

CROWDSOURCING

Why the Power of the Crowd is Driving the Future of Business

JEFF HOWE

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The Web site for this book is at www.crowdsourcing.com.

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MAIN IDEA

“Crowdsourcing” is the act of taking a task traditionally performed by a designated agent (such as an employee or a contractor) and outsourcing it by making an open call to an undefined but large group of people. Crowdsourcing allows the power of the crowd to accomplish tasks that were once the province of just a specialized few. Or to put it another way, crowdsourcing is to take the principles which have worked for open source software projects and apply them right across the entire spectrum of the business world.

“Crowdsourcing has the potential to correct a long-standing human conundrum. The amount of knowledge and talent dispersed among the numerous members of our species has always vastly outstripped our capacity to harness those invaluable quantities. Instead, it withers on the vine for want of an outlet. Crowdsourcing is the mechanism by which such talent and knowledge is matched to those in need of it. It poses a tantalizing question: What if the solutions to our greatest problems weren’t waiting to be conceived, but already existed somewhere, just waiting to be found, in the warp and weave of this vibrant human network?”

– Jeff Howe



The Past

How did we get to where we now are with the concept of crowdsourcing?

Four fundamental developments have created an environment where crowdsourcing is not only feasible but inevitable.

Those four developments are:

1

A renaissance of amateurism

2

The emergence of the open source software movement

3

The increasing availability of the tools of production

4

The rise of vibrant self-organized communities focused around people’s shared interests

When combined together, these four developments provide the fuel for the crowdsourcing engine and have created a true meritocracy.

The Present

Where are we now and what is crowdsourcing achieving today?

At the current time, crowdsourcing is manifesting itself in at least four very different commercial settings:

1

The use and application of collective intelligence

2

The production of mass creative works

3

The filtering and organizing of vast information stores

4

The use of the crowd’s collective pocketbook

When viewed from this perspective, it becomes clear the term crowdsourcing is itself just a rubric for what is a wide range of activities. It is crowdsourcing’s very adaptability and flexibility which makes it so strong. It is highly adaptive and therefore certain to crop up in many applications.

The Future

Where is crowdsourcing heading and what are the most likely developments?

It’s almost certain crowdsourcing will dramatically change the nature of work and creativity in the future. As crowdsourcing continues to make previously scarce resources become much more abundant, what customers are willing to pay for will change and evolve dramatically. This will likely have very far reaching implications.

To navigate this new terrain, a different set of rules are needed:

- Pick the right model
- Pick the right crowd
- Offer the right incentives
- Keep employing people
- Find benevolent dictators
- Keep things simple
- Be prepared for fluff
- Look for diamonds in rough
- The community’s right
- Give the crowd something

Crowdsourcing is not a silver bullet for commerce. It’s not a magic pill which will make all commercial challenges fade into oblivion. Rather, crowdsourcing harnesses the power of today’s communication technologies to liberate the potential which exists in large pools of people. It will shift the way work gets done.

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