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Everyone likes to think they've come up with the next big thing, but many projects out there are the same old, same old. And the current economic crisis isn't exactly inspiring creativity.

To break out of the innovation slump, the true innovators are tapping into the minds of the masses.

Bearish economic times tend to go hand-in-hand with risk aversion and conservatism. The overriding philosophy seems to be cut back spending, curtail even slightly adventurous projects and prepare for lean days ahead. But that's a mistake. As the global economy stumbles, business leaders need to be more creative than ever to drive profits and sustain momentum in the marketplace. Amidst the chaos and uncertainty, there are opportunities for true innovation. And companies and their project leaders must not succumb to a hyper focus on slashing budgets.

"Innovation's an interesting game," says Roger Dennis, an independent consultant based in Christchurch, New Zealand. "When companies are going really well, often they don't feel the need for developing new opportunities and new businesses because they've got money rolling in. Why spend money on doing new stuff when you've already

used to be about engineers choosing what it is that they wanted to do, and trying things out and coming up with things. But now, even at places like Google Labs, research and development is all problem-based. There's a saying that old methods are really good at preventing new things from being created. We're in a situation where old methods are being used to try to identify new ideas and that kind of thinking has played itself out."

One possible way out of the innovation slump is crowdsourcing, a bottom-up approach that taps employees, customers and other users to collectively create and vet the most promising projects.

Probably the most obvious example of crowdsourcing is YouTube. Bought by U.S. IT king Google for US\$1.65 billion in stock, the site lets users post their own videos and comment on the work of others, a world serpent of

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got a big revenue stream coming in? Yet in a recession, people cut back on innovation first thing.”

On Edge

Indeed, bold thinking doesn't seem to be top of the agenda these days. The U.S. car industry hemorrhages money and continues to crank out more gas-guzzlers as a pump-weary public cries out for energy-efficient cars. Sure, they all have green vehicles in the works now, but deliverables are clearly not at the ready. Basically, they didn't plan ahead.

"No one wants to be on the leading edge, because what if you lose?" says David Walczyk, Ed.D., assistant professor, Pratt Institute, New York, New York, USA. "Science

content production that grows by continuously feeding on itself.

For project leaders, crowdsourcing offers a blueprint of the benefits inherent in opening the development process to the masses.

"We haven't even begun to scratch the surface of what is possible through the power of crowdsourcing and human connection," says Cindy Gallop, a consultant and former chair of advertising giant BBH. "There's a tendency when chasing the new to say, 'Let's find the technological state of the art and buy it on sale' as opposed to 'What am I looking to progress and make happen?' Tech is an enabler. Anything new, exciting, innovative is an enabler. But what's the end-point you want to achieve, and what will get you there?"



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Open Up

Widely credited with coining the term crowdsourcing in 2006, Jeff Howe, New York, New York, USA-based author of *Crowdsourcing: Why the Power of the Crowd is Driving the Future of Business* [Crown Business, 2008] cites two definitions:

- ***The white paper version** (drawn from his own article):
“The act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call.”
- ***The sound bite version:** “The application of open source principles to fields outside of software.”
Open source refers to the myriad software applica-

tions free to the public and whose “source” code is “open” for all to see. The movement is fueled by a global community of hardcore programmers, software hobbyists and casual message board lurkers who collectively contribute to the development of software that invariably comes with a license prohibiting the code’s use in proprietary packages. In contrast, source code is closely held intellectual property for developers such as Adobe and Microsoft whose bottom lines depend on licensed sales of proprietary software packages.

Crowdsourcing puts its own spin on open source—opening the door for innovative projects across a range of sectors. Rob Langstaff looked at Linux, the open source operating system, as a model when he started his new footwear company, RYZ. Launched last June, the online shoe shop puts its community of customers in charge of

creating and vetting potential new development projects. The former Adidas executive is convinced crowdsourcing will change the way projects are run, pointing to topcoder.com as a prime example.

“They will take on a coding project and then they will put the bid out to their community to develop it—a great model,” he says. “Mass collaboration is going to change everything ... This is going to be the way companies bring product to market, and maybe in five years it’s the standard that everybody’s got a little crowdsourcing piece.”

The differentiating factor of crowdsourcing is that it allows for an occasional “wild card.”

Mr. Dennis recently wrapped up an 18-month project that used elements of crowdsourcing for energy giant Shell to look at the impact of technology on society over the next two decades.

“We assembled a bunch of background research around where the world’s going, went to world experts for their particular areas of expertise and we pulled them together for a series of workshops,” he explains. “We identified the opportunities for Shell to compete where no one else is competing and identified risks to their business. They know how to pump black liquid really well, but they don’t know the impacts of things like architecture changes or DNA sequencing, so we got peo-

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“This is essentially a way of looking for surprise by not overdetermining the result that you think you’re paying for,” says Clay Shirky, New York, New York, USA-based consultant and author of *Here Comes Everybody: The Power of Organizing Without Organizations* [Penguin Press, 2008]. “A lot of potential innovation gets crushed by the assumption that if you understand the problem you already understand the solution that needs to be deployed.”

Back to Basics

Most organizations—especially these days—don’t have the financial or chronological luxury of pursuing basic research for its own sake. So relying on the unfiltered input of groups can be the next best option.

ple who’ve sequenced the human genome, who built green cities from scratch in China. We got them all together to get a robust view on leading-edge changes that are going to cause quite a significant impact in the next 20 years.”

And what precisely did the project reveal about the company’s future? “The biggest risk to many organizations is that they don’t know what they don’t know, and the program we ran was one of mitigating this risk for Shell,” says Mr. Dennis.

It’s a common predicament for project leaders of every stripe. In the search for real innovation—projects that result in truly groundbreaking ideas, products and services—what you don’t know can hurt you. The project management profession is largely devoted to control, achieving success from tightly defined processes managed from the top

down. But the smartest (and usually the hippest) tastemakers in business say that to innovate, leaders need to work from the bottom up by tapping the hidden genius of their team members, customers, users and fans.

Crowdsourcing works particularly well when it's applied to projects devoted to a specific product or niche where one person or a small group of lead users "can trailblaze an innovation on their own," says Mr. Dennis.

"You can see how a group of users would modify your products in ways that can be a viable commercial offering for you," he says.

Other crowdsourcing projects democratize the process even further, giving each participant more or less an equal say. The OScar project, an open source car design project run by Markus Merz, a former BMW employee who owns an automobile consulting firm in Germany, has 1,300 registered users. Launched in 1999, it reached release 0.2 in December 2005 and then opened up participation in the project to everyone in 2006. The project is designed in a modular structure that enables many developers to work in parallel. Each independently functioning module is small and clearly defined, better enabling tasks to be completed in a reasonable timeframe. A project manager from OScar's "admin core team" then coordinates all of the modules.

Crowd Control

Despite its potential to open up project innovation to a wide array of voices, crowdsourcing is not without risk.

"In an industry with a complex service offering, it becomes very difficult to do crowdsourcing without it becoming very expensive," says Mr. Dennis. "With software, there's no barrier to entry. Your contributors can be from Vietnam or Africa or the Middle East. There's no cost to manufacture. It's all pretty flat. Anybody can test it on a debugger and dig around on it. But when you're talking about

physical, tangible products, with manufacturers with shipping systems and supply chains, it becomes very different. Applying an open source software philosophy to other sectors isn't what I'd call dangerous, but it has its limits."

Crowdsourcing also lends itself to control issues. Can project leaders cope with ceding that much control? For many, the idea of handing the reins of a project to the rabble reeks of career suicide, and there's no lack of crowdsourcing failures to reinforce the notion.

For example, Mozilla, maker of the popular Firefox browser, offered a user-created Vietnamese language pack from its own servers. Unfortunately, it just happened to be infected with a user-created virus that served pop-up ads.

Even ostensibly successful crowdsourced projects are



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open to unexpected manipulation. In the same vein as “Googlebombing” (aimed at manipulating the search engine’s results) or entering deliberately skewed data on Wikipedia, crowdsourcing is a popularity contest open to outside influence.

“Crowdsourcing hacks are not only possible, they’re happening and inevitable,” says Mr. Howe. “There’s a site called Subvert and Profit, which any marketing company or blogger can pay to farm out ‘diggs’ [hyperlinks and content mentions on digg.com] or YouTube views. Say you post a YouTube video; you can pay a really nominal fee to get 6,000 or 7,000 views really quickly. We’ve seen crowdsourcing thrive in the wild, but it’s been very hard to breed in captivity.”

Yet that won’t stop companies from trying—although it may take some getting used to. Crowdsourcing seems to flip the project management paradigm on its head: Instead of top-down process management, crowdsourcing calls on the few at the top to heed the many at the bottom. That may sound like complete anarchy from a project manager’s perspective, but looking at it through a top-down versus bottom-up lens misses the point. The ultimate litmus test for crowdsourcing’s relevance is the same one used to justify any project’s existence: ROI.

“The tension here isn’t between top-down and bottom-up, it’s between efficiency and effectiveness,” says Mr. Shirky. “It’s between people who are concerned with lowering the likelihood of failure and people who are concerned

with lowering the cost of failure. Project managers are in the business of lowering the cost of failure, which makes the process efficient—certain dollars of input versus certain dollars of output. With crowdsourcing, the cost calculation falls through the floor. The cost is the thing. So instead of having a world in which you try to fail less, you have a world in which you try to fail cheaply. If you fail cheaply, you can actually fail more.”

Because most project leaders don’t have a feel for crowdsourcing yet, it will take time to develop business cases that illustrate the difference between “good” crowdsourcing and “bad.” But that’s no reason to ignore the possibilities.

“The thing is, there have been horrific death marches in traditionally managed projects,” Mr. Shirky says. Yet no one thinks because some high-profile project is a disaster, “therefore project management is a bad way to do things. We’re not used to crowdsourcing enough yet that we have some sense as to why things go awry. When we get to that level of comfort, people will be able to say, ‘Do I or do I not want to use these techniques here?’ The shift in the cost of failure changes the equilibrium case that projects can operate in, so crowdsourcing isn’t a new tool to do stuff you always used to do. It represents a new environment in which you can do new things. That means it’s a question of exploring terrain, not just mastering capability.”

And given the state of innovation these days, it just might be the time to explore some new terrain. *