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Everything I Know About Business I Learned From the Grateful Dead: The Ten Most Innovative Lessons From a Long, Strange Trip by Barry Barnes

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Barry Barnes, PhD, is a self-avowed, dedicated “Deadhead” with a sharp eye for business. As such, he has been able to combine his love of a rock band, the Grateful Dead, with his training in management theory. One of his lifelong passions, after attending his first concert in 1974, has been the Grateful Dead’s music. In 1985 while working for John Deere, he came to the realization that his professional life could be combined with his love of this group. Barnes quit his job with Deere and began studying the business practices of the Grateful Dead. He was able to build upon his passion and went on to earn both his MBA and his PhD while “using the Dead as a case study in organizational change” (p. 3). The results of his roles at IBM and John Deere, along with his Grateful Dead journey, are the focus of this book, *Everything I Know About Business I Learned From the Grateful Dead: The Ten Most Innovative Lessons From a Long, Strange Trip*.

The book begins with a prologue from John Perry Barlow, an original member and lyricist for the Grateful Dead. Barlow notes that while writing the prologue to a book on business may appear ironic, the Grateful Dead’s core competency was the group’s ability to foster a sense of community, as well as the ability to sell an “authentic and unique experience” (p. xxii). According to Barlow, the Grateful Dead was selling so very much more than the music. The prologue establishes salient parallels between the music and the service industries. Barlow argues that allowing concerts to be taped was a savvy business tactic that added to the overall value of the Grateful Dead’s music. He writes, “Every time we ‘gave away’ a show to the tapers, we increased the value of the music that hadn’t been played yet” (p. xxi). Lamenting that consumer trust in U.S. business is at a low point, and drawing attention to the monies distributed by the Grateful Dead to nonprofit organizations, Barlow suggests that perhaps it’s once again time to give trust a chance.

To the uninitiated (or culturally deprived!), some background might be necessary. The Grateful Dead was a rock-and-roll band that actively flourished from the mid-1960s until its leader, Jerry Garcia, died in 1994. The band inspired devoted fans, called “Deadheads,” who followed them around the country to attend their concerts and to enjoy being members of this larger community. Detractors noted that Grateful Dead concerts were also known for drug use and countercultural, anarchic behavior. In fact, Jerry Garcia entered rehabilitation programs several times during his career. Taking their reputation into consideration, learning about business by studying the Grateful Dead may be considered slightly oxymoronic. However, the material in this book may allow us to present business in a new light to our students.

Barnes begins the book by noting that the Grateful Dead could never have followed a business plan. Success for them was more like fate. The band’s focus was on the present. They didn’t even plan their music before their shows, but allowed for the power of synergy among the musicians and relied upon spontaneity and audience response to carry them through their concerts. However, as Barlow notes, the lessons learned by studying the success of the band show that the Grateful Dead “created or harnessed a broad range of strategic practices in management and business that might be emulated by other commercial organizations” (p. xvii).

According to Barnes, the Grateful Dead was at the forefront of American business practices by sharing leadership, establishing horizontal structures, and decentralizing decision making. The band’s dedication to its fans clearly resulted in customer delight, and its focus on grassroots marketing has been credited with sparking the viral marketing movement. In order to explore all of these innovations and to concentrate on the golden nuggets, Barnes has organized the book into 10 business lessons distilled from “a new business model for the music industry, and . . . an alternative approach to business in general” (p. xi).

In “Lesson 1: Master Strategic Improvisation,” Barnes presents many of the elements of learning organizations (although he doesn’t label them as such) that were present in

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the Grateful Dead's organization. These included minimizing structures, embracing errors, allowing members to play both leader and follower roles, and avoiding "playing it safe." The value of the material presented here is in providing an example of a learning organization. Improvisation is broken down into several steps, and each is illustrated by an aspect of the Grateful Dead history.

In "Lesson 2: Live Your Values", Barnes notes that the Dead's strong culture developed from members working together over time and that they disseminated their culture through charitable contributions, points that are repeated in other chapters.

In "Lesson 3: Be Kind to your Customers," Barnes details how the Grateful Dead created a community in pre-Internet days. This was a labor-intensive process, answering letters and mailing newsletters. Merchandise sold well because people wanted to advertise their association with the Grateful Dead by wearing t-shirts. The band developed catalogue sales through the "Almanac," its newsletter.

In "Lesson 4: Share Your Content," Barnes defines one of his more important points. He notes that the Grateful Dead didn't mind people taping concerts because each one was different and because the market for trading tapes generated interest in attending concerts. Barnes posits that while a shortage of physical objects creates higher demand, a plethora of art makes it more popular and thus more valuable.

"Lesson 5: Create a Business Tribe" is somewhat repetitive of Lesson 3, as it describes how before Internet communities were born, the Grateful Dead created a community of Deadheads. To some extent this sense of community was based on a common identity based on shared adversity from the straight media, but it was also based on fans' shared willingness to travel to concerts.

One of the drawbacks to outsourcing is the loss of organizational loyalty and culture strength that comes from using part-time workers. In "Lesson 6: Insource," Barnes describes how the Grateful Dead's insourcing created loyal employees, increased overall organizational knowledge, and aided in developing new competencies in the workers.

"Lesson 7: Innovate Constantly" tells how the Grateful Dead insisted on and supported the development of better sound equipment.

"Lesson 8: Transform through Leadership" explains how Jerry Garcia was a transformational leader, while being uncomfortable in the role. Barnes's emotional attachment to the Grateful Dead seems to have colored this discussion of leadership. He uses phrases like "changing people forever" to describe Garcia and claims an almost religious perspective on Garcia's influence. Barnes writes that Garcia liked to share leadership and challenge people to achieve. While Garcia himself emphasized his belief in shared leadership, his own control of the organization is clear. For example, he interviewed all employee applicants and made a judgment on whether or not they would

be hired. Most importantly, the Grateful Dead disbanded when Garcia died.

In "Lesson 9: Share the Power," Barnes describes the Grateful Dead as a flat organization, in which power was shared by listening to lowest level employees. Decisions were made democratically. Employees were chosen by "fit," not by skills. Garcia's philosophy included paying employees well and giving them good benefits, resulting in loyal employees. Garcia defined job enlargement and job enrichment, saying, "Rather than thinking of your job being this, let's open it out to this. Why do you only want to define yourself as a person who does only this, this, and this? You know what I mean? And why should your job be less than you are? If your contribution can be greater, then what we'll do is invent a reason for it to be greater. Dig?" (p. 179).

In "Lesson 10: Exploit the Experience Economy," Barnes describes how the Grateful Dead provided customers with authentic experiences, which Barnes describes as "improving their lives" (p. 195).

The story Barnes tells about the Grateful Dead has pertinent lessons for managers, scholars, and students. From Barnes's perspective, "The Dead were recession-proof precisely because they stayed true to themselves, avoided trends, and remained focused on fundamentals" (p. 203). The band's focus on spontaneity and its penchant for breaking the rules highlighted its talent for improvisation, and "led to a large number of miscues, but it produced even more moments of inspiration and innovation" (p. 203). In an overstatement, Barnes shows his passion for his topic and for the Grateful Dead when he argues that the band "had a firmer grasp of those [business] fundamentals than almost anyone in the record industry or American business in general" (p. 201). Barnes writes that "the Dead kept their focus on their vision and their values—Success flowed from there" (p. 204). Adding that the Grateful Dead's success sprang from the band's constancy of purpose, Barnes admonishes businesses that try too hard to succeed in monetary terms by pointing out that perhaps the Grateful Dead achieved its great success because the members were not trying too hard to make money but instead trying to enjoy their own performances.

As told throughout the book, Barnes considers the Grateful Dead to be the ultimate in how to be successful by following your mission and vision. The book points out frequently that the Grateful Dead did not set out to achieve fame and prosperity, but by following their hearts, they were able to do so. While this remains a great story and an entertaining book, it also can spark some questions for the reader. Could the Grateful Dead have deliberately embraced business practices, or was the nature of the organization such that business practices would be seen as anathema? And, on the flip side, how many promising bands disappeared because they did not follow a business plan, and were not able to become successful by following their hearts? Those questions may remain, but using lessons from the Grateful Dead's success to illustrate business lessons is a great way to engage students. The book could be used as

supplementary reading, and would appeal to students who see themselves as countercultural.

REFERENCE

Barnes, B. (2011). *Everything I know about business I learned from the Grateful Dead: The ten most innovative lessons from a long, strange trip*. New York, NY: Hachette Book Group.

ABOUT THE AUTHORS

Joanne L. Tritsch recently graduated with a Doctor of Management degree from the University of Maryland University College. Her dissertation, "Tending the Garden: Repairing Damaged Organizational Trust as a Result of Turmoil," addresses repairing damaged organizational trust between workers and their organizations. Joanne has published several articles and has presented on the topic of trust at various conferences, including this year's Eastern Academy of

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Claudia Harris earned a bachelor's degree in mathematics and then taught junior high school mathematics. After completing an MBA, she worked as a financial analyst for Hercules, Inc. In 1984, she earned a PhD in management and finance from the University of Utah. She retired as a professor of management from North Carolina Central University. Her research interests include cognitive and ethical development, cultural diversity, the process of change, and using fiction to teach management. She has served in many capacities in the Eastern Academy of Management, publishing more than 40 papers in journals and proceedings. She may be reached at charris1213@bellsouth.net.