



*The company's chairman and former CEO explains the power of the participatory, open-source model of collaboration.*

**Lenny T. Mendonca and  
Robert Sutton**

**As companies reach beyond** their boundaries to find and develop ideas, they are exploring new models to manage innovation. In projects that tap external talent, questions quickly arise about process management, intellectual-property rights, and the right to make decisions. Some executives have been at this game longer than others. Mitchell Baker, chairman and former chief executive officer of Mozilla Corporation, has devoted the past ten years to leading an effort that relies extensively on people outside her company—not just for creative ideas, but also to develop products and make decisions. The result: Mozilla's Firefox browser, with 150 million users, has become a rival of Microsoft's market-leading Internet Explorer.

As Firefox flourished, the process that created it became a model for participatory, open-source collaboration. Baker's role, central from the beginning, has taken many twists and turns. Ten years ago, she was a software lawyer at Netscape Communications—which developed the original commercial Web browser—when the company decided to release its product code to the public. Baker's interest in defining and managing the project quickly earned her a place as one of its leaders. She continued to guide the project after Netscape was acquired by AOL, led the subsequent spin-off (to the nonprofit Mozilla Foundation and its subsidiary, the Mozilla Corporation) to develop the next-generation Firefox browser, and presided over Firefox's impressive growth. In her role as “chief lizard wrangler,”<sup>1</sup> she balanced and blended Mozilla's commercial needs with the motives and efforts of an army of volunteers who develop the code and distribute the browser. Over the years, Baker has helped define the legal and functional model that allows an open-source community and a corporation to share responsibility for product development

<sup>1</sup>The title refers to Mozilla's cartoon mascot—a giant, Godzilla-like lizard.

while managing the project and maintaining the organization's momentum—not to mention its financial viability.

Today, Mozilla and Firefox are successful on several levels. Having recaptured market share lost to Internet Explorer, Firefox now holds 15 percent of the browser market in the United States and a higher share elsewhere. In 2006, the company's revenue-sharing arrangement with Google for searches that originate in Firefox delivered revenues three times greater than Mozilla's expenses,<sup>2</sup> an impressive rate of return. Finally, the organization's open-source development model is a visible and well-tested experiment in managing innovation beyond corporate borders. To learn more about that model, McKinsey director Lenny Mendonca and Robert Sutton, a professor at Stanford University's Graduate School of Business, met with Baker in her Mountain View office before her change in roles.

**McKinsey on BT:** *You've said that Mozilla's real contribution isn't just the browser but the model of participation. How do you manage participation in this environment?*

**Mitchell Baker:** Our mission is about keeping the Internet safe and open, but also about building participation. We do that by setting up frameworks where people can get involved in a very decentralized fashion. These frameworks embody our values and our goals and get embedded in other people's minds. We attract people who care about those things, and they go off and participate in the mission in a very decentralized way.

So for some things at the center, we must have extreme discipline. If you're touching code that goes into Firefox, the process is very disciplined. But there are lots of areas for participation—whether it's building an extension or localizing the product or building new products—that don't need that degree of discipline. And a key point is for people to “own” what they are doing, not in a financial or legal sense but in an emotionally committed sense that gives them a chance to decide, “I'm excited about this. I want to do something. I want to write an extension. I want to go tell people how to do this.” And it also gives people the success and the relationships to go back out and do more.

**McKinsey on BT:** *How much of Firefox's success depends on people you employ as opposed to the broader group of volunteers?*

**Mitchell Baker:** I'd say we need both to be successful. If you took away our employees, we'd be a good open-source project but nothing like a force on the Internet. If you took away the volunteers and everyone else, we would die. On Firefox, for example, 40 percent of the code is not from employees—and that's after a recent batch of hires from our volunteer community over the past year. We had 25 employees two years ago and now have more than 120. Sometimes we can hire from within our community, but not always. There are some people with a high degree of expertise and specialization who you can't hire, and we would never find them if we weren't an open project. We would never find these people if they couldn't just step up and contribute. A lot of folks will start at one level, like fixing bugs, and go on to become star performers.

<sup>2</sup> See Baker's October 22, 2007 blog post about Mozilla's 2006 finances, on [weblogs.mozillazine.org](http://weblogs.mozillazine.org).

Actually, people can make a contribution without being either employees or members of our volunteer community. Firefox has about 150 million users worldwide, and since it doesn't ship on new machines, that's 150 million individual decisions to use it. How many people does it take to do that? I'm guessing hundreds of thousands of people around the world who said, "This is a great product. My family has to have it; my neighbors need to have it." Hundreds of thousands of different decisions, and you cannot buy that.

**McKinsey on BT:** *How do you motivate people to contribute to Mozilla, especially after ten years?*

**Mitchell Baker:** I think that for the people who have kept Mozilla alive, the desire to maintain an open and participatory Internet has been very important. The Internet is hidden to human beings except for this piece of software we call the browser. Years ago, we could see that there was some risk of people not being able to reach the Web except through a browser that was part of a business plan. And by the year 2000, we were seeing pop-up ads, spyware, and other things that slowed down the whole computer. I think of this as abuse of the consumer, but it is a perfectly rational business decision for some companies to do that without considering it evil or nasty. But many people feel there should be an alternative, and that dedication to an open Internet has helped us.

**McKinsey on BT:** *What else?*

**Mitchell Baker:** Second, our product makes a giant difference in the lives of our volunteers, and they take ownership of it. I don't know if you could build this degree of



**Mitchell Baker**

#### Vital statistics

Born in 1957, in California

Married, with 1 child

#### Education

Graduated in 1979 with BA in Asian studies from University of California, Berkeley

Received law degree in 1987 from Boalt Hall, School of Law, University of California, Berkeley

#### Career highlights

##### Mozilla Corporation

- Chairman (2008–)
- Chief executive officer (2005–08)

##### Mozilla Foundation

- Director

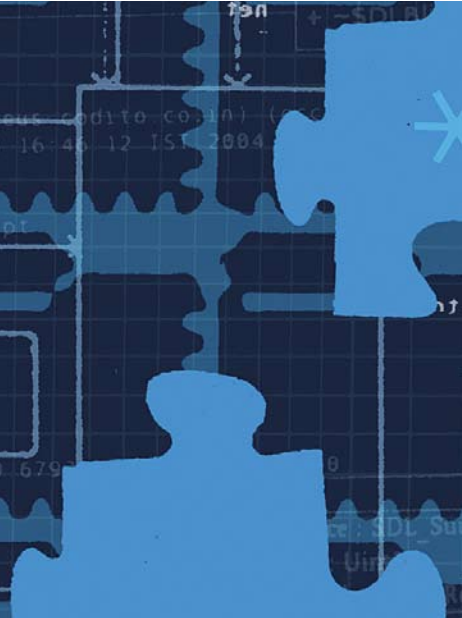
##### AOL

- General manager ("chief lizard wrangler") of Mozilla project (1999–2001)
- Netscape: Associate general counsel (1994–99)

#### Fast facts

Speaks conversational Mandarin

Is a skilled flying trapeze artist



motivation for something that really didn't change people's lives, something that they weren't emotionally committed to. But the number of people who feel that Firefox is partly theirs is very high.

That's a tricky management challenge, but we work at it really hard. We see ourselves as part of a community, some of which is inside the organization and some that is outside it. Issues constantly come up within our walls, and we have to say, "This needs to be a public discussion; it needs to go up on the mailing list because other people are involved." The community is reinforcing once you get started. We can't ship Firefox or get it onto people's machines without that community. So that means it's very much a two-way street, and if we start to think of ourselves as the center, we will fail.

It's a very exceptional emotional state to feel like you're part of a healthy community and that you're in trouble unless you're reaching out and lots of people are reaching back. We also are extremely sensitive to community criticisms and desires—probably over-sensitive sometimes. So when some significant part of the community gets upset, we pay a lot of attention. Sometimes our responses are defensive at first, but I think we're pretty good at opening up. It's pretty interesting to look at what somebody is complaining about and find the truth behind that. We also try to be very low spin. In fact, sometimes we joke that we're negative spin. We don't need the press or anybody else to do that; we'll do it ourselves.

**McKinsey on BT:** *The line between back stage and front stage appears to be pretty thin.*

**Mitchell Baker:** Yes, and quite permeable. And that is a management challenge we haven't quite solved yet. What's the correct group of people for information to reach? The easy default is employees because we see each other regularly and they have signed confidentiality agreements. But that's an unhealthy default for us because we're not successful based just on employees. The community is as real as we are.

**McKinsey on BT:** *How do you think about your role in enabling innovation in the communities?*

**Mitchell Baker:** Sometimes, just giving people permission does wonders. Consider our quality control process. We have a public process for finding, tracking, and correcting bugs in the code we're developing, and thousands of people are involved. When several people within the community began to take leadership in that effort, someone who worked with me said, "All we need to do is tell these people it's OK." So that's what we did. We said to the leader, "You're awesome; keep doing what you're doing." And after that, he became our release driver. There are more people like that than you would expect.

Second, we create scaffolding for people to work from, so that even if we're not innovating ourselves, other people can. You can see, with the extensions and the customization, that there are thousands of people doing interesting things we haven't thought of, and they don't have to tell us or ask us.

Third, we've assembled a set of people here who are really motivated by seeing other people do interesting things. So if somebody appears, out in another community, doing something interesting, we don't have a not-invented-here culture; we just say, "Wow!"

Another thing: not just celebrating when people do great things but knowing how to react when people do things that are troublesome. There are days when somebody's done something and you wonder, "What were they thinking?" At that point, you have to look really carefully and evaluate what's just uncomfortable and what really must be fixed. And then you try to keep that latter category to a minimum. A healthy community will do a lot of self-correction.

*There are **thousands of people** doing interesting things we haven't thought of, and they don't have to tell us or ask us*

**McKinsey on BT:** *What kind of people do well here as employees?*

**Mitchell Baker:** Typically, people whose motivations line up very strongly with either our mission or our technical vision. Also, people who can handle large amounts of their work being public. People here are following the bugs; they're watching each other, watching their progress. They know how quickly you're working, and they know if you're stuck on something. So you have to be able to live not just your social life in public but your work life as well. We called it "life in the fishbowl" long before Facebook.

**McKinsey on BT:** *What would be an example of a red flag that comes up during the hiring process?*

**Mitchell Baker:** If we ask, "What do you do if someone disagrees with you? What do you do if you think something needs to happen and it seems to be slow or stopped?" And the answer is, "Well, I tell them I'm in charge." Bing. Even our employees rarely get told that, because I believe that many of the things that work in open-source management are also very valuable for your employees. You can try to tell an employee what to do, but if the two of you disagree the employee may be right. There's much more negotiation here, like a professional partnership.

**McKinsey on BT:** *Has the culture of the open-source group changed the culture of the core organization over time?*

**Mitchell Baker:** I wouldn't say "over time," because I think we were born out of that organization. I would say it infused us from the beginning because even back at Netscape, leadership had nothing to do with employment status. In fact, sometimes the managers of our project members were demanding that they do things very contrary to what we at Mozilla thought should happen.

**McKinsey on BT:** *More traditional organizations that are now looking outside themselves may not be used to this management style.*

**Mitchell Baker:** Well, there's a real dividing line between simply getting input from outside, though that can be very valuable, and what we do. Our decision-making process is highly distributed and unrelated to employment status, and some of the people who make decisions about code are not employees. But what ships as Firefox, with the Mozilla name and brand on it—that's going to be a Mozilla decision, even though other things are not.

**McKinsey on BT:** *What has been the biggest surprise in the time you've been working at Mozilla?*

**Mitchell Baker:** That we had exactly what was needed at exactly the right moment. You often see this in start-ups that burst onto the scene and grow dramatically. There's a lot of hard work and smarts, but also some piece of timing is right. Those things, you can't control; you need to be ready.

**McKinsey on BT:** *Do you think your success in timing was related to the fact that you had so many more "sensors" in the community than you would have if you were a group of 40 developers sitting in Silicon Valley?*

**Mitchell Baker:** Oh, absolutely. We could not have succeeded if we'd been a closed little area. Yes, we had not only the right product but also the right community of tens of thousands of people all those years, and some sense of hope that we were the alternative to a closed Internet. All of those things mattered. We knew we had a community because we had been living in it for quite a while. All that came together in the product's success. There's just no way we could have been or continue to be as successful without being this very diffuse organization.

**McKinsey on BT:** *Looking ahead, what do you worry about for Firefox?*

**Mitchell Baker:** That Firefox is only a part of what's necessary for the Internet to remain open and participatory. We're the part that touches human beings, and that's a powerful part. But we're just one element. There's so much value and revenue in the Internet that it makes economic sense for companies to try to create proprietary places there. And of course, there's room for companies to do that and generate revenue for their shareholders.

But there also needs to be a section of the Internet that's open, where people can participate. Open source has been a phenomenal force in pushing us in that direction. Firefox needs to remain strong enough and innovative enough that we're able to continue to show the industry that you can give people control or choice in an elegant manner and still be a professional vendor and that there are revenue opportunities in this. That's my greatest concern.

**McKinsey on BT:** *What can other leaders learn from the Mozilla project about running an innovative company?*

**Mitchell Baker:** Turning people loose is really valuable. You have to figure out what space and what range, but you get a lot more than you would expect out of them, because they're not you.

Second, figure out where you want input. There are different varieties of input and user-generated content. Figuring out what you really want is very important because you can get benefits out of any of those things. But if you're doing one thing and sending out a message that you're doing another, I think you're dead.

Third, look hard at whether there are areas where you can give up some control, because the returns are great. And if you can't, then stay away from this type of model. If you have a good group of people around you—people you trust—sometimes just stepping back when you don't like something is really valuable. Let the problem play out a little bit. The idea that a single individual is the best decision maker for everything and should have ultimate control works only some of the time. I think for Steve Jobs it works because he's so good at what he does. But if you're not Steve Jobs, I have found that, sometimes, even when I don't like something, there's often real value in stepping back and asking questions. When you just ask people to stop what they are doing, you lose their creative thought. And this approach can get even harder when that person shows that you're making a mistake. In a lot of organizations, people don't really admit when they make a mistake, which I think is delusional because we all know that no one's perfect. **MoBT**

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