HOW TO UNLEASH THE POWER OF
CROWDS IN YOUR BUSINESS

BARRY LIBERT & JON SPECTOR
AND THOUSANDS OF CONTRIBUTORS

WWW.WEARESMARTER.ORG

WE

ARE SMARTER THAN

ME

FOREWORD BY DON TAPSCOTT, CO-AUTHOR OF *WIKINOMICS*

WE

ARE SMARTER THAN

ME

HOW TO UNLEASH THE POWER OF CROWDS IN YOUR BUSINESS

This page intentionally left blank

WE

ARE SMARTER THAN

ME

HOW TO UNLEASH THE POWER OF CROWDS IN YOUR BUSINESS

This product is printed digitally on demand. This book is the paperback version
of an original hardcover book.

Contents

This page intentionally left blank

Foreword—Social Networking Works
by Don Tapscott

Many people emphasize the *social* aspect of social networking. MySpace is growing at 2 million new registrants per week and with over 200 million members, is well on its way to half a billion. Most college students in the United States are on Facebook. There is a new blog created every second of every day. Over a million avatars live in a virtual community called Second Life.

But the smartest leaders see that the profitable word to emphasize when it comes to social networking is *working*. Deep down, nothing less than a new mode of production is in the making.

After all, if you can make an encyclopedia (Wikipedia) via social networking and mass collaboration, what else could you do? How about an operating system (Linux) or applications software (Sugar CRM is one of 125,000 open source applications projects underway)? How about a mutual fund (marketocracy.com), a peer-to-peer lending system (zopa.com), or designer T-shirts (threadless.com)? How about producing a television ad for the Super Bowl? Viewers of this year's Super Bowl XLI watched a Doritos advertisement that was created and chosen by its customers on the Internet. Perhaps a complex physical good like a motorcycle? The Chinese motorcycle industry—now the largest in the world—is a sprawling network of parts makers with no single company like Harley Davidson pulling the strings. Or take one of the world's the most complicated products—a new generation jumbo jet. Rather than painstakingly designing its supply chain, Boeing coinnovated the 787 Dreamliner with thousands of partners around the world in a mind-boggling peer-oriented ecosystem.

In this new world of collaboration, peers often come together to create value, often outside the walls of traditional companies. Consumer goods giant Procter & Gamble is a perfect example. Until recently, P&G was notoriously secretive, and it was failing, punctuated by a stock collapse in 2000. New CEO A. G. Lafley led the company on an ambitious campaign to restore P&G's greatness by sourcing 50 percent of its innovations from outside the company. Today, P&G searches for innovations in Web-enabled marketplaces such as InnoCentive, NineSigma, and yet2.com. These so-called eBays for innovation have led to hundreds of new products, some of which turned out to be home runs. Five years after the stock implosion, P&G has doubled its share price and now boasts a portfolio of 22 billion-dollar brands.

Around the same time, gold-mining company Goldcorp was in a similar pickle. Its geologists could not determine whether its ailing mines held any more ore. The corporation was on the brink of folding. CEO Rob McEwan did something unheard of in his industry. He published all of the company's previously secret geological data on the Web and held a contest to so see if anyone could help find gold on the property. Seventy-seven submissions came from around the world, some using techniques and technologies Goldcorp had not heard of. For $500,000 in prizes, Goldcorp found over $3 billion of gold and the company's market value multiplied several times over. By opening up and collaborating, Goldcorp's shareholders prospered.

Predictably however, revolutionary new modes of production bring dislocation and confusion. They are often received with coolness or worse—outright mockery or hostility. Vested interests fight against change. Leaders of the old have great difficulty embracing the new. Others are concerned that the incentives for knowledge producers are disappearing in a world where individuals can pool their talents to create free goods that compete with proprietary marketplace offerings. People as wise as Bill Gates have argued that capitalism is undermined by any movement to assemble a global "creative commons" that contains large bodies of scientific and

cultural content. They fear that these massive communities and new business models will reduce the proportion of our economy available for profitable activity.

The examples in this book suggest otherwise. With more than a billion individuals around the world connected by a new multimedia high-bandwidth medium of human communications, collaboration and teamwork have become the business world's biggest drivers of success. Companies are eclipsing competitors by linking with suppliers and customers to share information, innovate, and execute. By harnessing the wisdom and ability of individuals and crowds, both inside and outside their boundaries, smart companies in every industry are thriving.

This is likely the first book you have read, created in collaboration with a crowd, and as such, I hope you will remember it and find it useful. But it won't be your last. My hope is that it may inspire you to get involved in the mass collaboration revolution and, in doing so, engage with others, have fun, and prosper.

> **Don Tapscott,** Chief Executive of the think tank
> New Paradigm and the author of 11 books, most
> recently, with Anthony D. Williams, *Wikinomics:
> How Mass Collaboration Changes Everything*

This page intentionally left blank

Authors' Note — How We Got Here

Five years ago, when we first had the experience that led to
this book, the notion that a group might be smarter than any
of its members was a complete non-starter. By definition,
groupthink was the lowest common denominator; everyone
knew that a camel was a horse designed by a committee.
Today, thanks to a clutch of best-selling books, we know
better. But even now, although crowdsourcing, wikinomics,
and open-source technology have become buzzwords in the
business world, there is no practical guide to translate those
concepts into usable tools and techniques. This book fills
that gap, describing in detail how businesses of all kinds can
make the wisdom of crowds work for them. It's intended for
all those businesspeople who want to tap into the power and
talent of the online masses and are wondering how to go
about it.

We stumbled on the basic idea as colleagues in a rapidly
growing startup. One of the companies we acquired
specialized in call-center management. The company had
assembled a group of 200 executives, each of them running
one or more call centers. These people actively collaborated
with each other and collectively knew more about call centers
than just about anyone. So when one of them was faced
with a technical or strategic problem, he or she could turn
to the other members of the group for advice, and count
on getting it. In effect, rather than functioning simply as

individual managers who turned to consultants for assistance, the members had learned to work as a community, and consistently offered each other collective advice that no single person or consultant could possibly provide.

For Barry, that story triggered the insight that led to this book. His idea was that companies of every kind could profitably and cost-effectively make the most of the knowledge and resources held by communities of like-minded people, whether they were employees, customers, partners, or investors. He went on to expand the call-center business into a company dedicated to helping other organizations tap the power of community. He called it Shared Insights.

Barry decided that a book was needed to share his rapidly growing experience and knowledge with a wider audience. But true to the basic concept, he didn't want to write it himself. It should be produced by a community, whose collectively shared ideas and insights would inevitably be better than any single author's.

Meanwhile, Jon was embarking on a new career as an educator. In 2004, he was named vice dean and director of executive education at The Wharton School of the University of Pennsylvania. A few months later, he learned Barry was looking for a partner to build the community that would write this book. Soon Jon signed onto the project.

The timing was serendipitous. James Surowiecki's *The Wisdom of Crowds*, which suggested that the masses have an intelligence that exceeds that of traditional experts, was a best seller. An even more widely read book, *Wikinomics: How Mass Collaboration Changes Everything*, by Don Tapscott and Anthony D. Williams, was to follow, showing how some companies are

using mass collaboration and open-source technology to beat the competition. Wikipedia, the online encyclopedia whose content is produced by its readers, had become an Internet staple. Thomas Friedman's *The World Is Flat* would suggest that not only are crowds smart, they are highly connected and can do wondrous things. The irony was that hardly anyone except Wikipedia was actually mobilizing collective writing—as Surowiecki himself noted dryly, "I alone wrote this book." Our book would be the first of its kind, a breakthrough project. And Jon knew just the right publisher for a book written by a community.

The year before, Wharton had reached an agreement with Pearson Education to create and distribute business books. The two organizations were intrigued by Barry's proposal, and thus we began to hammer out an agreement with Wharton and Pearson as our publishers and supporters of the proposed book-writing community.

That's when some hard questions surfaced. With a community of hundreds or potentially thousands of people taking part in the writing, who would get what share of the royalties? Who would own the intellectual property? How would decisions be made about which chapters to include and what text to select?

We finally set up www.wearesmarter.org in the fall of 2006. It explained our goal, and nearly 3,000 people responded almost immediately. They had all sorts of ideas about how communities could help businesses and how the book could be put together. They also requested, appropriately, that we support the new community with a full cadre of moderators. Our project was, for a time, overwhelmed

as bloggers, podcasters, potential authors, and would-be editors joined the community. Many also attended the first Community 2.0 event in Las Vegas. In the end, we found the actual text of the book, the flow of the topics, and the graphical design had to be produced in the conventional way, rather than relying on the crowd to perform these functions. But it is fair to say that what you are reading is a combination of our community's insights from all these activities and our own research. And the callout quotes you will find scattered throughout the book are drawn directly from our members' wikis, podcasts, discussion posts, and in-person comments from the Community 2.0 event.

The hard questions got solved. The community agreed that the royalties would go to charity, and every person who contributed to the project will have an equal voice in selecting which charities will get the money.

Furthermore, the online community is still very much alive. As of spring 2007, there were 4,375 members, 737 discussion forum posts, and more than 250 wiki contributors generating 1,600 wiki posts. And we are planning another book in which even more of the community's case studies and contributions will be included.

In hindsight, the story of our community-driven odyssey is an exciting tale, with ups and downs that are not all that uncommon when ground-breaking initiatives are attempted. As we point out in the pages ahead, many companies have benefited hugely from harnessing collective power. But not all have succeeded. As we will also detail, there are many pitfalls to be avoided and obstacles to be overcome in tapping the wisdom of communities.

If you are willing to take on the challenge, you have a good chance of being handsomely rewarded. Communities can help companies—your company—invent new products and services, improve customer service, boost sales, turbo-charge manufacturing, tap into new sources of financing, and make everyone a leader. They can make your company more productive, more profitable, and a better place for the people who work and live there.

This book tells you how to make that happen. Let's get started.

This page intentionally left blank

05

If We Build It, We Will Come

There was a time—just a few years ago, really—when thousands of highly skilled, professional photographers counted on the licensing of their work by stock photo houses to pay a big chunk of their rent. Not anymore. A lethal combination of new technology and crowdsourcing is doing them in.

This is the way it used to work: To illustrate their wares, magazines, ad agencies, corporate publications, and film companies routinely turned to photo agencies that stored collections of shots by professionals. Customers might have to pay fees of $100 or more for the one-time use of a photo, but that was still a lot cheaper than assigning a photographer to do the job. As magazine circulations declined and ad budgets were cut, the fees fell, too, but they still provided a safety net for the pros in an increasingly unstable business.

Enter the digital camera. Suddenly, anyone with a semblance of skill was able to produce accurate, attractive images. If the first shot didn't work, you could always keep trying until it did. And when you learned how to use

"Snowflakes are a fragile thing,
but look at what they can do
when they stick together."

—FERNANDO BONAVENTURA

Photoshop, you could make your image even better. If you had enough friends with digital cameras, you didn't need to hire a professional photographer to record your wedding, birthday, or family reunion.

Enter crowdsourcing. With all those millions of people clicking away on their digital cameras, millions of images were sitting around on computers. Most of the photos weren't professional quality, but there were an awful lot of good shots just taking up space. So it wasn't long before microstock houses, as they're known, began to appear on the Internet to tap that huge supply of digital images. The newcomers charged customers as little as $1 for a royalty-free license.

The pioneer was Calgary-based iStockphoto, which giant Getty Images bought in 2006 for $50 million. The iStock library holds more than 1.7 million images from 36,000 members, and it has been blessed with Getty's advanced search and index technology, which makes it much easier for customers around the world to find just what they're looking for. The photos might not be up to the quality you'll find at Getty Images itself, but they have been selected by the company's editors, so they're apt to be just fine if you're putting together an office newsletter or even a magazine spread. And the price will be right.

iStock introduced a payment system that has become the industry standard. The minimum purchase is $12, which gives you 10 credits; images cost between 1 and 15 credits per download. The prices rise with the image size and resolution. iStock photos are downloaded at the rate of one every 2.5 seconds.

One reason for the site's success has been its welcoming content from contributors. The images are accompanied by symbols indicating how many of their photos have been sold through iStock and whether the work has been chosen for special attention on the site. Articles on the site offer photographic and design advice, and forums enable contributors to exchange news and speak their minds. The royalties many receive are impressive— exclusive contributors earn, on average, $1,000 a month. Also, they're happy about having other people see their work.

In this chapter, our focus is on the role of communities in manufacturing companies' products or, as in the case of iStock, content. The advantages over traditional business models are huge. At iStock, for instance, contributors not only create the product being sold, but they also deliver it in a market-ready format and list it in the appropriate keyword category. With little or no product inventory expense or traditional overhead, the company can price the product far below that of old-model competitors.

Here are some more examples of crowdsourcing at work providing companies with their content. We hope the variety will suggest how close to infinite are its potential applications—within your company or any company you might choose to create. And take note: We haven't even included Wikipedia.

Zebo.com

Joanna Z's fondest hopes and dreams, she tells her friends on Zebo.com, include owning a pair of thousand-dollar Lanvin pumps. When she sees something else she covets, she drools—and types, "Look at that conical black heel. Sigh."

Zebo, one of a growing number of so-called social shopping sites, is home to more than five million young and some not-so-young materialists. They travel from one member's page to another, taking in each other's photographs, profiles, blogs, and lists of products desired and products possessed. By and large, they are not searching out people for their character traits or even their looks; it's their belongings that count. And

if by chance all that window-shopping brings on a buying urge, it can be satisfied at ZeboShops, an e-commerce page just a click away.

Launched in 2006 by Roy de Souza, a veteran marketing strategist, Zebo bills itself as "the world's largest repository of what people own." It reflects de Souza's conviction that young people today are what they own. "They list things because it defines them," he says.

Most members range between the ages of 16 and 25, although there are kids as young as 13 and some five times that age. Take "Sircharlie M, 63, divorced," who says he owns a house, a 2004 Chevy truck, and eight remote-controlled aircraft that he built himself. Now Sircharlie is hoping to find "a nice lady to date."

There are all sorts of other things to find. Under "Celebrity Profiles," you can see "what the stars own and want, as reported by them!"

Mike James, for one, a point guard who in 2007 signed a four-year, $23-million contract with the NBA's Minnesota Timberwolves, listed a plasma television, a Playstation, soul food, Mexican food, chicken noodle soup, two pit bulls, tattoos, a Lincoln Navigator, and a Maserati among his possessions. His wish list includes "lots of video games," a Nissan Quest, and a Ford F-250 truck.
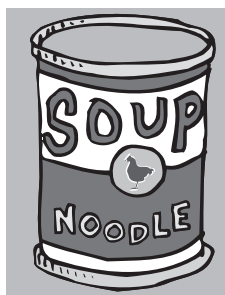
At the ZEBuzz forum, you can have real-time conversations "with other people who are bored, too!" You can start a group of your own about anything you want.

Product information of sorts can be found on ZE'Answers, where members pose and respond to shopping- and product-related questions. One day, Taylor asked about the most popular cell phone color. Eighty-six people replied to Taylor, including one who didn't actually own a cell phone but offered this comment: "Who cares what color it is, as long as it works good? A nonworking phone isn't worth having."

Zebo.com does not enable e-mail blocking, a red flag for some parent groups worried about cyberstalkers or cyberbullies pursuing young members. Other critics say that boasting online about owning expensive cars, audio and visual equipment, jewelry, and the like is like giving a burglar your house keys and leaving the light on for him.
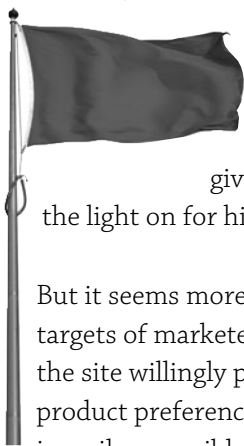
But it seems more likely that Zebo members will become the targets of marketers rather than burglars. Regular visitors to the site willingly provide reams of information about their product preferences and buying habits, marketable data that is easily accessible to everyone. That has not escaped the notice of de Souza, who is also the CEO and cofounder of Zedo Inc., a Silicon Valley Internet ad serving business.

Under the heading "See New Stuff," which
pitches "cool new products from many stores,"
members and visitors are linked to thousands
of items that they are encouraged to rate, blog
about, add to their wish lists, or buy outright. A
foray into this section turned up everything from a $3 "Scotty
Greeting Card from Coi" to a $425 ruby. Clicking on a picture
of a product brings up a rating bar and the question "Is this
[item] in or out?" The viewer then has the option of ranking
the item on a scale of 1 to 10.

There are unofficial merchants as well. Brenda, a self-
identified 52-year-old divorcee, lists 19 items she owns and
lusts for more, particularly from French fashion designer
Louis Vuitton. But if you scroll down to "Brenda's Zebo blog,"
you discover that she is, in fact, a reseller of trendy designer
merchandise, "straight from the factory floor," which she's
selling for "even less than wholesale!!!!!" Her business Web
sites and a phone number are provided.

Whatever you may think of connecting people via their
materialistic yearnings, you have to admit that de Souza has
found an ingenious means of getting a huge community of
mainly young people to supply him with content that draws
ever more of them to his site. That's what crowdsourcing is all
about.

ThisNext.com

As with Zebo, ThisNext relies on members
to create its content—namely, lists of their
favorite products. Also, like Zebo, ThisNext
provides links to stores.

WHAT YOU CAN DO

❖ **Get emotional.** What makes Zebo.com and so many other community-driven sites successful is its basic premise: Young people are passionate about possessions, those they own and those they want. That's an important message for anyone thinking about using crowdsourcing as a manufacturing process. The crowd will not come to you unless you touch them where they live. No one wants to devote time and dollars to a site about your new brand of aspirin; a site dedicated to exchanging news and views about pain control is more likely to succeed.

❖ **Get the crowd involved.** As the Zebo site suggests, the more ways you can provide visitors with a chance to express themselves, the more likely they will hang around and identify with your operation. Forums, targeted question-and-answer pages, ratings systems—they're all calculated to keep members busy and involved and eager to keep delivering up more content. It's a virtuous circle.

When you enter the name of an item in the search bar, you end up on pages with a variety of nominations and links to the nominators. We typed in "surfboard," for example, and discovered 22 options, from miniature surfboard towel hooks ("They brighten up a kid's bathroom," wrote Jody) to a Rusty shortboard ("Thin as a chip, turny but definitely not a flip flopper," according to Allyson). In each case, we were informed how many members recommended an item and what tags were applicable to the choice ("waves," "Venice"). We were also told where the item could be purchased.
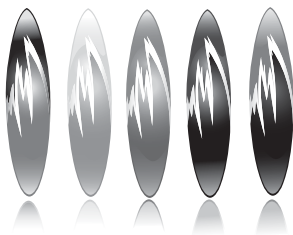
ThisNext, once again like Zebo, is known as a social shopping site. It enables its members to create their own pages with a photo, a profile, and answers to a long series of questions, such as "What is the next big step you'd like to make?" It also allows them to go to other members' blogs to find more examples of their product tastes or simply to establish contact. And although the member lists on ThisNext are weighted toward products, they can range far and wide, from activities (cooking and climbing, for example) to entertainment (movie reviews), to lifestyles (living green).

In theory, everyone posting products is a private citizen, but it's easy for a company's employees to sign up as individuals and promote the company's product. Some consultants actually advise clients to do so as a means of "building buzz" around a product. Still, such recommendations are in the minority. As a member told the *New York Times,* "I like the concept of peers, people like me, referring each other to interesting things. It's more trustworthy."

WHAT YOU CAN DO

❖ **Shrug.** When you open yourself to the crowd, you will inevitably find some people eager to exploit your site for their own ends. In the case of ThisNext, for example, company employees posing as private citizens are most likely promoting legitimate products. If so, you'll have a hard time distinguishing them from the other recommendations. Try to weed out phony or dangerous products and improper presentations. By and large, though, your best bet is to recognize ahead of time that there will be some difficult people, and when they show up, shrug.

VirtualTourist.com

This site, which first appeared in 1999, boasts more than 880,000 registered members and 5 million unique visitors a month. The founders, convinced that the most valuable travel advice comes from other travelers, envisioned a wikinomics-style site where people could share their travel experiences and photographs, and offer tips about local hotels, restaurants, and attractions. That's happened, all right: 1.48 million travel tips on more than 27,000 locations, 2.9 million photos. Forums enable visitors to ask members questions, 85 percent of which are answered. But members have greatly

expanded the nature of the site, sharing information about themselves and making friends. Beyond that, many members have moved VirtualTourist out of the virtual world. They are meeting offline, contributing new content there that eventually finds its way back to the site.

The home page presents a list of so-called travel guides, made up of members' contributions. Each guide is organized under 13 main headings, including "Local Customs" and "Tourist Traps." In Bangkok, along with ads and sponsored links, we found connections to a forum about the city and to discounts on hotels and the like. There was also a list of members, including a Bangkok resident, who had written about the city. Members are encouraged to e-mail contributors for more information.

One of the members who had weighed in on Bangkok—SirRichard, by name—actually lived in Madrid. (His motto: "When in doubt, move.") But he had visited and filed descriptions of 47 countries, ranging from *A* (Albania) to *Z* (Zimbabwe). The general descriptions of his visits might have come from a travel book, but his tips were detailed, personal, and, from the vantage point of other Bangkok visitors, right on target. SirRichard was ranked the fifth most popular contributor on the site, based on the ratings his tips had received from other members.

Fed up with glossy travel publications that too often view destinations through rose-tinted glasses, millions of people

now tap into VirtualTourist, and dozens of major companies—from American Airlines to Westin Hotels—are happy to place ads in a virtual environment that deals in realities.

WHAT YOU CAN DO

❖ **Vary content.** It seems obvious now: 1. The public wants honest, dependable information about travel. 2. Travelers love to share their experiences. VirtualTourist simply combined those two facts and created a popular and potentially profitable site. The same equation can work for you, whether you're hoping to crowdsource content for an existing company or for a new company of your own creation. Find something the public wants and needs; present it in such a way that an enthusiastic community will form to meet that demand.

❖ **Vary venues.** Although so much of today's crowdsourcing occurs on the Internet, you should be alert to other venues. The offline meetings of VirtualTourist members are a case in point. Commercial opportunities abound wherever a community exists around an idea or an emotion. The Internet is the most popular medium for marshalling a crowd in your behalf, but it's not the only one.

A WORD FROM WE

"So, outside inventors, outside thought leaders, outside designers to the extent that it makes sense. We believe that there are ideas out there that can benefit our company."

—MICHAEL PERMAN, LEVI STRAUSS

ChaCha.com

Even as you read this, somewhere in or above the United States, maybe in a nearby house or the next seat on the plane, a figure sits hunched over a computer, ready and willing to answer any question you might have about anything at any time of the day or night. That's the premise, and the promise, of ChaCha.com, which was founded in December 2005 in Carmel, Indiana, by two impatient entrepreneurs.

ChaCha's chairman and CEO, Scott Jones, invented, at the age of 25, the world's most popular voice mail system (now used by more than 1 billion subscribers). He went on to establish companies in fields as disparate as music-recognition technology and robotics. His innovations show up in Apple's iPod and in robotic lawnmowers. Brad Bostic, ChaCha president, founded Bostech Corporation, which has evolved from custom software development into an enterprise integration software provider; he also built NearMed, a telemedicine service for healthcare providers.
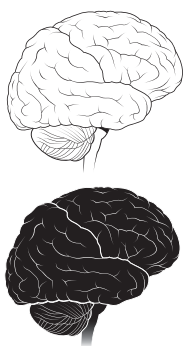
What the two men were impatient about, back in 2005, was traditional search engines. It was taking them too long to sort through the dozens or hundreds of irrelevant answers provided before finding one they were looking for. Their solution was a Web site that combined the investigative talents of machines and the human brain.

A ChaCha search starts when you enter a search term. The instant results are the combination of the best search technology and so-called hand picked sites from the ChaCha community of skilled search experts known as ChaCha guides. If you require further assistance, you can select the option to work directly with a guide. An instant message chat session will begin, and a guide will greet you with a typed message indicating that he or she is ready to help you with your search. Once a guide clarifies what you need, he or she will find the most relevant information and display only those links. If you're not satisfied with your guide's work, you can ask for another.

As of fall 2007, Scott Jones expects to have a community of about 50,000 guides at work, assisting in providing content, and 1 million users of the site. The guides are trained and generally paid between $5 to $10 a search hour—the rate depends upon the reviews they receive from those they help and the number of searches they conduct. The success of the enterprise, all parties agree, will depend on just how good the guides are.

ChaCha searches are free; the
founders hope to make their money
in part, at least, from on-site
advertising. Their serious income,
they say, will come when their
service becomes available to cell
phone users via a toll-free number.
Voice-recognition software will take care of simple searches
such as sport scores, and other searches will be turned over to
the guides. The founders predict that advertisers will be eager
to fill the 15 to 30 seconds when callers are on hold, awaiting
search results.

In case you were wondering, the company's name isn't a
reference to the cha-cha; rather, it comes from the Chinese
word *cha,* which means "search."

Current TV

Viewer-created content, or VC2, makes up about a third
of what's seen on this 24-hour, San Francisco–based,
independent cable and satellite channel—and, not so
incidentally, another non-Internet crowdsourcing venue. The
work makes its way to the television screen by way of a voting
system in which a community of viewers votes on whether
a five-minute piece of film is worthy to be shown on the
airwaves. But getting the green light from viewers still doesn't
guarantee air time; Current TV's producers have the final say
as to which of the viewer-chosen clips are ready for prime
time.

Started by former Vice President Al Gore and entrepreneur
fundraiser Joel Hyatt in August 2005, the channel had a
number of early detractors. *The Wall Street Journal* ridiculed
it, for example, as "newsless, often clueless, and usually dull

WHAT YOU CAN DO

❖ **Maintain quality.** As with many crowdsourced sites, ChaCha has taken steps to keep tabs on its content providers by encouraging customers to rate the guides. (Need we point out that this approach is yet another example of the all-pervasiveness of crowdsourcing? Customers are doing the work that employees handle in traditional organizations.) eBay, for example, has buyers rating sellers on everything from the speed of delivery to the condition of the item delivered. You have visitors to your site only as long as they're getting the kind of feedback they want, so anything that gets in the way—any failure in the quality of the operation—can easily send them searching elsewhere. Constant vigilance, by employees and/or customers, is the price of profit.

❖ **Go medium rare.** So much of crowdsourcing in this book and elsewhere is mediated by the Internet, which is, in fact, the proximate cause of the whole phenomenon, that ChaCha's telephonic twist is welcome news. The simplicity of the notion is also attractive: No need to fire up the computer or type in search words—just type a few words into the receiver, and your questions get answered. It's as though some Iron Age tool turned out to be a neat substitute for an electronic gadget. The serious message is, look upon every kind of community, on- and offline, as a potential crowdsourcing partner.
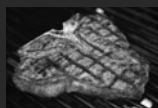
… a limp noodle." Based on what's happened in the intervening two years, it turns out that the *Journal* was the clueless one, seriously underestimating the power of wikinomics. Short videos made by up-and-coming filmmakers, citizen reporters, and the viewers themselves are constantly grabbing headlines, and sites such as YouTube, Google Video, and Yahoo! have shown just how popular audience-created entertainment can be.

And Current TV has a couple of very important advantages over these other sites. For one, it has a leg up in ad production. Companies such as Sony, L'Oreal, and Toyota show commercials made by Current TV viewers, and that typically means a member of the much-sought-after 18-to-34 demographic. So besides getting cut-rate deals on great commercials—L'Oreal paid $1,000 for a stunning and sophisticated viewer-created ad that would have cost it 150 times as much if produced in-house—the advertisers gain insight into the changing tastes of younger consumers.

Second—and, in the long run, maybe even more important—is the distinction between having one's video appear on a Web site and having your work shown on a bona fide television channel. Put another way, it's the difference between a dot-com company and all the baggage that term still carries, and a long-proven business model.

The pieces that make it onto Current TV are a varied palette of trendy cultural items and advocacy journalism that highlights issues such as the ongoing turmoil in the Middle East, poverty in Third World countries, the scourge of AIDs in Africa, and the devastation wrought by Hurricane Katrina. The Katrina piece, shot by a New Orleans resident, aired before network news reporters could even make their way to the city.

WHAT YOU CAN DO

❖ **Be patient.** If the founders of Current TV had listened to the Cassandras, they never would have gone on the air. As it turned out, the premise of the network has proved out very well, and it can now be accessed in over 40 million homes in the United States and 11 million households in the United Kingdom. Even when you find a community that binds to the premise of your company—the way many young viewers bind to Current TV—it can take a while before they are ready to pitch in with the quality and quantity of content you need.

The essential element that unites all the businesses in this chapter is the willingness—indeed, the eagerness—of the community involved to create product. Year after year, we see improvements in the technology that allows the crowd

to produce content. Year after year, we see new online entries that take advantage of the power of community. The opportunities are virtually infinite, limited only by desire and imagination.

In the next chapter, we explore another of crowdsourcing's amazing contributions. Suddenly, there are sites that provide financing for business ventures that might otherwise never get off the ground. Need a loan? Have an idea for a way to tap into the huge cash resources of the crowd? The next chapter is for you.

Company Index

Name Index

Subject Index

This page intentionally left blank

Acknowledgments

We were also ably assisted by a tremendous team. Many thanks to:

Shared Insights

Michael Libert	Jim Storer
Isaac Hazard	Gary Bellardino
Charlotte Daher	Aaron Strout
Robin Rose	Erika Halloran
Joe Tremonte	Mark Wallace
Shanon Mckenna	Chris Edwards
Shannon Di Gregorio	Stephen Marcus
Mia Encarnacion	

Marketing, PR, and Design

Peter Himler	Mark Fortier
Giles Dickerson	

Pearson

Tim Moore	Amy Neidlinger
Pamela Boland	Russ Hall
Julie Phifer	Amy Fandrei
Megan Colvin	Gina Kanouse
Kristy Hart	Cheryl Lenser
Jake McFarland	Dan Uhrig

Wharton

Carol Orenstein	Yoram (Jerry) Wind
Tracy Simon	Matt Schuler

Wordworks

Donna Carpenter	Maurice Coyle
Ruth Hlavacek	Larry Martz
Cindy Butler Sammons	Robert W. Stock

MIT

Thomas Malone	Stephen Buckley
Sean Brown	Paul Denning
Tammy Cupples	

Legal

Scott Soloway	Karen Rivard

Chapter Moderators

Lilly Evans	Ryan Mykita
Greg Krauska	Margot Sayers
Olivier Amprimo	Joe Flumerfelt
Rich Luker	Bruce Hazard
Mel Aclaro	Rui Monteiro

Board Advisors

Philip Evans	Jimmy Wales

The Helen Rees Literary Agency

Helen Rees	Joan Mazmanian