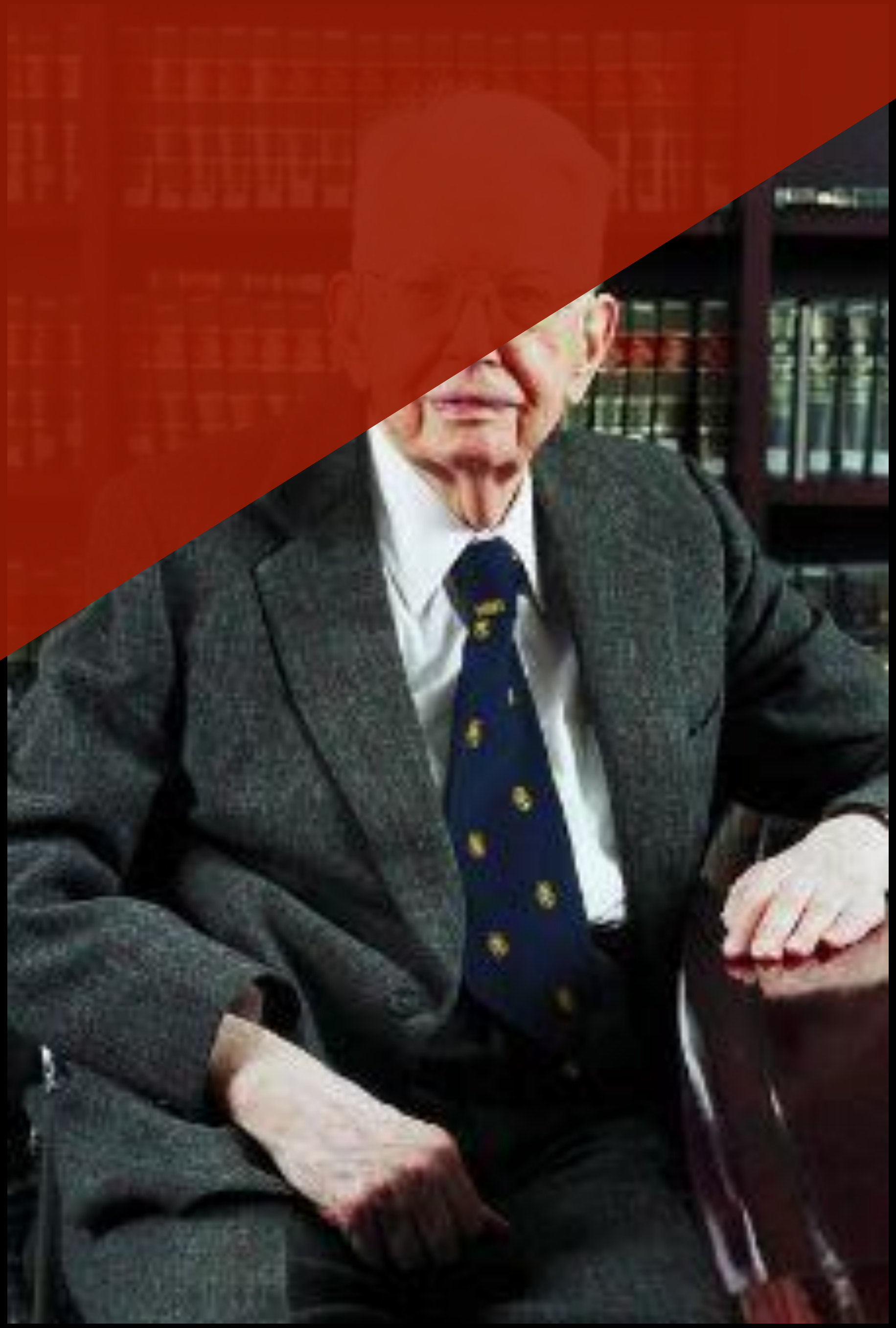
From "why firms exist" → to "the firm boundary is now programmable."

Full 24-thinker lineage in Appendix D.

Coase's Law:

Large companies exist because transaction costs inside are lower than outside

Obsolete



Ronald Coase

openexo

80 Years of Thinking About the Firm

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From "why firms exist" → to "the firm boundary is now programmable."

Full 24-thinker lineage in Appendix D.

Each thinker pushed the boundary outward.

AI dissolves it.

Coase	→	Simon	→	Boyd	→	Christensen	→	ExO 1.0	→	ExO 3.0
why firms exist		*why humans decide poorly*		*why tempo wins*		*why winners die*		*beyond the firm*		*the firm dissolves*

The Organizational Singularity is Domain Collapse

applied to coordination itself.

WORKFLOW TEARDOWN · ORDER-TO-CASH

Order & receipt confirmation, re-architected.

The same clerical chains, rebuilt as coordinated agents. The human moves from operator to exception-handler.

ORDER CONFIRMATION

TRADITIONAL

1. Order enters via portal, EDI, or email
2. ERP checks customer, pricing, credit
3. Inventory checked node by node
4. Promise date estimated manually
5. Exceptions route to CSR or planner

AGENTIC

1. **Order agent** ingests any channel
2. **Policy agent** validates terms & SLA
3. **Risk agent** clears credit instantly
4. **Inventory agent** scans all nodes live
5. **Promise agent** commits best path

RECEIPT CONFIRMATION

TRADITIONAL

1. ASN arrives, truck checks in
2. Team matches shipment to PO
3. Goods unloaded and counted
4. Damage / variance logged by hand
5. WMS/ERP updated, exceptions escalated

AGENTIC

1. **Inbound agent** pre-matches ASN, PO, dock
2. **Dock agent** assigns door & labor
3. **Vision agent** verifies qty & damage live
4. **Exception agent** accept / reject / quarantine
5. **Finance agent** updates stock & payment

Clerical relay races become intelligent commitment engines — orders and receipts confirm themselves, humans handle the exceptions.

Four more workflows make the same jump.

Periodic, siloed, manual, reactive → continuous, networked, autonomous, proactive. One structural pattern, repeated.

DEMAND FORECASTING & REPLENISHMENT

TRADITIONAL

Periodic & reactive

Forecasts from historical sales; planners adjust for seasonality; reorder points reviewed on cycles.

AGENTIC

Continuous & adaptive

Demand agents ingest sales, weather, promos live; replenishment agents adjust reorder levels dynamically.

INVENTORY ALLOCATION

TRADITIONAL

Siloed & static

Stock allocated node by node; planners rebalance in batches; decisions driven by static rules.

AGENTIC

Networked & dynamic

Allocation agents see inventory across the full network; rebalancing agents shift stock by SLA and margin.

TRANSPORTATION ROUTING & LOAD PLANNING

TRADITIONAL

Batched & manual

Loads planned in scheduled batches; routes from static rules; disruptions trigger dispatcher scramble.

AGENTIC

Real-time & orchestrated

Routing agents optimize continuously; network agents respond to traffic and weather; exception agents re-plan early.

SUPPLIER EXCEPTION MANAGEMENT

TRADITIONAL

Firefighting & manual

Short shipments found downstream; teams email and escalate; root causes logged after the fact.

AGENTIC

Proactive & autonomous

Supplier agents detect risk before failure; recovery agents source alternatives; promises update automatically.

THE PATTERN GENERALIZES

It doesn't stop at four workflows. It stops at none.

Every standard business process is a candidate. A partial list of what agentic systems are already re-architecting:

FINANCE & ACCOUNTING

- Accounts payable & invoice matching
- Accounts receivable & collections
- Expense report processing
- Payroll runs & reconciliation
- Month-end close
- Financial consolidation & reporting
- Tax preparation & filing
- Budget variance analysis
- Treasury & cash forecasting

SALES, MARKETING & CS

- Lead qualification & scoring
- Quote & proposal generation
- Contract review & redlining
- Order-to-cash processing
- Campaign creation & targeting
- Content & creative production
- Customer support triage
- Churn detection & win-back
- Renewal & upsell workflows

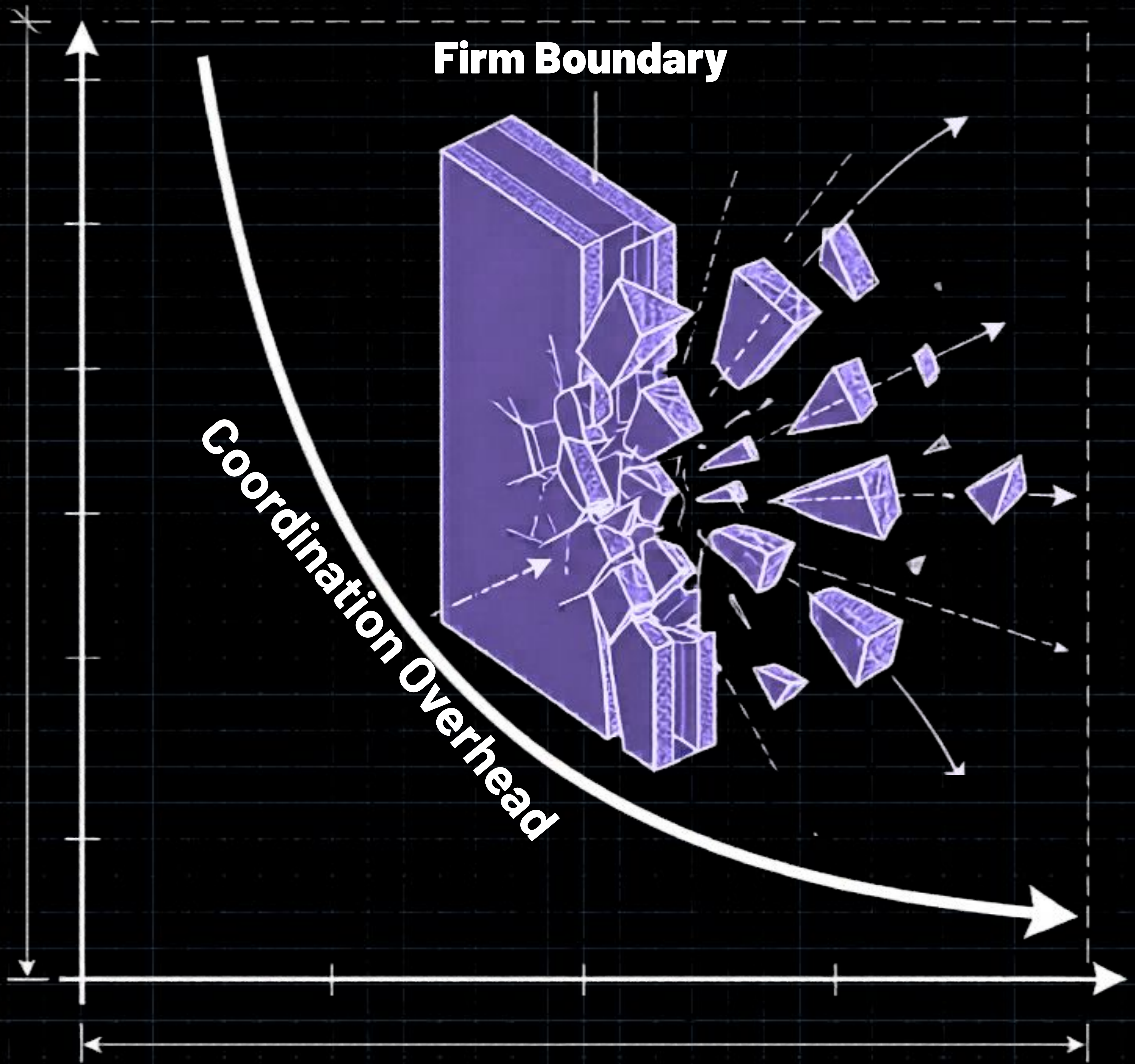
OPERATIONS & SUPPLY CHAIN

- Demand forecasting
- Inventory allocation & replenishment
- Procurement & supplier sourcing
- Transportation routing
- Warehouse & fulfillment ops
- Quality inspection & QA
- Returns & reverse logistics
- Production scheduling
- Field service dispatch

HR, LEGAL & ADMIN

- Recruiting & candidate screening
- Onboarding & offboarding
- Benefits administration
- Compliance monitoring & audit
- Contract lifecycle management
- IT ticketing & provisioning
- Knowledge management
- Scheduling & calendar coordination
- Vendor & risk management

36 shown. The real number is every reversible, well-bounded process in the firm — which is most of them.



The Collapse of Coasean Transaction Costs

The coordination overhead that justified large hierarchical firms is evaporating.

Organizations that once needed 200 people to manage information flow can now route decisions through a mix of human judgment and synthetic intelligence at a fraction of the cost—and at dramatically higher speed.

The Fiduciary Wedge.

The persistent gap between what AI can do and what it can be held accountable for.

“A named human always stands behind the consequential decision.”

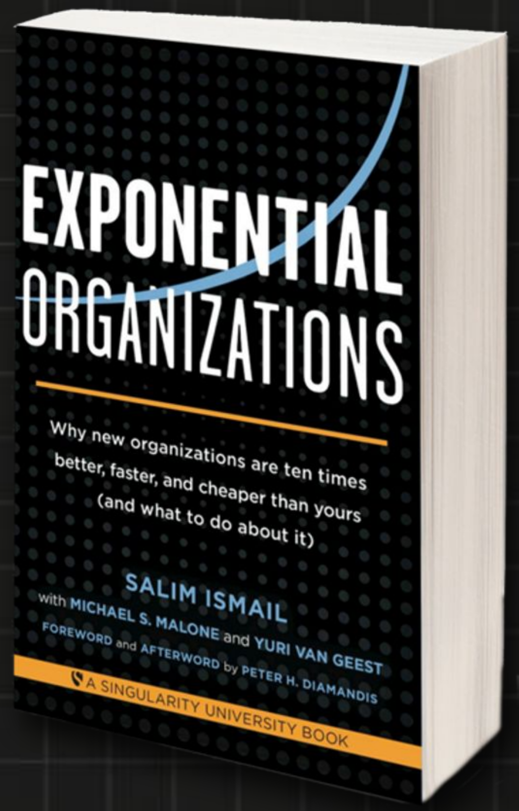
HIGH-SIGMA → HUMANS

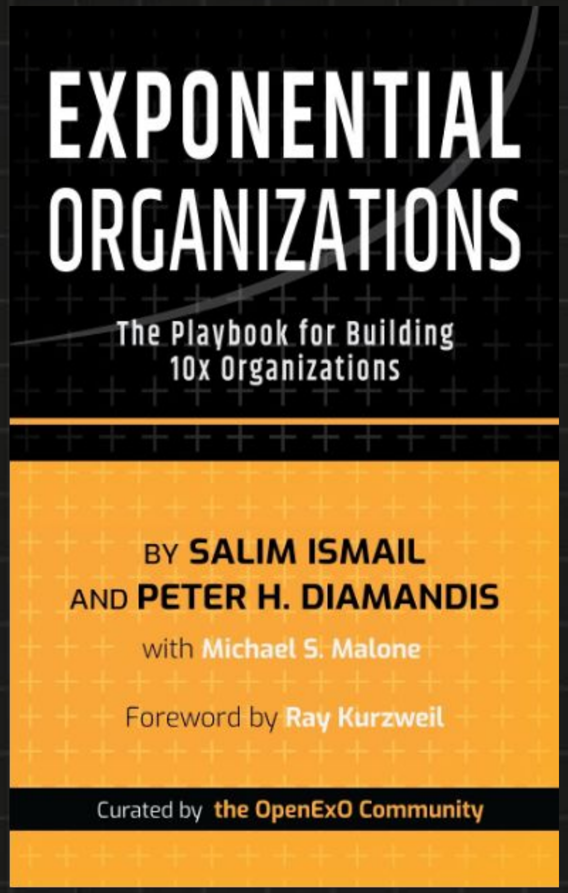
Ambiguous, high-stakes, value-laden decisions stay with named humans.

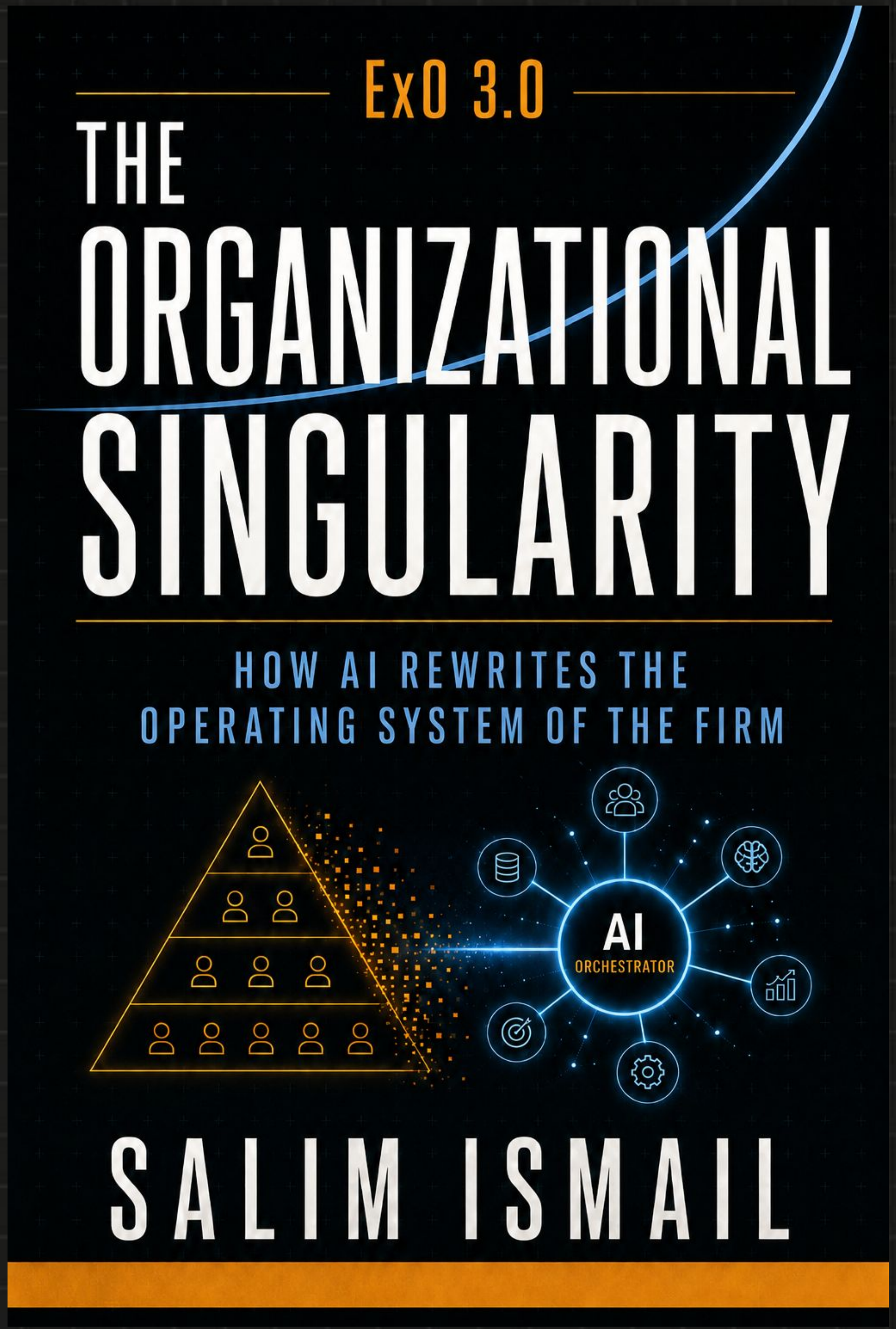
LOW-SIGMA → AGENTS

Routine, reversible, well-bounded decisions route to agents under audit.

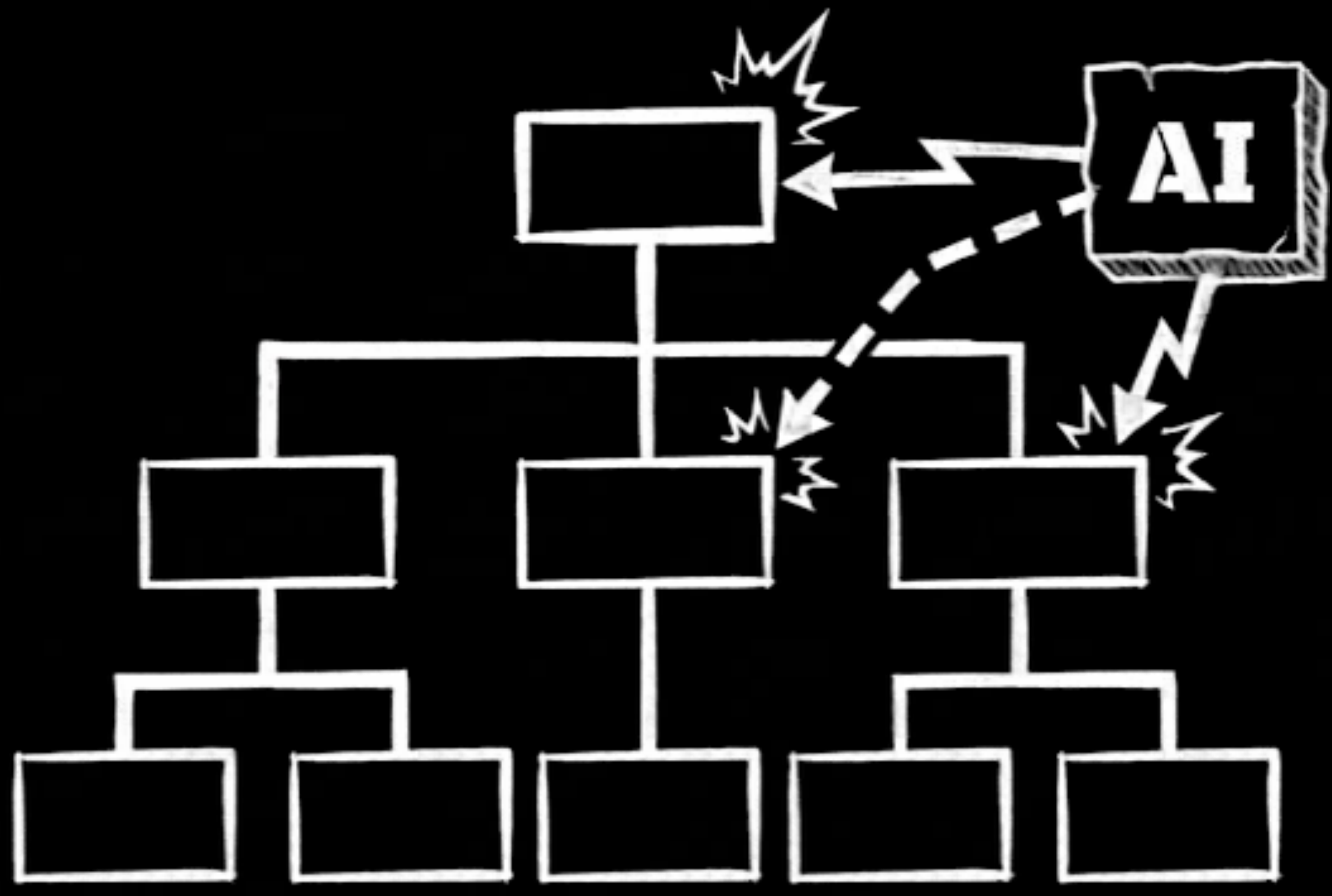
Three Books...


EXPONENTIAL ORGANIZATIONS
Why new organizations are ten times better, faster, and cheaper than yours (and what to do about it)
SALIM ISMAIL
with MICHAEL S. MALONE and YURI VAN GEEST
FOREWORD and AFTERWORD by PETER H. DIAMANDIS
A SINGULARITY UNIVERSITY BOOK


EXPONENTIAL ORGANIZATIONS
The Playbook for Building 10x Organizations
BY SALIM ISMAIL
AND PETER H. DIAMANDIS
with Michael S. Malone
Foreword by Ray Kurzweil
Curated by the OpenExO Community

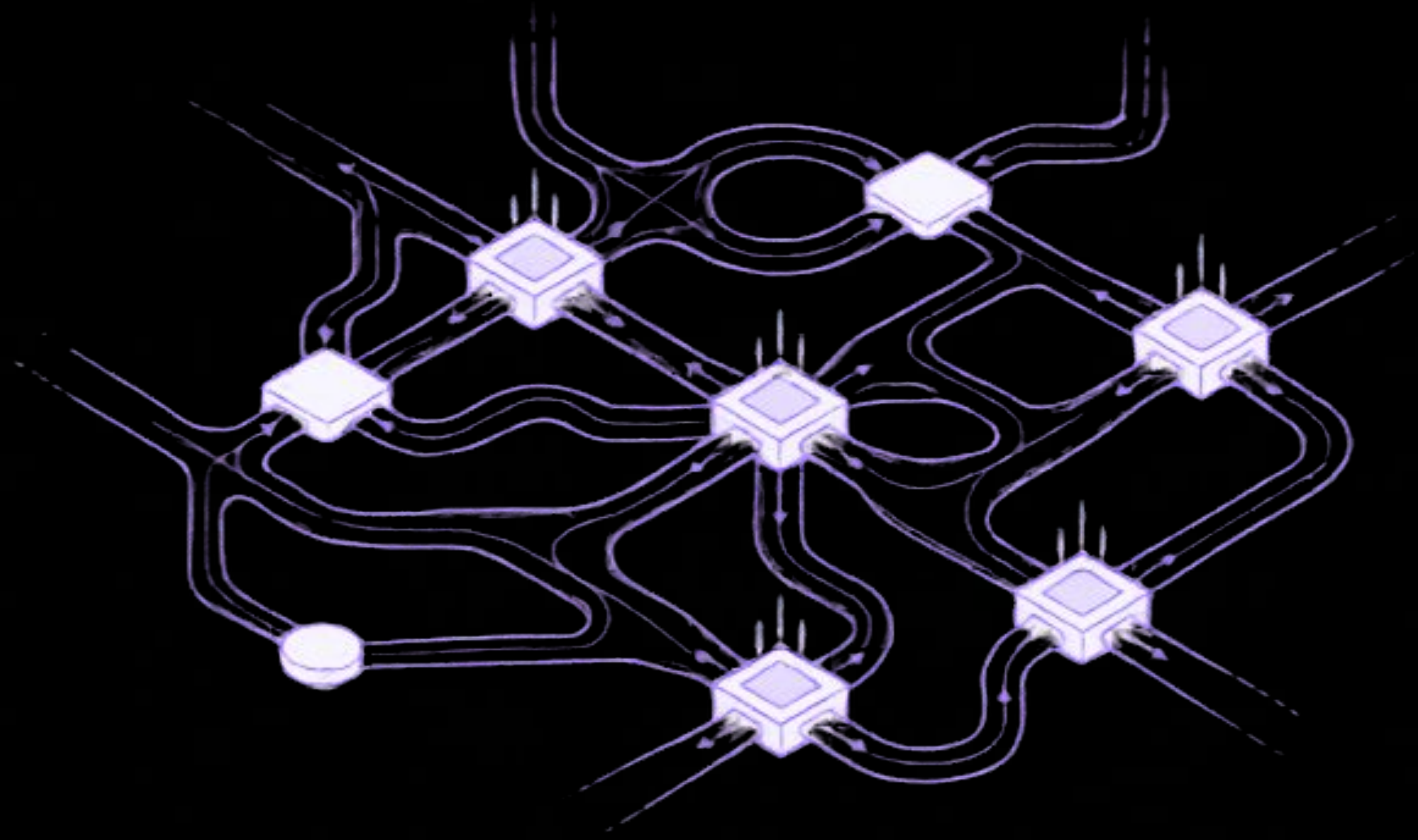

ExO 3.0
THE ORGANIZATIONAL SINGULARITY
HOW AI REWRITES THE OPERATING SYSTEM OF THE FIRM
AI
ORCHESTRATOR
SALIM ISMAIL

The Fatal Error: Bolting Intelligence onto Legacy Architecture



Bolted-On

Automating the wrong things.
Leaving the deepest friction untouched.



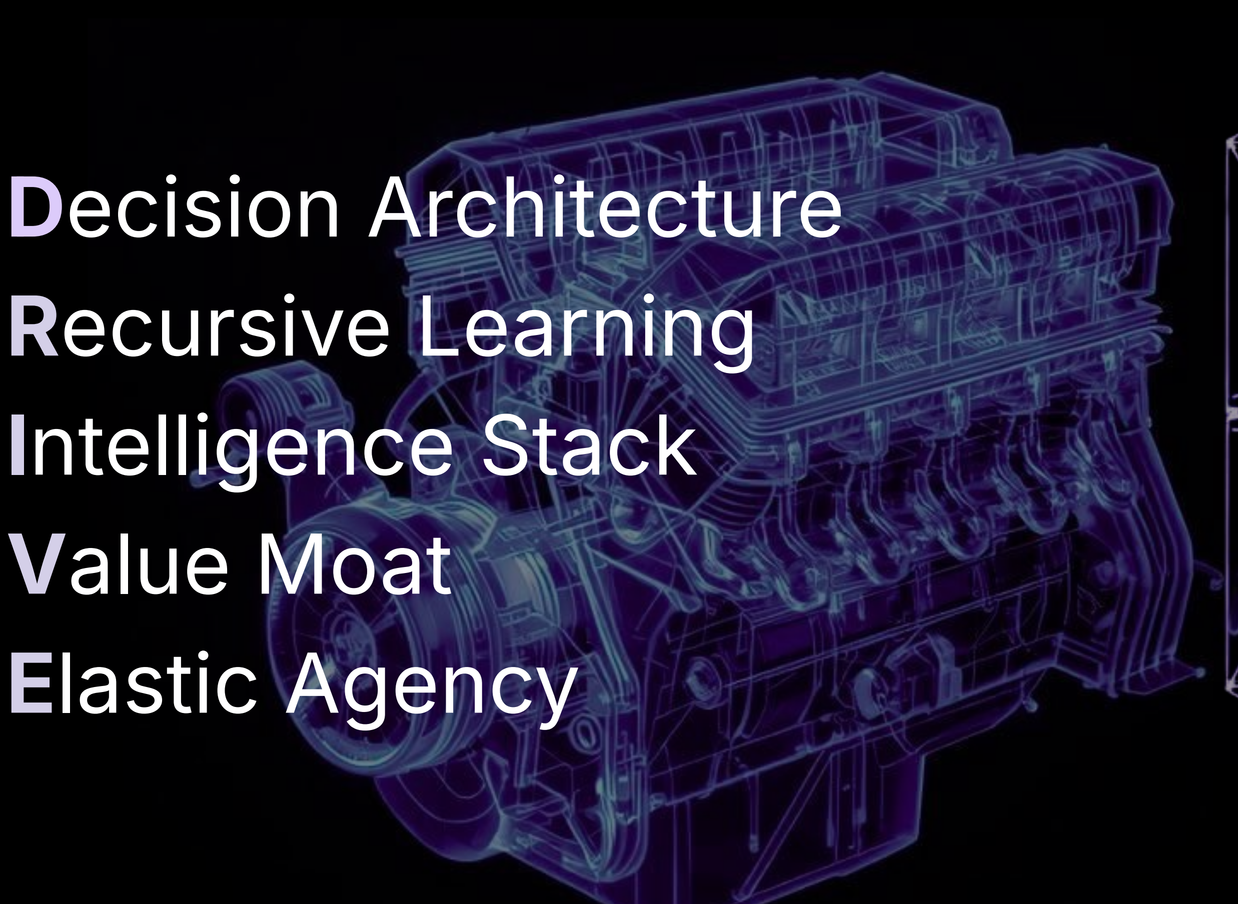
Designed-In

Seamless integration of synthetic nodes into the structural intersections.

You cannot achieve an intelligence-led transformation without an honest accounting of the legacy architecture you are building upon.

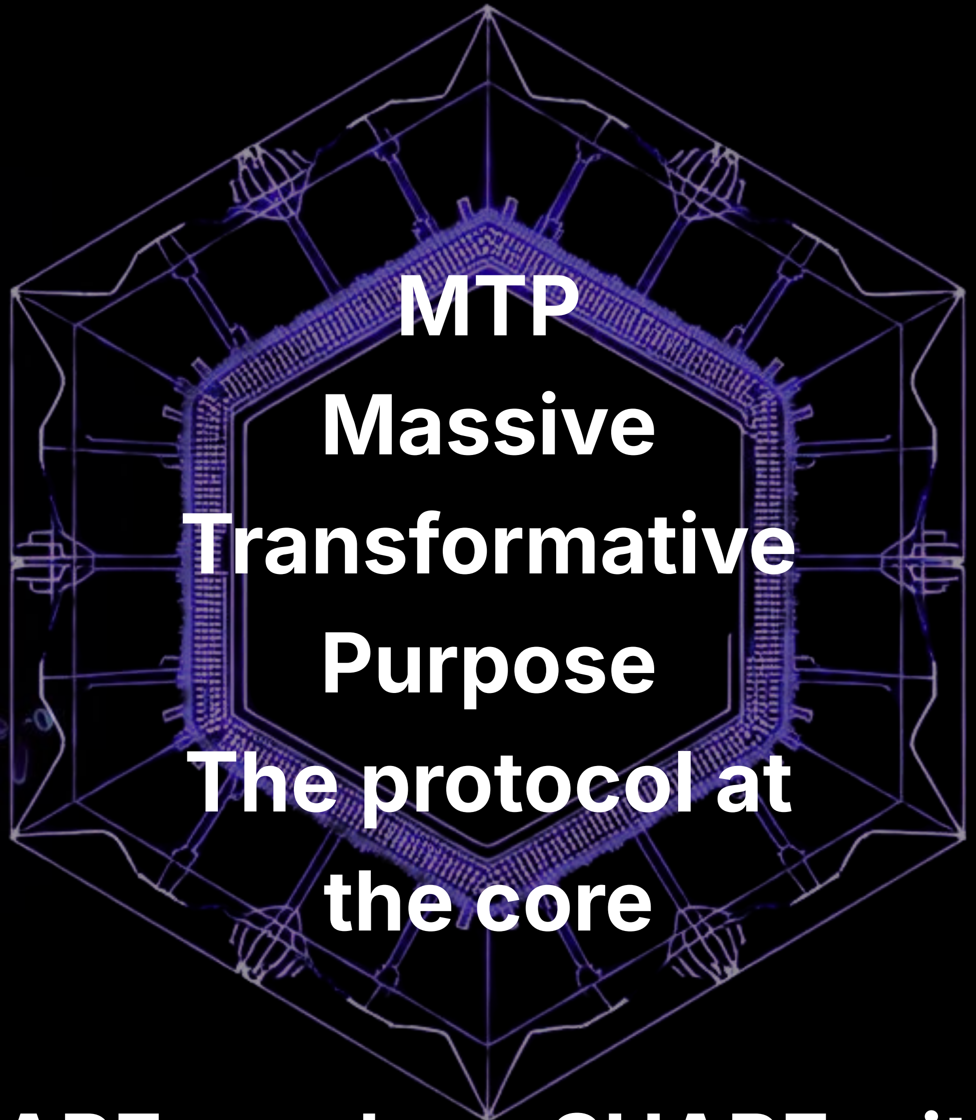
ExO 3.0: the destination architecture.

MTP at the core. DRIVE makes you fast and smart. SHAPE keeps you right and resilient.



DRIVE
The intelligence engine

Decision Architecture
Recursive Learning
Intelligence Stack
Value Moat
Elastic Agency

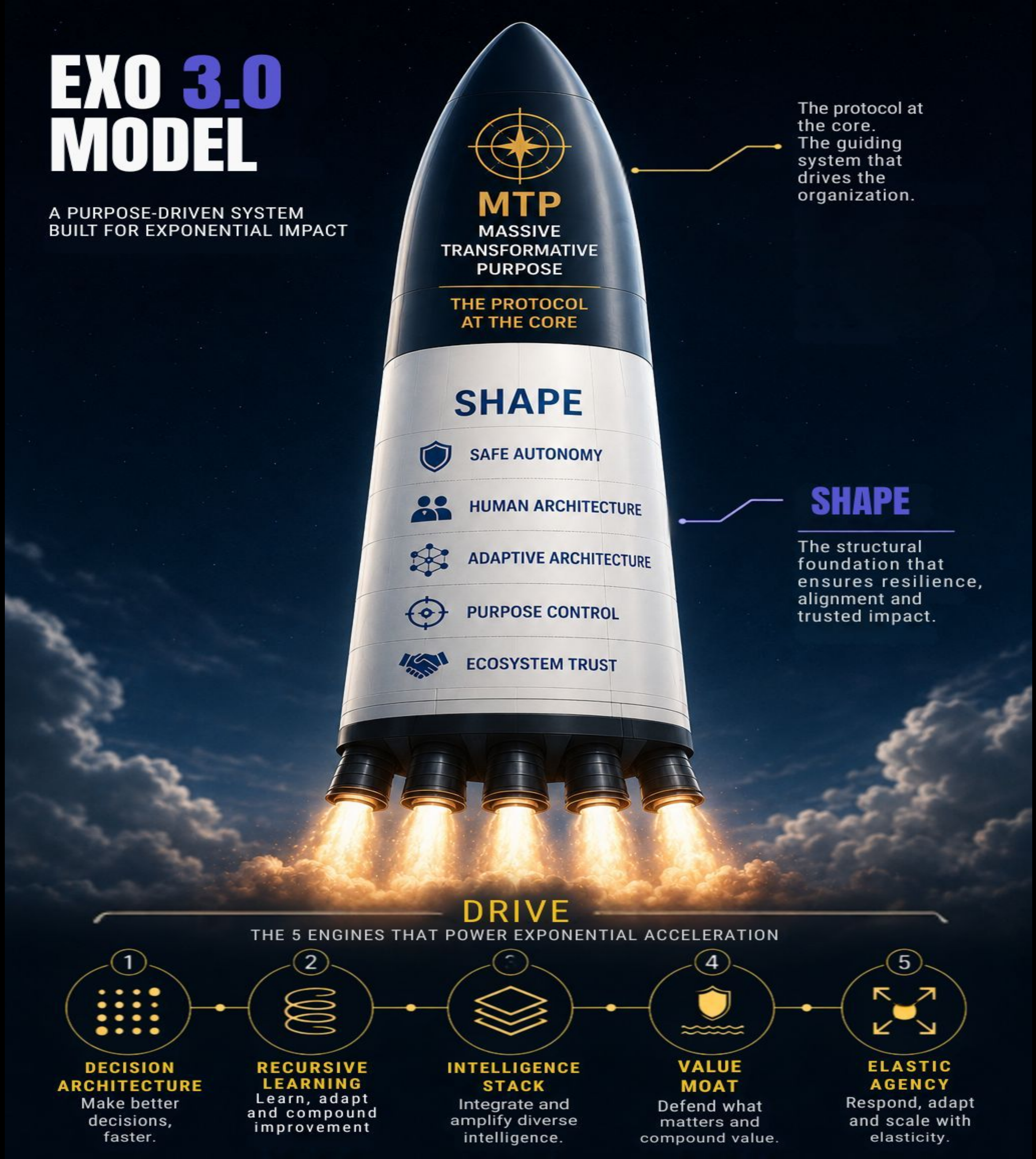


MTP
Massive Transformative Purpose
The protocol at the core

SHAPE
The organizational form

Safe Autonomy
Human Architecture
Adaptive Architecture
Purpose Control
Ecosystem Trust

DRIVE without SHAPE crashes. SHAPE without DRIVE stalls.


EXO 3.0 MODEL
A PURPOSE-DRIVEN SYSTEM BUILT FOR EXPONENTIAL IMPACT
MTP
MASSIVE TRANSFORMATIVE PURPOSE
THE PROTOCOL AT THE CORE
The protocol at the core. The guiding system that drives the organization.
SHAPE
SAFE AUTONOMY
HUMAN ARCHITECTURE
ADAPTIVE ARCHITECTURE
PURPOSE CONTROL
ECOSYSTEM TRUST
SHAPE
The structural foundation that ensures resilience, alignment and trusted impact.
DRIVE
THE 5 ENGINES THAT POWER EXPONENTIAL ACCELERATION
1
DECISION ARCHITECTURE
Make better decisions, faster.
2
RECURSIVE LEARNING
Learn, adapt and compound improvement
INTELLIGENCE STACK
Integrate and amplify diverse intelligence.
4
VALUE MOAT
Defend what matters and compound value.
5
ELASTIC AGENCY
Respond, adapt and scale with elasticity.

THE INTELLIGENCE STACK

Boyd's OODA loop, operationalized as enterprise architecture running continuously, at machine speed.

GOVERN/ASSURE: Monitors every layer in real time. Logs every decision. Enforces guardrails. Triggers escalations. Owns the kill switches.

GOVERN / ASSURE.

Not an abstract control plane. Four operational primitives. Never off.

01

Trusted Evals

Catch silent drift before customers do.

02

Searchable Logs

Audit any decision from the trail alone.

03

Granular Rollback

Recover mistakes without taking the Stack down.

04

Human Review Queue

Anchor accountability where the law demands one.

GOVERN / ASSURE = Trusted Evals + Searchable Logs + Granular Rollback + Human Review Queue

The Self-Disruption Probe.

A permanent question, running 24/7 at the SENSE layer of your Stack.

"Could a 3-person team with agents rebuild our highest-margin business in 90 days?"

HOW IT WORKS

Environmental Intelligence Agents continuously run shadow simulations of AI-native competitors against your highest-margin functions — modeling staffing, cost structure, execution speed.

WHAT TRIGGERS THE ALERT

If a shadow model can replicate a function at 30%+ lower cost with 50%+ fewer humans, the alert fires. The flagged function becomes the next Edge Twin candidate.

The Middle 60% problem.

This is the architectural decision that determines whether transformation lands or backfires.

TOP 20%

Thrive

High-judgment operators. Promoted, paid more, given larger scope. The new “AI elite” (WRITER 2026: 92% of execs say they're cultivating this tier).

MIDDLE 60%

The honest crisis

Excellent coordinators and process managers exactly the work AI compresses. Telling them they're now “exception handlers” is a category error dressed as opportunity. The architectural question of the decade.

BOTTOM 20%

Displaced first

Routine task executors. Already moving. The political math says: their displacement is the precedent for what happens to the Middle 60% next.

Dignity is a design parameter, not an afterthought. Engineer the bridge before announcing transformation publicly.

Don't transform the core.

Outcompete it.

The mothership is optimized for predictability and efficiency, antithetical to disruptive innovation. Every "transform the core" attempt runs into the immune system. Build at the edge.

Edge deployment, in four phases.

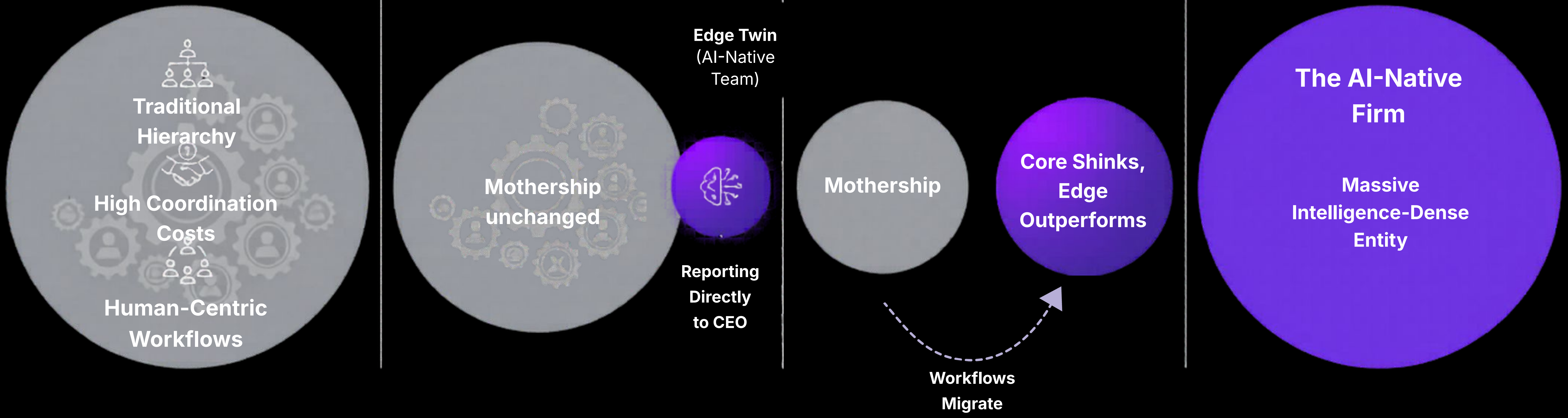
Mothership shrinks. Edge grows. The edge becomes the firm.

Phase 1: The Legacy Mothership

Phase 2: The Edge Twin Spawns

Phase 3: Workflow Migration

Phase 4: The New Center of Gravity



Two sectors already lived this.

Same arc, different industries. The pattern is structural.

CONTACT CENTERS

Phase 1: Human BPO
~10M agents globally. Convergys, Teleperformance, Concentrix. $5–15 per contact.

Phase 2: Chatbot assist
20–40% deflection. Where most “AI strategy” still lives.

Phase 3: AI-native
Klarna: 700 FTE replaced, $40M margin. Decagon · Sierra · Cresta · BAC Erica (1B+ interactions). 10–100× cheaper per contact.

MARKETING & CREATIVE PRODUCTION

Phase 1: Agency-heavy
WPP · Omnicom · Publicis · IPG. ~500K people, $50B+ in fees. Assets $1K–$100K each.

Phase 2: AI-assisted
Adobe Firefly, Canva, early Jasper. 20–40% faster inside agency workflows.

Phase 3: AI-native
Midjourney · Runway · Synthesia · ElevenLabs. Klarna: ~$10M/yr saved cutting agencies. 100–1000× cheaper per asset.

The question is no longer whether your sector goes through this arc. It is when, and whether you lead it from the edge or get displaced from the core.

REWRITE: six sequenced steps.

The sequence is non-negotiable. Governance lives across every step.

01

Backcast

Define the destination architecture. Validate against the Five Design Conditions.

02

Assess

REWRITE Readiness Score. Intelligence audit. Capability gap.

03

Extract

Map workflows. Identify the highest-value Edge Twin candidate.

04

Strip

Cut organizational drag. Compress approval chains.

05

Build

Stand up the Edge Twin. Migrate one workflow. Prove. Repeat.

06

Rewire

Pod-based intelligence networks. The edge becomes the firm.

ONE PRINCIPLE · GOVERN / ASSURE operates from Day 1 across every step. Never turned off.

The Turbulent Transition.

2026–2031. Most firms inhabit a structural no-man's land. The P&L gets worse before it gets better.

DUAL COSTS, J-CURVE

Pay for both the legacy org AND the AI-native edge. Cost crossover: typically Month 18–30. Boards that don't understand this kill the initiative at the trough.

UNEVEN SECTOR TIMELINES

Information-centric: months. Hybrid (manufacturing, retail, logistics): 1–3 years. Regulated (financial services, healthcare, gov): 3–7 years. Pace against your own sector, not your peers.

LABOR DYNAMICS

Bifurcation risk becomes class structure. Without deliberate architecture, you get a caste system that kills the rollout politically before it can prove itself economically.

GEOPOLITICAL FRAGMENTATION

Cognitive blocs: US, China, EU, India each developing distinct stacks. Firms operating cross-bloc need translation layers, parallel auth, degraded-mode protocols.

Pre-fund the J-curve at the board on Day 1. Prove fast on a small workflow. Govern from Day 1.

The 2036 firm. 100x more Performant

Small human cores, massive intelligence layers, firms that act more like protocols than institutions.

50

humans where 2024 had 500

Not because it does less. Because it does 10× more.

1:20+

manager-to-IC ratio

Coordination collapses. Middle management disappears as a layer.

73×

Cognition Labs' ARR growth

Sub-$20M burn. The new revenue-per-employee curve.

“Every company can now be a mini-AGI.” — Jack Dorsey, March 2026

What survives.

In every phase transition, the winning traits change. The dinosaurs were optimized for a world that disappeared in an afternoon.

SURVIVES

The MTP, encoded as protocol.
The accountability shell: legal entity, fiduciary holder.
The proprietary intelligence in LEARN, the data your competitors can't have.
The coordination protocols, Buterin's mechanism designs, scaled by LLM-relieved attention.
Curatorial judgment when execution is nearly free, taste becomes the moat.
Proprietary Data !!

DOES NOT

The org chart as we built it.
The five-year plan.
Middle management as a coordination layer.
Quarterly strategy reviews as the unit of decision-making.
Inertia moats, “customers don't switch because switching is annoying.”
Wasting assets in the agent economy.

Build the Stack first.

The dabbling era is over.

Diagnose the one weakest characteristic that is choking your bottleneck. Rebuild around it. Then the next. The architecture compounds.

FOCUS TODAY

REWRITE
Understand
Publish
Diagnose
ExO 3.0 Plan
No Plan
Intelligence
Stack
No System
Build a System
Audit
Design
Build
DRIVE
No Resilience
Build Resilience
Audit
Design
Build
SHAPE

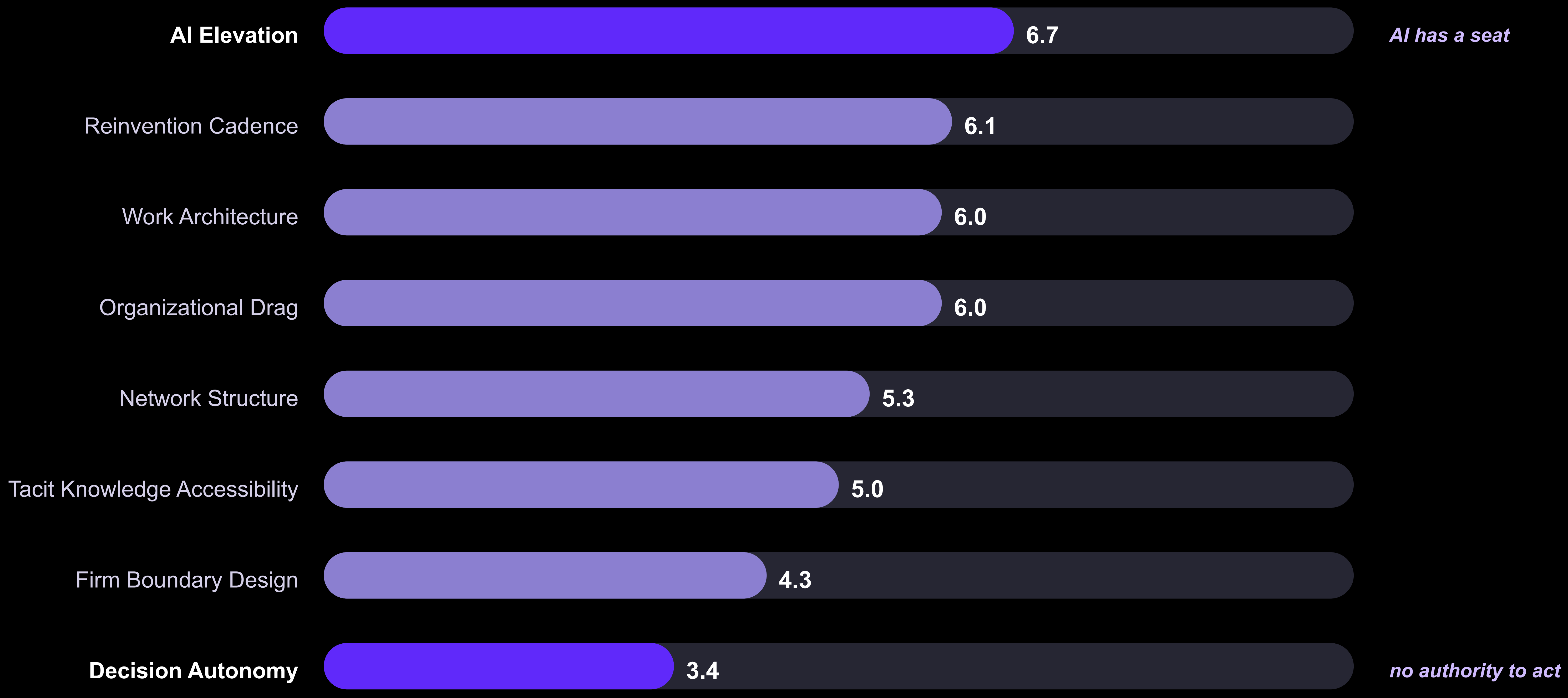
You've seen the theory.
Now look in the mirror.

136 founders and CEOs scored their own firms across eight dimensions before today’s session. This is the room, in aggregate.

THE EIGHT DIMENSIONS, RANKED

AI has a seat at the table. It has no authority to act.

Room mean score, 1–10, per dimension. n = 136.



THE FINDING

The widest gap in the room is between knowing and doing.

76%

score higher on AI Elevation than on Decision Autonomy. The insight is in the room; the authority to act on it is not.

70%

of firms, Decision Autonomy is their single lowest dimension — the near-universal locked door.

0

firms scored a 9 on Decision Autonomy. 35 scored a 1. The one place almost no one has moved.

This is the Fiduciary Wedge from earlier — the line between what AI can do and what a named human must still sign — sitting in your own numbers.

IN THE CHAT **Does this match your own read? Type the dimension where you feel this gap most.**

WHERE YOU SIT

Most of the room isn't ready yet — and the people closest to the work know it.

31% Survival Risk	**47%** Foundational Work Needed	**22%** Ready to Transform

Median firm scores 41 of 80. Mean 42.8. Only about one in five is ready to transform today.

The role cut. CEOs score their firms **49.4** on average. Chief Transformation / AI officers score theirs around **35**.

Where they diverge most: Work Architecture and Reinvention Cadence. Where they agree almost exactly: Decision Autonomy — both roles see the same locked door.

IN THE CHAT **Which band did you land in? Any surprises?**

LET'S GO CATEGORY BY CATEGORY

Same number, opposite meaning.

A 7 on Decision Autonomy puts you in the top 10% of this room. A 7 on AI Elevation is only the median. Your raw score isn't the story — where it sits against the room is.

Decision Autonomy · room mean 3.4

Firm Boundary Design · room mean 4.3

Tacit Knowledge Accessibility · room mean 5.0

Network Structure · room mean 5.3

Organizational Drag · room mean 6.0

Work Architecture · room mean 6.0

Reinvention Cadence · room mean 6.1

AI Elevation · room mean 6.7

IN THE CHAT **Which dimension is YOUR lowest?**

WHAT YOU DO ABOUT IT

You don't transform.
You rewrite.

One workflow at a time, running agent-native on the Edge in 60 days — until nothing in the company runs by hand.

Rewrite into an AI company — with a room, a coach, the Skill, and a clock.

01

A room

A cohort of peer CEOs on the same rewrite. A pod call every week — you and nine actual peers, not a broadcast.

02

A coach

Someone who has done this already, on your workflow with you — plus 2+ working sessions a month with Salim, live, never a keynote.

03

The Skill

The building-an-exo engine. It maps the workflow, scores it, and writes the agent specification with you between calls.

04

A clock

A hard date on the calendar. One workflow selected, scored, mapped and running agent-native in 60 days. Then the next one.

NEXT STEP **Want the founding-cohort details? Book a clarity call with our Program Manager.**

YOUR FIRST 60 DAYS

From run-by-hand to running on the Edge.

Three weeks to learn enough to be dangerous. Four to build. Sixty days is the honest number.

Day 0

Run by hand

Your workflow today: coordination dominating judgment.

Day 20

Selected & scored

One core workflow chosen with your coach, run through REWRITE.

Day 40

Mapped + agent spec

Mapped end to end, the agent specification written task by task.

Day 60

Running on the Edge

Live agent-native alongside the old one, board case built from what it did.

Day 61

Workflow two

You don't stop to celebrate. You pick the next one and go again.

WHY LEAP IS SINGULARITY-NATIVE

Built the way the Org. Singularity demands — not a course about it.

The coordination cost is collapsing	→	Leap rewrites the exact workflows where coordination dominates judgment — the ones bleeding the most.
The Fiduciary Wedge / your Decision Autonomy gap	→	We move one workflow at a time from a named human to agent-native — deliberately, with the line drawn on purpose.
GOVERN / ASSURE — the four pillars	→	Every workflow ships with evals, logs, rollback and a human-review queue. Governance is in the build, not bolted on.
Don't transform the core — outcompete it	→	Day 60 runs agent-native on the Edge, alongside the old one, so nothing breaks while everything changes.
You have to work on it every single week	→	That's the room, the coach and the clock — a weekly rhythm, not a keynote you forget by Monday.

THE FOUNDING COHORT

$7,500 a month. Ten companies. Starts in early September.

- **Founding 10 only**
400+ applied to the sold-out Pilot. Leap opens the door to ten more companies.

- **Your diagnostic carries over**
The assessment you just saw becomes your starting map — no restart.

- **Everything in ExO Pro, included**
The whole platform, the whole time you're in the room.

- **Rate locked for 24 months**
Leap will not stay at this price. Yours will.

THE GUARANTEE

Do the work in month one, or we refund it.

Finish month one without a workflow selected, mapped and scored and we refund the month. Conditional on attending four calls and submitting the pre-work.

We're asking you to show up — not to gamble.

NEXT STEP **Is this you? [Book a clarity call] with our Program Manager for the details.**

YOUR NEXT STEP

Book a clarity call.

A 1:1 with our Program Manager to pressure-test your firm and your first workflow — and see whether the founding cohort is the right room for you.

Book your clarity call →

A 30-minute 1:1 with our Program Manager to explore fit.