Crowdsourcing Wisely: Opportunities and Challenges for Latin America

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Crowdsourcing Wisely:

Opportunities and Challenges for Latin America

IV Annual Convention

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Professor Natalia Levina

NEW YORK UNIVERSITY
NYU STERN
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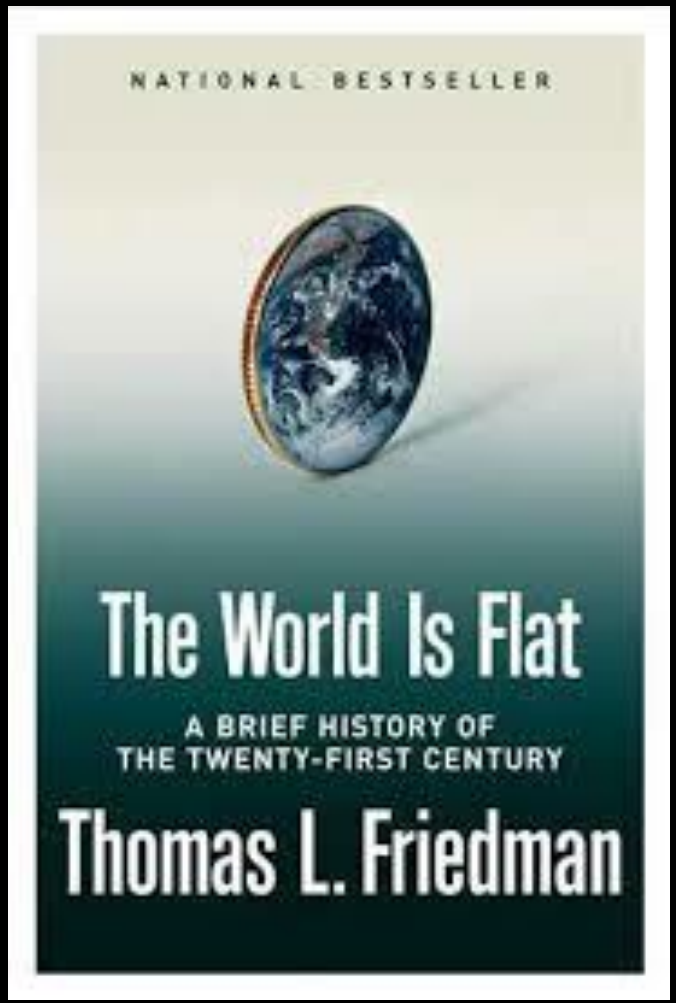
Digitization opens up global markets: The world is flat



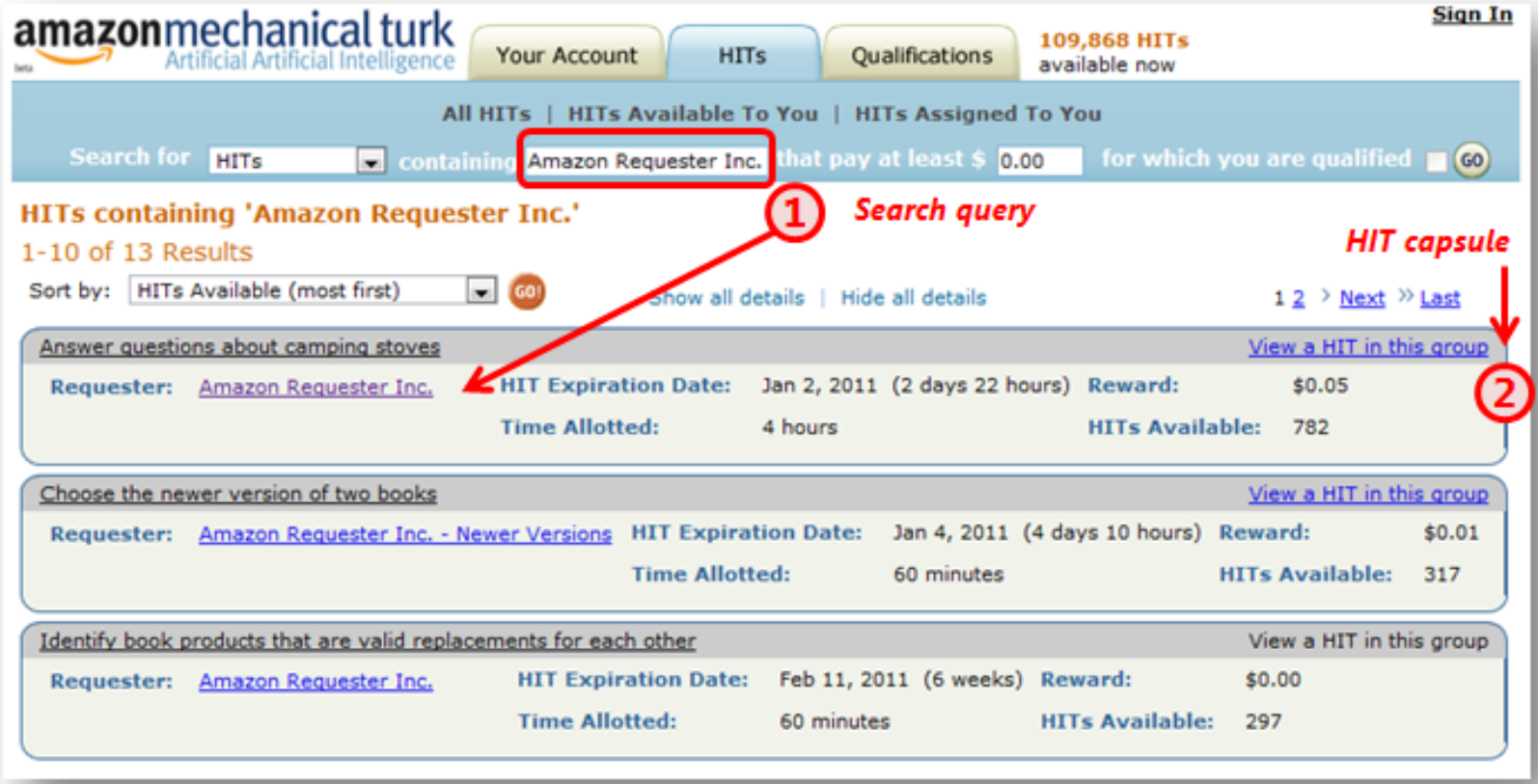
Good News!

Latin American service providers
can reach global markets!

Bad News …

Everybody with a keyboard
can reach global markets!

Amazon Mechanical Turk



Crowdsourcing for everything

Human Intelligence Tasks

- ✓ Tag an image
- ✓ Translate text
- ✓ Optimize online searches
- ✓ Perform complex engineering calculations
- ✓ Provide psychological support to a person in distress

Online Labor Markets

- ✓Build a mobile application
- ✓Design PPT presentation
- ✓Conduct research on a topic
- ✓Develop a business plan

Innovation Contests and Communities

- ✓Discover early bio indicators for a rare disease
- ✓Make women feel safer in poor urban areas
- ✓Invent youth formula?

Crowdsourcing for Innovation

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Contractible Polymer for Skin Applications

TAGS: Physical Sciences, Chemistry, Life Sciences, RTP

AWARD: **$30,000 USD** | DEADLINE: **7/29/11** | ACTIVE SOLVERS: 100 | POSTED: 4/29/11

We are looking for a monomer/polymer system that can be applied directly to the skin that will subsequently adhere and contract.

This is a Reduction-to-Practice Challenge that requires a written proposal and experimental proof-of-concept data and sample delivery. Theoretical proposals (no data or sample) will be considered for a lesser award.

Option 1: Embrace crowdsourcing

Turn to crowdsourcing platforms to sell services!

Downside: Services are often commoditized on platforms => low value opportunities!

Growth?

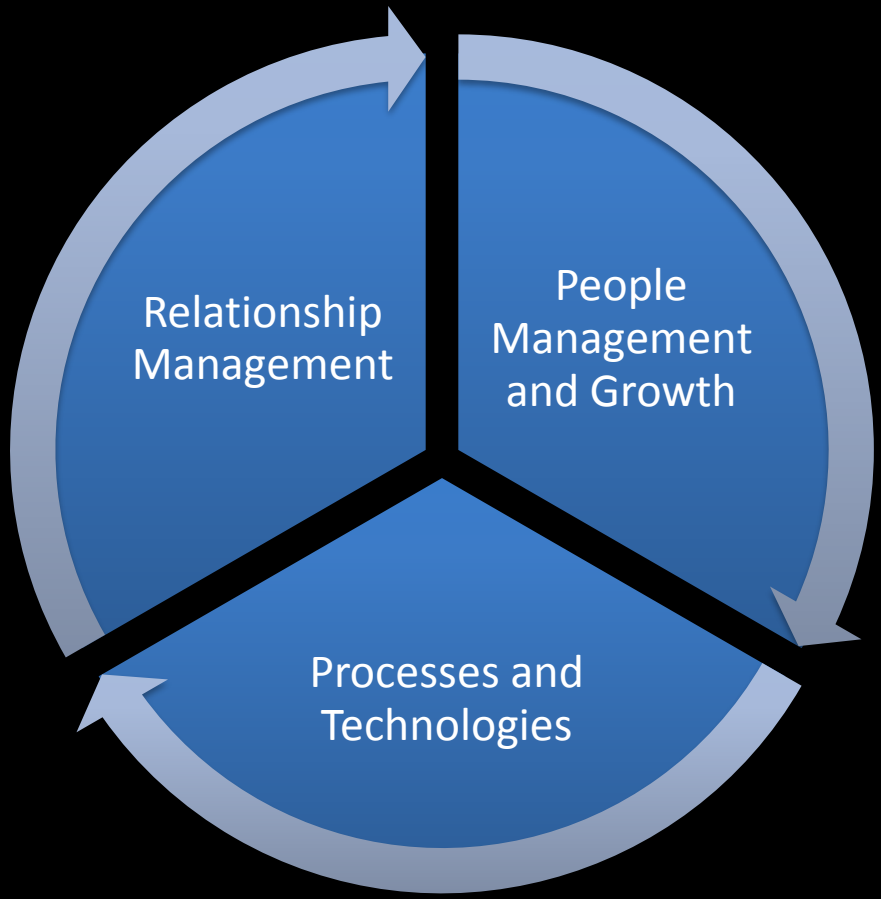
Investment?

Scale?

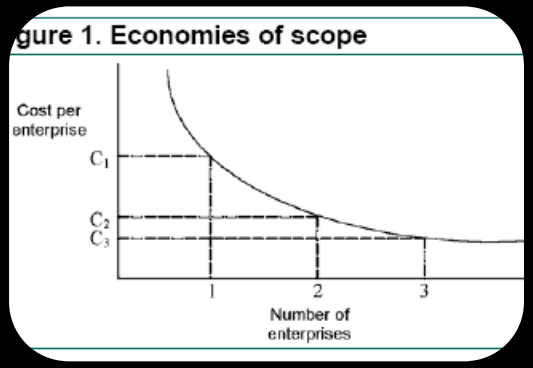
Option 2: Provide higher value than crowdsourcing and use crowdsourcing

Firms can build value-adding capabilities for global clients that crowdsourcing platforms cannot provide

What capabilities should a service vendor build?



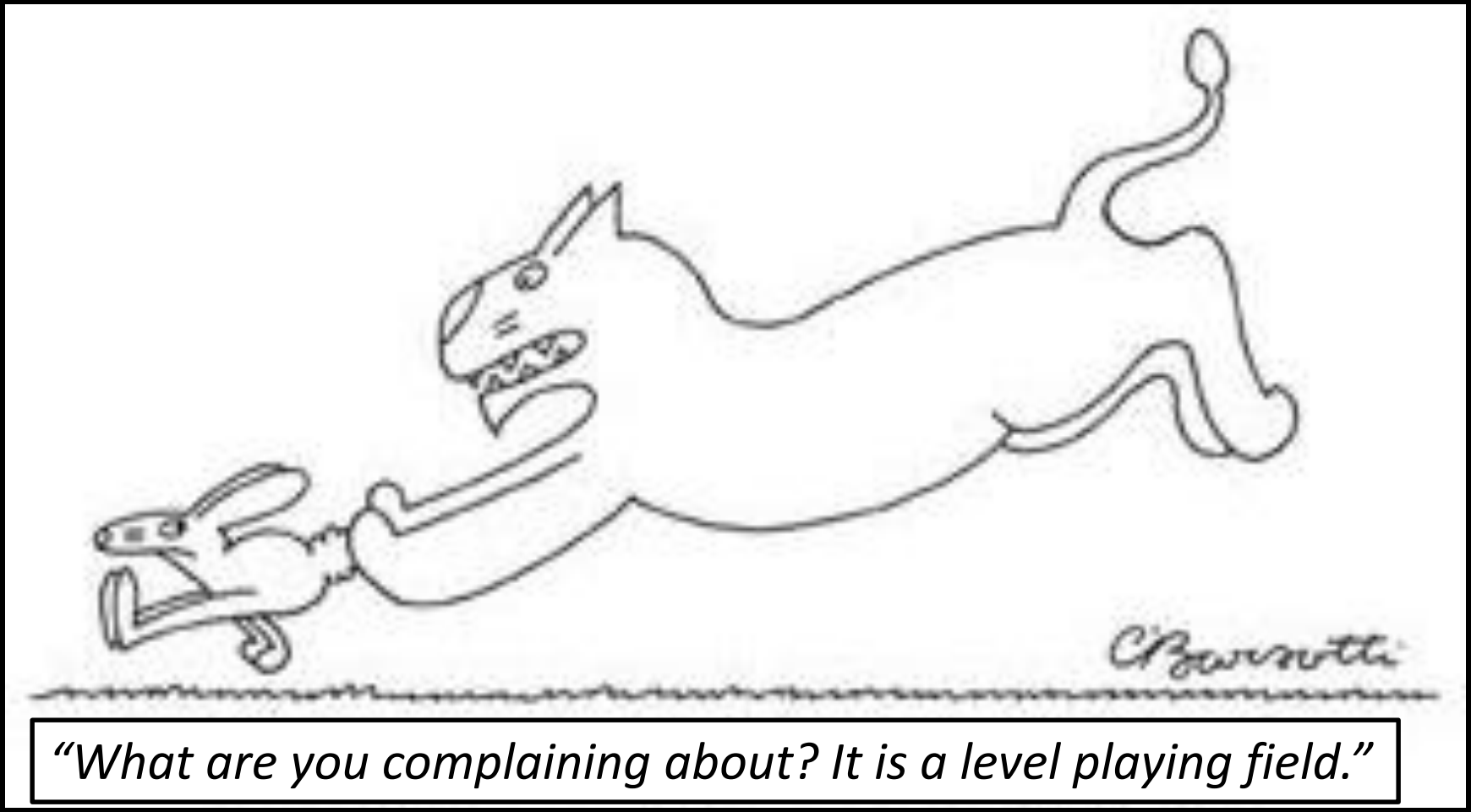
What enables service firms to provide higher value to clients than crowds?



Scale Scope Expertise

that come from controlling execution of many diverse projects

If you do not build them …



"What are you complaining about? It is a level playing field."

Using Crowds for Competence Augmentation

- Adding missing competencies at lower cost

- Scaling of resources = Global talent access overnight

Tapping into Innovation of the Crowd

Intermediary Platforms

Research & Development platforms

- **Innocentive** – open innovation problem solving
- **IdeaConnection** – idea marketplace and problem solving
- **Yet2.com** – IP market place
- **PRESANS** (beta) – connect and solve R&D problems
- **Hypios** – online problem solving
- **Innoget** – research intermediary platform
- **One Billion Minds** – online (social) challenges
- **NineSigma** – technology problem solving
- **Ideaken** - collaborative crowdsourcing

Marketing, Design & Idea platforms

- **CMNTY Corporation** - community co-creation
- **Innovation Exchange** – open innovation market place
- **Idea Bounty** – crowdsourcing ideas
- **Guerra Creativa** – crowdsourcing anything creative
- **Brand Tags** – tagging brands
- **Battle of concepts** – student challenges
- **crowdSPRING** – creative designs
- **BootB.com** – custom creative ideas for any creative need
- **12designer** – marketplace for creative solutions
- **LeadVine** – crowdsourcing lead generation
- **99designs** – pioneer in design crowdsourcing
- **Edge Amsterdam** – elite sourcing platform
- **OpenIDEO** – collaborative design platform

Corporate Initiatives

Product Ideas crowdsourcing

- **Fiat Mio** – create a car
- **BMW Customer Innovation Lab** – in german
- **Kraft** – innovate with Kraft
- **InnovationJam*** – IBM's idea generation project
- **Dell IdeaStorm** – external idea sourcing
- **Betavine** – Vodafone's mobile app community
- **My Startbucks Idea** – shaping the future of Starbucks
- **Ideasbrewery** - Heineken Ideas Brewery
- **Connect + Develop** - Innovation platform by P&G

Creative Co-creation

- **Spreadshirt** – shirt community
- **Threadless** – create and sell your t-shirts
- **cafepress** – shop, create or sell what's on your mind
- **zazzle** – create and sell products
- **CreateMyTattoo** – crowdsourced tattoo design
- **Sellaband** – crowdfunded bands
- **Artistshare** – fans funding new artists
- **Quirky** – community product development
- **jovoto** – co-creation & mass collaboration
- **Dream Heels** - design your dream heels
- **Mookum**- co-creating lifestyle & interior products
- **Quirky + GE** - co-creating platform by quirky & General Electric
- **Userfarm** - co-creating platform for Video makers

Source: BoardofInnovation.com

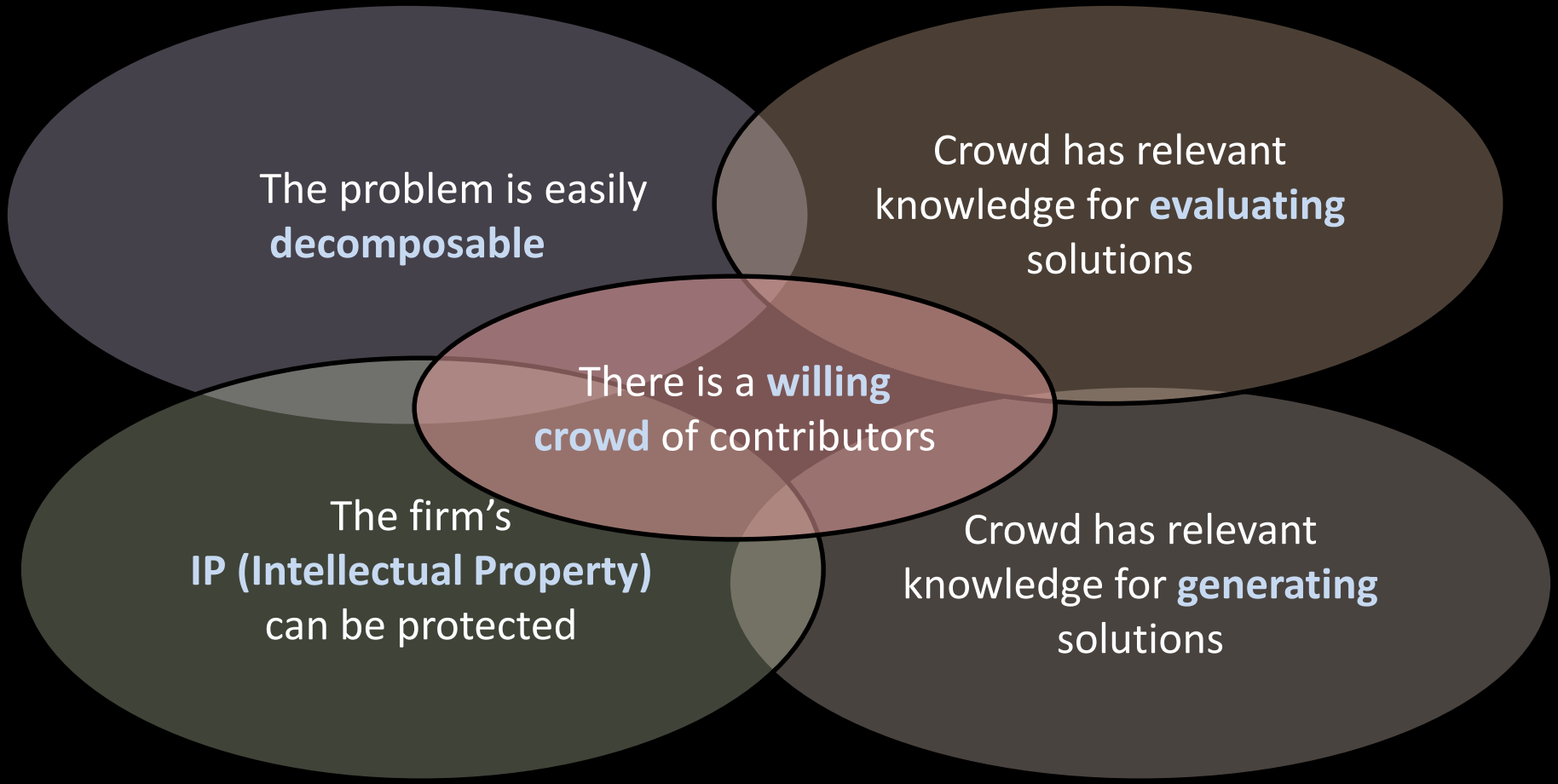
How about building new platforms?

- Latin American has superior design talent and technical capabilities!

- Build culturally and linguistically sensitive platforms for local markets

What is the sweet spot for crowdsourcing ?

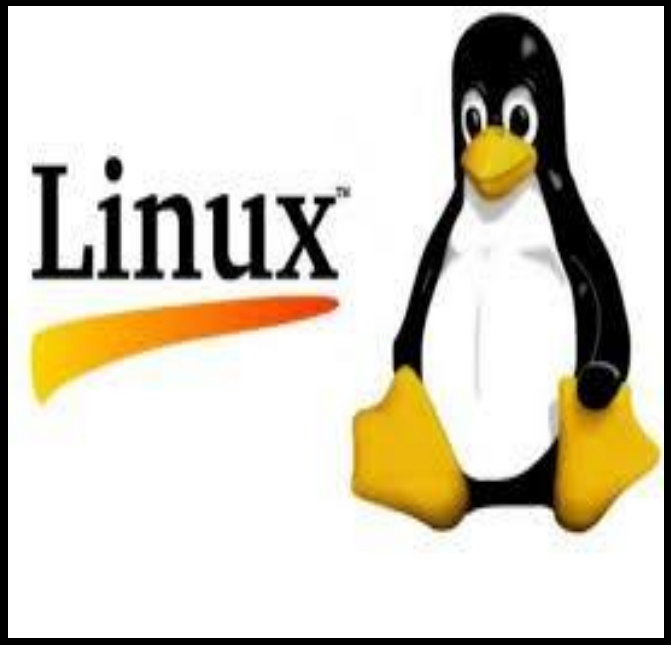
Sweet Spot of Crowdsourcing



Following Lakhani, Lifshitz-Assaf, Tushman (2012) and Afuah and Tucci (2012)

Nature of the problem

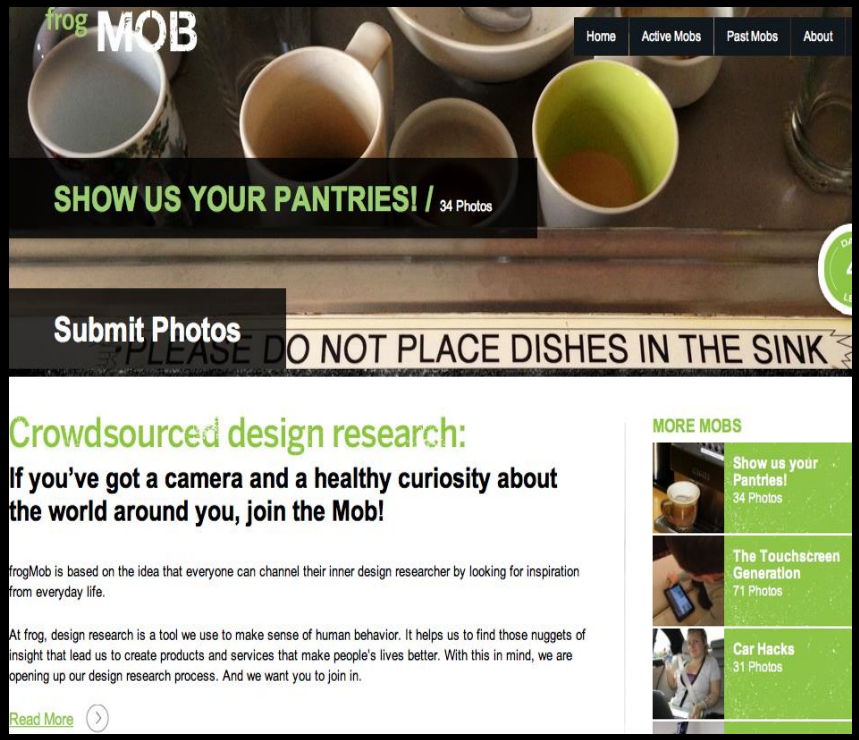
Innovation tasks are decomposable



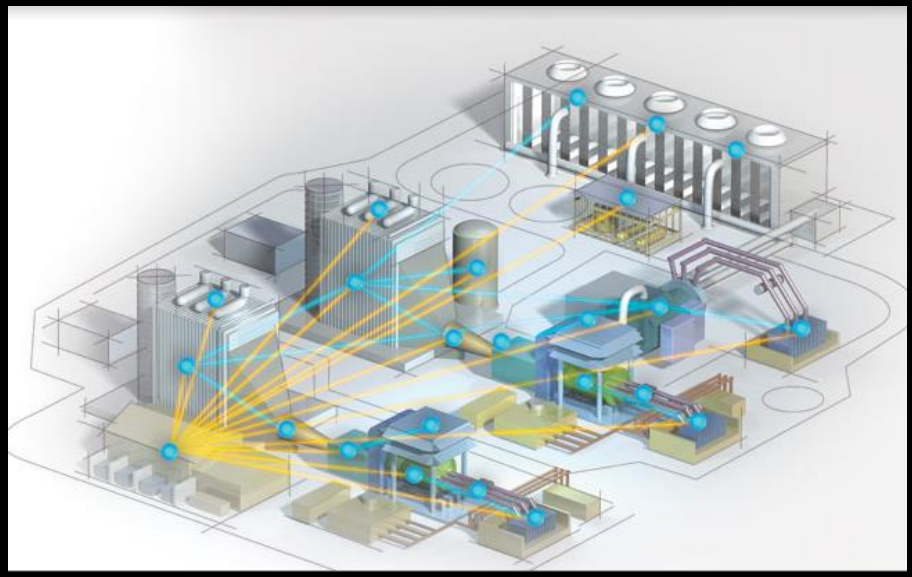
Innovation tasks are holistic

Nature of the solution knowledge

Distributed

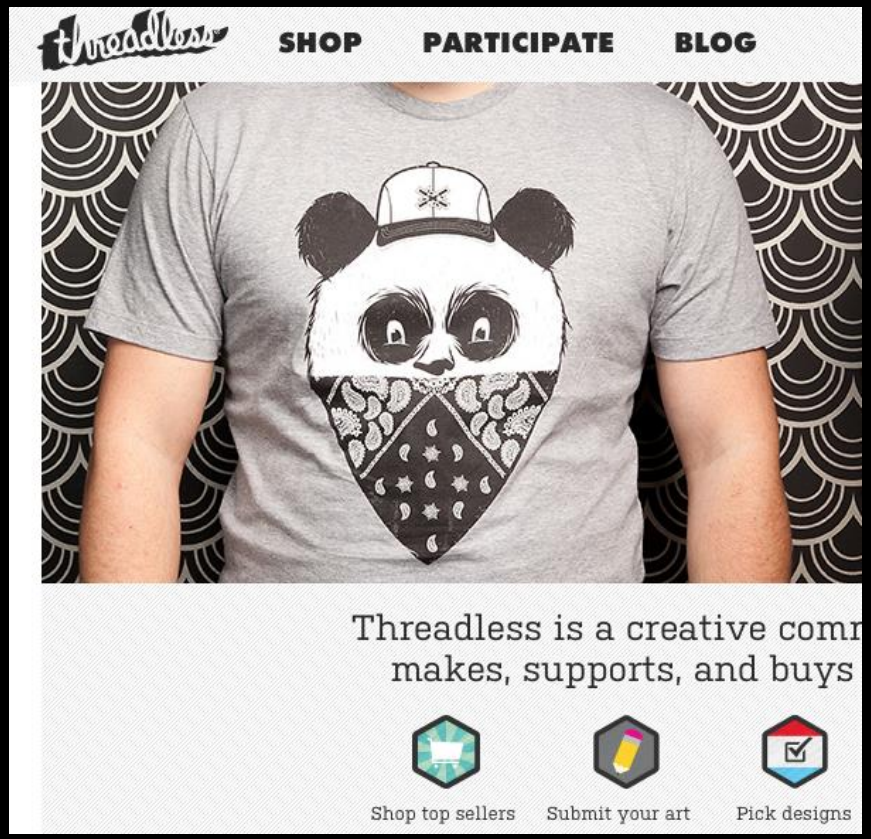


Concentrated



Nature of the evaluation knowledge

Distributed



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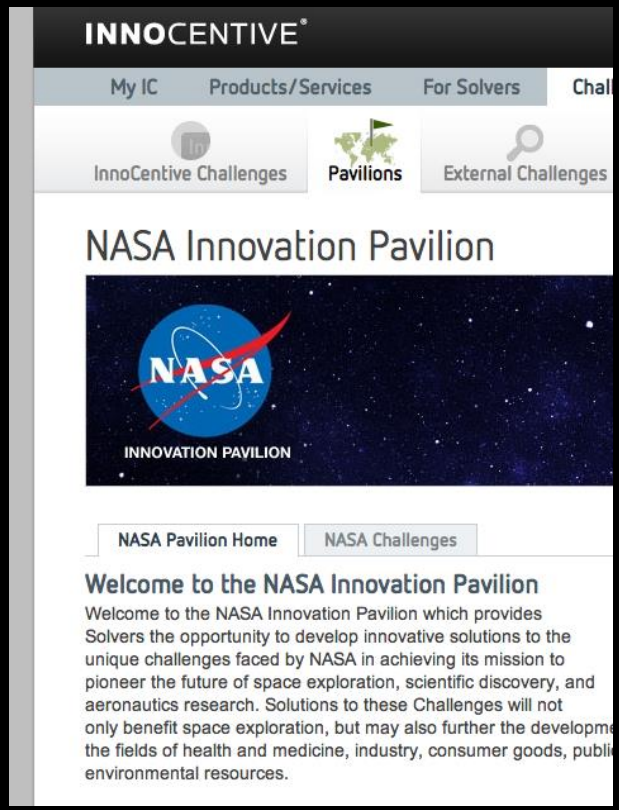
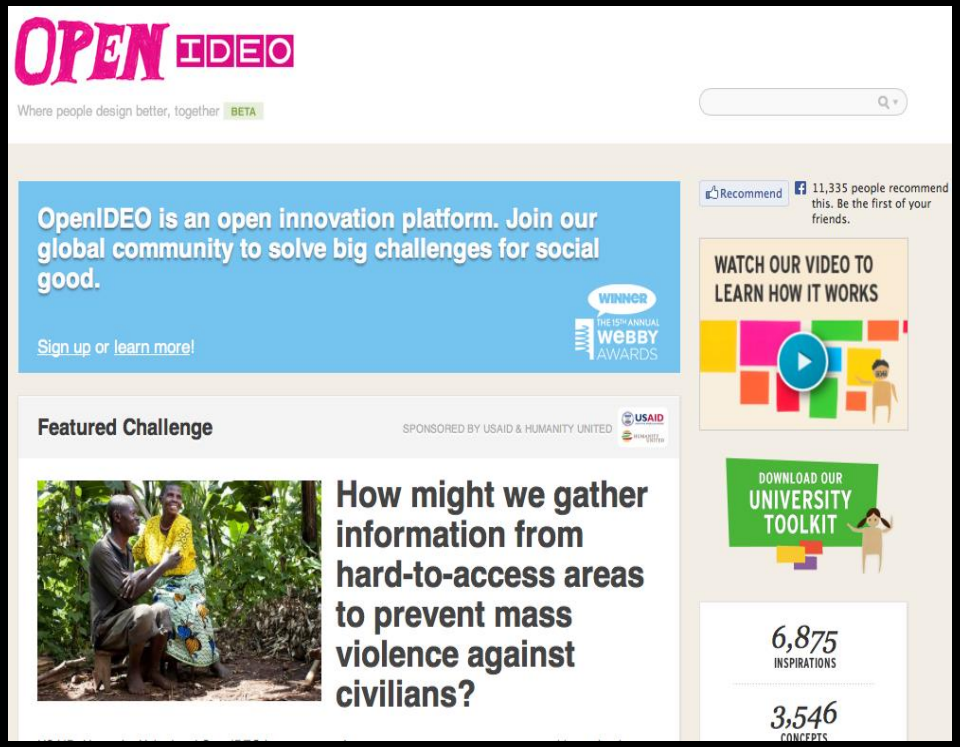


A Willing Crowd

Everybody can be an innovator



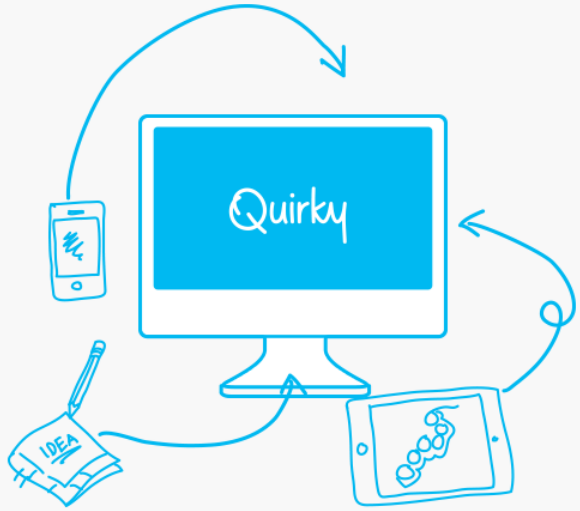
Unwilling Crowd

Quirky

Invent Influence Shop

How It Works Search... SIGN UP Log

KITCHEN



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Muchas Gracias!