

# **Using Crowdsourcing to Deliver Transformational Change**

By  
Faith Forster, Founder & CEO, Pinipa

# Introduction

Major advances in technology have transformed the workplace forever. It has dramatically impacted the way we work and the skills we need as employees to be effective. Increasingly, driving innovation through technology is enabling revenue growth opportunities<sup>i</sup>, as well as addressing the threat of external disruption.

Innovation platforms have demonstrated that engaging large numbers of people using crowdsourcing to generate ideas has resulted in far more creative solutions to the unique challenges we are facing today. Is there an opportunity to go beyond idea generation and extend this way of working to actually make change happen in a more collaborative, technology enabled way?

## ***What does crowdsourcing mean?***

What is crowdsourcing? Merriam Webster<sup>ii</sup> provides a simple definition: “Crowdsourcing is the process of obtaining needed services, ideas, or content by soliciting contributions from a large group of people, and especially from an online community.”

The concept of crowdsourcing has demonstrated significant value in many different contexts, from developing new products and services, marketing campaigns, funding businesses and even recruitment. Crowdsourced ratings and reviews inform many of the decisions we make in our daily lives. This includes purchasing products from online stores, selecting a holiday destination and what to do when you get there.

As James Surowiecki suggested in his book *The Wisdom of Crowds*, ‘decisions taken by a large group, even if the individuals within the group aren’t smart, are always better than decisions made by small numbers of experts’<sup>iii</sup>.

Why is it so powerful? Crowdsourcing, and the technology that supports it, makes it easier than ever before to leverage a diverse group and tap into their range of knowledge and experiences to understand a problem or develop a solution. It significantly reduces traditional boundaries of involving people, such as location or geography, organizational silos, and with external parties such as suppliers and customers.

It allows us to cross-pollinate ideas and perspectives in a way that was unimaginable ten years ago. Within this cross-pollination lies a significant opportunity to create new and innovative ideas and solutions.

## ***What does this mean for business?***

Within the context of business, crowdsourcing has significant implications. It raises questions on some of the most highly sacrosanct concepts, such as competition.

The pharmaceutical industry is a great example of where traditional competitors are collaborating to develop new products significantly faster and cheaper but still actively compete when going to market<sup>iv</sup>. Tesla recently released all of their patented technology for electric cars, citing the need to accelerate the global movement towards more sustainable practices in automobile development than they can deliver on their own<sup>v</sup>. By opening their doors and vaults, they have made themselves true market leaders.

Looking within an organization, BCG have projected a significant global talent shortage over the next decade<sup>vi</sup>. Crowdsourcing reduces our reliance on ‘talent’ as everyone is considered to have a valuable contribution to make. It also creates an opportunity to engage employees outside of their day job, leveraging creative spirit and a wide variety of skills and backgrounds across the organization’s network.

Recent research from a UK government initiative, Engage 4 Success, shows engagement levels in organizations today are alarmingly low, and that more engaged people are more productive<sup>vii</sup>. So it follows that there is a significant opportunity to leverage the energy of our workforces far more effectively by enabling them to contribute outside of their traditional areas of responsibility.

Crowdsourcing also creates an opportunity to connect different generations and challenge traditional ways of working that do not meet the fast-paced needs of the current and future marketplace. Where in the past 'grey hair' gave you power that could not be questioned, today Digital Natives with their ability to draw on networks and knowledge are forcing Baby Boomers to compete in new and interesting ways that is healthy for everyone.

### ***The change imperative***

According to Constellation Research, since 2000, 52% of all Fortune 500 companies have either gone bankrupt, been acquired, ceased to exist or dropped out of the Fortune 500<sup>viii</sup>. The pace of change has increased, competition has intensified, and business models are being disrupted.

This is driving a demand to become more customer-centric, integrate systems and processes at a global scale, and embrace digital as core to how a business operates. IBM suggests this poses a significant disconnect between the desire of leaders to embrace these shifts and their organizations' ability to do so<sup>ix</sup>.

Business transformation and change is well recognized as a difficult exercise; it can take a long time, is expensive, and has a poor track record of success. Research conducted by IBM in 2014 found only 20% of respondents were considered successful in managing change<sup>x</sup>, a

decrease from 41% in their 2008 report<sup>xi</sup>. This is at a time when the demands to enable fast paced and complex change are only increasing.

It is also well recognized that engagement is a core driver of successful business change. Any new solution needs to have collaboration and engagement at its heart.

In addition to the changing business context, employee expectations are also changing. Research commissioned by Vodafone in the UK found employees want to be treated fairly and with respect, to be empowered and to work flexibly<sup>xii</sup>.

Generally, change programs are primarily driven by a project plan. This focus on deliverables and milestones can reduce the opportunity to engage large numbers of people in meaningful conversations about where the business is at, where it needs to be and all of the possible ways to get there.

Too often these are determined by a small number of people, usually the management team, and we rely on largely one-way communication methods to develop this understanding, rather than make this critical stage being a collaborative exercise to gain buy-in. This no longer meets the expectations of today's employees. A fundamental shift in the approaches used is required to meet these changing demands.

### ***How can we use crowdsourcing to manage transformational change programs?***

What if we could make this engagement meaningful, a truly collaborative effort, by using crowdsourcing? Crowdsourcing ideas within an innovation context is incredibly powerful for generating positive momentum for something new, however until recently it has rarely applied to transformation or change initiatives. Even within an innovation context, once a decision is

made on what to do, this collaborative way of working often stops. If the crowd can create superior solutions, why not also leverage that power to work out the best way to make the solution come to life?

Utilizing the concept of crowdsourcing for transformational change efforts makes employee engagement a core driver of change, rather than a supporting activity. This shifts the paradigm of change, creating a pull dynamic rather than change being a top-down or push exercise.

This means that rather than a leader spending a lot of time trying to convince employees why the change is a good thing to do, they can focus on creating the conditions that encourages initiative... and then let 'the crowd' do its magic.

This energy has the power to deliver greater business value, significantly faster and at less cost than a project team could achieve.

As the crowd are not change experts, the process need to be simplified, enabling everyone to get actively involved. These are the broad steps we follow:

### 1. Where are we heading & why?

- Articulate the big idea.
- Sponsor's message on why it is important.
- Set the strategic objectives.
- Share context/ strategy documents.

### 2. What can we do to get there?

- Crowdsourcing who should be involved\*
- Crowdsourcing ideas.\*
- Discuss the possibilities.\*
- Develop & share proposals.\*
- Convert ideas to projects.

### 3. How do we make this transformative?

- Crowdsourcing suggestions.\*
- Make decisions.
- Develop plan (milestones & activities).
- Monitor progress. #
- Monitor benefits & risks.

### 4. Measure results (throughout)

- Set success criteria.
- On demand dashboard & reports. #
- Gather regular feedback. #

\* = completed by employees

# = steps that are automated

*The remaining steps are completed by the project team*

The core idea behind the crowdsourcing change is enabling co-creation. People will naturally support what they have been involved in creating. In an environment that expects resistance as a matter of course, having concerns raised and addressed openly and in a constructive way through co-creation is a powerful twist on traditional practices.

But it doesn't have to stop at creation. As Peter Senge said in *The Fifth Discipline*, 'people don't resist change, they resist being changed'<sup>xiii</sup>. Once you have understood from the crowd what we should do and how we should do it, there is an opportunity to leverage those people to actually do it, rather than making a project team responsible for delivery. This is true ownership.

This results in change happening faster as more resources mobilized. It makes the change initiative cheaper to deliver as you are leveraging existing resources rather than paying for additional people. And it increases the benefits achieved as the people involved have a vested interest in seeing it work.

## ***What does it take to make crowdsourcing effective for delivering change?***

This presents a very different way of working for many organizations, and certainly for most project teams. This is a significant change in itself, which needs to be supported just like any other change.

### **1. Cultural context**

It is important to be aware of the cultural context within which you are trying to apply crowdsourcing to enable a change initiative. This model, borrowed from the public sector, provides a useful spectrum of types of engagement<sup>7</sup>:

**Inform > consult > involve >  
collaborate > empower**

It represents a progression in the perceived value of working together. If your organization is only at the stage of 'informing' people, it does not see the value in consulting people on things relevant to them. Then you will have a difficult time trying to establish a collaborative way of working.

To establish collaboration as an integral part of your organizations culture requires a significant level of trust, and willingness to relinquish control to empower 'the crowd'. This is a particularly important learning for senior leaders and can create some vulnerability. They need to be comfortable sharing a problem or opportunity with the crowd, rather than starting with an announcement on a solution which assumes they are the experts.

Co-creation must start at the beginning, creating a common understanding of the need to change and gathering input on all ways this could be accomplished. Once a decision is made on what to do, it is often too late as the crowd has not been given the opportunity to

validate and shape the solution which creates a sense of ownership.

### **2. Technology enabled**

In the same way that innovation and technology have become intricately linked, the ability to tap into a broad network of people and leverage their knowledge and experience also requires technology to support it. This enables broad and robust engagement in an efficient and transparent way.

Collaborative technologies now available enable us to create conversations between many-to-many, rather than relying on one-way or two-way communications. It also reduces the reliance on meetings and workshops for input, allowing continuous conversation that reaches across geographic, functional and other organizational barriers.

In addition to visible conversations, technology to enable transformational change projects requires a careful balance between having some structure while keeping it simple and accessible for everyone to use.

Despite the significant risks and costs associated with delivering transformation programs, they are often managed manually. Technology can automate a lot of the management overhead for these complicated projects, including coordination activity, progress updates and reporting, and gathering feedback.

### **3. Role of the project team**

While crowdsourcing transformational change does not replace the need for experts, it does change the nature of their role, from being responsible for delivery to acting as facilitators.

The different dynamic created by 'the crowd' shaping and delivering the change means the project team exist to guide, advise, support, monitor progress... and then let the crowd do

its magic. The emphasis is on using existing resources within the business; the people who actually need to do something different, to shape and deliver changes themselves.

The following diagram summarizes the underlying shift in this dynamic:

From	To
Telling/ selling	Co-creation
Stakeholder management	Collaboration
Project delivery	Facilitation
Control	Empowerment
Linear change process or methodology	Dynamic, iterative change

#### 4. Ongoing engagement of the community

The challenges with adopting collaborative technologies have been well documented, with significant lessons learned and progress made in recent years<sup>9</sup>. The key to making this successful is clearly establishing a purpose for collaborating.

The benefit of using collaborative technologies to support a change initiative has a clear purpose, but often an emotional charged one as well. Change inevitably brings uncertainty; in the best case scenario this creates curiosity, in the worst case it causes stress. Either way, establishing a channel for that nervous energy which people can access at any time empowers people to a much greater extent than we have historically been able to do.

The effectiveness of having this channel available will be determined by the extent to which the platform is used as an opportunity to actively involve people throughout the change

journey. If it is used simply to communicate discussions already held, or worse, decisions made, people will quickly realize the lack of authenticity in the collaboration and will not waste their time contributing.

#### ***Sounds interesting, but what realities will I face?***

This presents a very different way of working to traditional approaches to change. It is critical to understand the implications for your prevailing organizational culture.

These are some of the objections we've heard and common responses to them:

#### **1. Our change project needs to be confidential.**

There are situations where there is a need to keep things quiet, at least for a while. For example, where there are market sensitivities, political sensitivities or significant implications on people's jobs. That's ok. The need to limit who gets involved and when doesn't change the opportunity for those who are involved to work together in a far more collaborative and effective way.

#### **2. Just get on with it; we don't need loads of ideas, just tell them what they need to do.**

Co-creation needs to start at the beginning of the process, to truly understand the need (or opportunity) and all of the possible ways to achieve it. It is ok to already have some ideas on the things you would like to do, these can be shared with the crowd who then have the opportunity to agree (or not!). But if you are already committed to a particular solution, this is not the right approach for you. This statement is a classic sign that your culture is at the 'inform' step of the engagement model above, and the leaders do not see the value in involving people.

### **3. One person needs to make the decisions, we can't let everyone make the decisions.**

Collaborating with people doesn't necessarily give them the right to make decisions. There can be significant resource implications on decisions made, what changes to make and when, which must be carefully considered by the person accountable. Involving 'the crowd' prior to making a decision provides the leader with better information to make a more informed decision. Also, when an announcement is made, those who have been involved will have a better understanding of the basis of the decision, so are much more likely to be supportive.

### **4. Can we use our existing collaboration platform for this?**

You can, and it's a good start as it helps to generate ongoing and visible conversation. This helps understand the need for change, generate ideas, and gather a community with a shared purpose. But to actually make change happen requires some structure, which is why general collaboration platforms are insufficient to support shaping and delivering complex, transformational change.

### **5. Are there types of change that this is better suited to?**

This collaborative way of working is delivers the best results for growth initiatives, where Innovation and/or behavioral change are important or where a more dynamic method is being used. Examples include cultural change, new operating models, or digital transformation. It can also substantially improve engagement where there are disparate teams across organizational silos or geographies.

### **6. Can we use our existing methodology and do this?**

Yes, this approach can be used to complement an existing methodology. The activities that

crowdsourcing can be used for are often addressed by transformation or change methodologies. However using crowdsourcing would mean the way you do these activities may be quite different.

### **7. Do we still need to do our normal engagement activities, such as workshops?**

Using a change platform creates another channel for people to be actively involved in the change on an ongoing basis. There is still significant value in getting people together in a room and having meaningful conversations. But it may change the nature of the conversation you have in the room, and how often you need to do this.

### **8. Do we need to get everyone involved, including front line employees?**

This choice needs to be made by the people leading the change. The more people involved and the more diverse the group, the more powerful crowdsourcing is. However there may be legitimate reasons why you can not get everyone actively involved, or at least not from the start of the change process.

## Conclusion

Changing consumer and employee expectations, largely driven by the collaborative technologies now available, create significant opportunities to re-imagine how we deliver organizational change.

We have known for some time that engagement is critical for successful change, however in practice it can often be time consuming and difficult to do at a scale that enables co-creation. This is no longer the case.

Crowdsourcing, the technology which enables it and the way of working that has emerged as a result, creates an opportunity to make engagement a core driver of change. This enables us to deliver change more effectively, faster and cheaper, which the fast-paced marketplace of today and tomorrow demands.

## Resources

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<sup>i</sup> PwC Consulting, *Harnessing the power of crowdsourcing: Does your company stand out in a crowd?* Summer 2011

<sup>ii</sup> [www.merriam-webster.com/dictionary/crowdsourcing](http://www.merriam-webster.com/dictionary/crowdsourcing)

<sup>iii</sup> James Surowiecki, *The Wisdom of crowds*, 2004

<sup>iv</sup> [www.ifpma.org/innovation/rd/collaborative-innovation-models](http://www.ifpma.org/innovation/rd/collaborative-innovation-models)

<sup>v</sup> [www.teslamotors.com/blog/all-our-patent-are-belong-you](http://www.teslamotors.com/blog/all-our-patent-are-belong-you)

<sup>vi</sup>

<http://www.forbes.com/sites/rawnshah/2015/01/05/can-technology-save-us-from-the-10-trillion-talent-crisis/>

<sup>vii</sup> Engage 4 Success, *The evidence*, Employee engagement task group, November 2012

<sup>viii</sup> Ray Wang, Big Ideas, Constellation Research ([www.constellationr.com](http://www.constellationr.com))

<sup>ix</sup> Jørgensen, Bruehl & Franke, Making Change Work... While the Work Keeps Changing, IBM, August 2014

<sup>x</sup> Jørgensen, Bruehl & Franke, Making Change Work... While the Work Keeps Changing, IBM, August 2014

<sup>xi</sup> Jørgensen, Owen & Neus, Making Change Work, IBM, October 2008

<sup>xii</sup> Circle Research in partnership with Vodafone UK, Exploring the shift in employee expectations, January 2014

<sup>xiii</sup> Peter Senge, *The Fifth Discipline*, Random House, reprinted 2006