

WIKINOMICS

How Mass Collaboration Changes Everything

By Don Tapscott and Anthony Williams

Well written and mostly understandable even by techno-peasants. The authors live what they preach, inviting the reader to participate in editing the book. You too, could help author the future!

We keep hearing that the world is changing and the pace of change is increasing. The stories in this book hit that message home. Companies that fail to take the wikinomic concepts into account in their planning may be left in the dust.

Changing Paradigms

Old Paradigms	New Paradigms
The internet is an "information highway," like a library at your fingertips. Its primary use is to provide information that is passively read by users. "Interactive" means you can shop, make travel arrangements, or click on additional information that expands your access to information.	The web is a giant computer that everyone can program. Dynamic online communities create new technologies, new products, and even write encyclopedias. 2006 was the year when the programmable Web eclipsed the static Web: Wikipedia beat Britannica; Blogger beat CNN; Epinions beat Consumer Reports; Google Maps beat MapQuest. Losers launched Web sites. Winners launched vibrant communities.
Maintain a top-notch R&D team to create all your new products and processes and solve all your problems internally. Keep your R&D under tight wraps.	Consider consumers and scientists all over the globe to be part of your R&D team. There are more smart people outside your organization than in it, so invite them in. A large and diverse network of talent will solve well-defined problems faster and more efficiently than an internal R&D group.
Protect your intellectual property. Use patents, copyrights, and trademarks and use lawyers to police them for you. Otherwise, you'll lose money.	IP is like a mutual fund. In a balanced portfolio, some assets are protected and some are shared. Opening up your IP can open new doors and make you more competitive.
Workplaces need hierarchies and control. Communications come through defined channels. Teams are assigned, structured, and permanent.	Workplaces are open and participatory. You can talk to your boss's boss. You become part of a team based on projects and interests, and the teams are fluid in membership. Work is collaborative. Teams are self-organizing.
Informal problem solving in the workplace takes place in the lunchroom, leaning over a cubicle, over drinks after work (but results in no organizational memory of the event, and solutions are reinvented every time the problem occurs).	Social software provides ways to document and leverage moments of innovation, providing a living repository of easily accessible knowledge that grows with the organization.

Old Paradigms	New Paradigms
As much work as possible is kept in-house. Firms tend to expand until the costs of organizing an extra transaction within the firm becomes equal to the costs of carrying out the same transaction on the open market. As long as it is cheaper to perform a transaction in-house, keep it there.	Firms shrink until the cost of performing a transaction internally no longer exceeds the cost of performing it externally (because the internet has caused transaction costs to plummet.)
Textbooks are static. They freeze information at the time of publication. New information means new textbooks must be published (and purchased). The books are written by experts, and teachers select books from among the experts.	Textbooks are fluid and constantly changing on-line. There may be an upgraded "textbook" every day! Communities of educators and researchers create the content and edit each other. The text is accessible to anyone with an internet connection.
Scientists work alone or with a small number of collaborators. Scientific papers are distributed through formal publications and may take months to become public while few key experts review the findings.	Scientists use distributive methods of collecting data, verifying discoveries, and testing hypotheses; many scientific papers have 200-500 authors. Rapid, iterative, and open-access publishing engages a greater proportion of the scientific community in the peer-review process. New knowledge flows faster into practical uses.
Companies have their own labs, and universities have theirs. They communicate with each other through formal channels. Technology transfer flows from universities out to business.	Ideas increasingly flow through leading universities and their faculties. A lab may co-house industry employees and university researchers who work side by side, communicating their findings instantaneously. Technology transfer moves both ways, with companies sometimes pushing technology back upstream to universities. The company and the academic partners sign an open collaborative research agreement, which grants non-exclusive IP rights to all parties.
Government agencies sit on vast amounts of data which they neither utilize nor share.	Governments create platforms for participation and public knowledge, and allow other organizations to make productive uses of their data.
Smart firms adopt a multinational model for production. Parts for the plant floor may come from several countries. Other companies are suppliers. Think globally, act locally.	Smart firms build globally integrated ecosystems that encompass hundreds of firms. The plant floor itself is global. Other companies are partners. Supply chains are turning into value networks. Think globally, act globally.

Wikinomics Principles

- **Openness** - Openness is associated with candor, transparency, freedom, flexibility, expansiveness, engagement, and access. Applications and business infrastructures are opened up to increase the speed, scope, and success of innovation; previously

secret corporate information is divulged to partners, employees, and customers. (Example: Linux; Medsphere)

- **Peering** - a new form of horizontal organization that rivals hierarchical firm in its capacity to create. Peering leverages self-organization, a style of production that works more effectively for certain tasks. **Peer Production** - a way of producing goods and services that relies entirely on self-organizing, egalitarian communities of individuals who come together voluntarily to produce a shared outcome. (Wikipedia is an example).
- **Sharing** - Collaboration, publication, peer review, and exchange of precompetitive information are keys to success in the knowledge-based economy. In today's networked economy, proprietary knowledge creates a vacuum; companies that don't share are finding themselves isolated, bypassed by networks that are sharing, adapting, and updating knowledge to create more value. Giving away content and building loyal relationships are increasingly important. (Example: Doctorow)
- **Acting Globally** - Staying competitive means monitoring business developments internationally and tapping into a global talent pool. A truly global company has no physical or regional boundaries. It builds planetary ecosystems for designing, sourcing, assembling, and distributing products. (Example: Boeing).

Sites to Know About

- Technorati and IceRocker (tools to search and index the blogosphere).
- YouTube - post video, create your own TV station.
- Flickr - social photography site for posting photos; users create their own self-organizing system, build most of the applications members access, and license their photos for noncommercial use.
- Del.icio.us - social bookmarking service; at any point during the day you get a snapshot of what Web surfers find interesting at that moment.
- MySpace - largest social networking community (others include Tribe, LiveJournal, and Facebook).
- TakingITGlobal - lists over 2,000 youth-initiated and -managed community action projects (110,000 users, 200 countries) that tackle issues such as the digital divide in rural India, preventing HIV in Uganda. TakingITGlobal's next task: reforming education. It offers a set of tools and curricular activities that get students collaborating with students in other countries to complete projects.
- InnoCentive - lists a variety of scientific challenges that need answers, with cash rewards for solvers.
- Yet2.com - online technology transfer marketplace; companies post underutilized assets they are seeking to license externally.

- Mindstorms.lego.com – encourages users to tinker with Lego software; offers free, downloadable software development kit.
- Creative Commons – provides licenses that allow you to protect your copyright ownership while allowing others to make derivative works, and stipulating whether you only want to allow non-commercial or commercial use.
- Scorecard – combines data from over 400 scientific and government databases to profile local environmental problems and the health effects of toxic chemical.
- CollabNet – collaboration broker.

Implications

- We all have to get conversant in the language and tools of this techno-generation. Start a wiki, leap into the blogosphere, join an online social network, etc.
- If all your website does is provide information, you are already behind the times. Your website needs to be a “vibrant meeting place where your customers come back for rich and engaging experiences.” Use it to engage, not just inform.
- Use wikis and blogs as on-going “focus groups” and mechanisms for community involvement in strategic planning.
- Ensure your business reps are knowledgeable of the principles of wikinomics and trends in how business is done so they can talk about it with employers.
- Young people (your younger employees; your youth and young adult customers) perceive and use the internet in different ways than you do. Engage them in figuring out how to integrate their world into the way you deliver services and the type of services you provide.
- More???