



# The Bees Wees



**Book**

We Are Smarter Than Me: How to Unleash the Power of Crowds in Your Business

**Authors**

Barry Libert and Jon Spector and thousands of Contributors

**Speed RAP**

Bees do it; kids live it; grown-ups adopt it; smart business values it.

**Collaborative Communities** are the near future now.

Web 2.0 has enabled community building through social networking. Digital community building is less about tools and technologies and more about the facilitation, moderation, mediation and services that go with them. Specifically: innovation; customer satisfaction; marketing; production; finance and management. Blogging is a great place to start.



**Your Challenge**

Build a community around your people, products and services. Start in your own workplace. Gen Y 'know how' and you 'know what'. Appoint a Gen Y - or a tech savvy staffer from any generation - as your company's community Sherpa and get blogging.

\*Caution: make sure that you're REALLY ready to lead from the rear.



**RESOURCES** : anything you use to generate wealth.

**ACTIONS** : an act of will, a deed completed.

**PROFITS** : to gain an advantage or benefit.



# Review: We Are Smarter Than Me



Book Rapper sees 'Social Networking' as the individual linking with kindred spirits and 'Community Building' as an organization building its network of like-minded souls.

In the spirit of their subject matter, Barry Libert and Jon Spector began this book as an experiment in social networking. Their goal was to mirror the Wikipedia model whereby contributors are invited to define the key points and author the content. The result is a user-driven end product.

Writing a work via a wiki was a challenge given the need for skillful and effective interaction. Yet, 10s of 1000s of recognized leaders, regarded experts and, anonymous students contributed to a wiki-based community that coalesced at [www.wearesmarter.org](http://www.wearesmarter.org). This user-driven social network, created by the contributors during the *process* of writing the book, is a valuable ongoing resource.

Libert and Spector possibly learned more from the *process* than from the *content* that developed over time. As in life, it's often in the process, the experience, that we find value and not necessarily in the end result.

Did the authors' achieve their goal? Yes, and no. The social networking bit of the experiment was a resounding 'Starfish' success. Yet, where the 'Spider' retained

its conservative hold was in the editing and traditional design of both the book and the website.

Now, that's not a bad thing. Their book writing project highlighted the reality that some top-level control is required for most communities. Even Wikipedia has its board and hands on paid staff. The fusion of 'Starfish' and 'Spider' is possibly the most effective model to enable social networking / community building to 'work'.

So, whilst Libert and Spector may not have fully realized their dream of a totally user-driven product, their result is none the less a sound one: 4000 contributors, the creation of an ongoing community and, a very useful book testament to their - and thousands of anonymous contributors - efforts.

The many 'authors' provide useful examples of crowdsourcing applied to the profit of business. (crowdsourcing leverages many people to get a job done). Specifically they look at how to: innovate, serve, sell, produce, finance and manage. (We've covered these applications in RAPs 1-7 and followed up with a workplace community Action Plan.)



With oodles of examples and suggestions on how to do it yourself, *We are Smarter than Me* presents a look at one

potential future of business where the focus shifts from profit to community.

*We are Smarter than Me* gives us an excellent overview of communities, social networking, the wisdom of crowds and more.

PS: If you want to dig deeper into communities, tools, platforms, and technologies, follow up with Tapscott and William's *Wikinomics*.

[www.wearesmarter.org](http://www.wearesmarter.org)



# Context: One is good; Many is better...

To learn about the power of community-at-work look to the natural world. An individual bee, with its modest brain, is incapable of producing a hive by itself. And yet, a colony of bees can build a hive-community in the most amazing way. The mighty midget termite-mound builders of Northern Australia, show what is possible when the ants work toward a mutual goal. Wow! When it comes to working together for the common good, **Book Rapper** defers to the master - Nature herself.

Community Building releases control, unfurls ideas, shares information, connects like-minded individuals and promotes cooperation within vast communities. By giving away our raw imagination and naked ideas we allow others to polish up these diamonds-in-the-rough. Just put 'em out there!



How often have you secretly hung onto your best ideas only to see them flower in someone else's garden! Ongoing interaction and dialogue is what makes information useful; feedback from others refines it for even greater benefit.

The business models of crowd-sourcing and community building extend the Aussie community spirit - CWA, CFA, SES - and traditional American barn-raising; they raise the roof on business possibilities. Housed under the vibrant white roofs of a Greek island village beats the slow, steady, throbbing heart of community cooperation. It's the same heart that the smart organization now has throbbing through its workplace chambers.

Gone are the days of the few controlling the many where corporations decided what, when and how things were produced. Henry Ford's 'any colour as long as its black' (because black paint was the cheapest) was the poster child of corporate control in those days of old.

**In less than 20 years, the World Wide Web has spawned new business models and reversed the concentration of economic power.**

Wikinomics, crowd-sourcing and open-source has democratized production and created an 'economy of the people, by the people and for the people'. The 'new community' taps into the



power of the masses to fulfil tasks previously safely guarded by the exclusive eyes of in-house experts within the walls of the corporate office and the factory.

The Web has enabled this change in collaboration. Initially, the '1-way Web' mirrored Industrial Age thinking whereby business focussed on control of information. The modus operandi was to generate profit through strategies to corner the data market and up the price. Web 2.0, the '2-way Web' has flipped this on its pink ear.

**Web 2.0 recognizes that information becomes more valuable as more people use it. Social networking, crowd sourcing and building communities is your future. Think and work together.**

When we communitize we can reduce costs, wind up with a better road-tested product; a product that is already supported by a waiting market of customers.

*WeAreSmarterThanMeals* shows how the principles of crowdsourcing can be used in the recruitment and retention of good people. This has to be a welcome bonus.

So, what can social networking, building a community and crowdsourcing do for you, your product and your brand? Wrong question! Rewind; reframe. Instead, ask, What can I do for my customer, my people and my product? The answer: Build communities!

Social Networking sites like Facebook, MySpace and Second Life are second nature to Gen Y. Finally, smart heads of corporations and businesses are catching on. The future of business points to Community Building, Social Networking and Crowd Sourcing.

**One is good; many is better; We is best!**



# RAP1: We Innovate

Traditionally, companies have held their innovation and product development cards close to their chest. Today, smart operators have flipped this practice. They use their communities to: spot opportunities; create new



to their chest. Today, smart operators have flipped this practice. They use their communities to: spot opportunities; create new products and refine existing ones.



## Take this!

"You can have any colour you want as long as it is black!" There's limited customer choice here! All decisions are made by the producer/supplier.

## What do they want?

Market Research is conducted before you create your product or put a service out in the market place. It basically asks potential customers 'Will you buy this product that I'm offering?' You then tweak it a little before putting it on the market. There's limited customer input.

## Help us out

Customer Feedback on the other hand solicits regular, ongoing interaction with customers. The aim of getting customer input is to find out what your target market really wants. A further aim of turning to the customers for information is to get a handle on how you're tracking and, what you can do to match up what it is you provide with what customers say are their needs and wants.



## Tell us how

Proctor and Gamble are renowned for their R&D. Yet in 2000 newly arrived Chairman/CEO A.G. Lafley said it wasn't enough. He dramatically declared that within ten years 50% of all new products and technologies would have to come from outside the company. The aim was to supplement, not diminish, the existing capabilities of their 9000 R&D experts. Through crowdsourcing P&G put together a global community of entrepreneurs, retired scientists, engineers and, open networks. P&G puts out it's problems and seeks solutions. As at 2006, 35% of their ideas came from outside sources, productivity was up 60%, and, 80% of product launches were successful - where the industry average is 30%!

## Customers Decide

Brewtopia is an Australian company that got its start when a couple of mates wanted to buy a pub. However, their finances fell short, so instead, they decided to become a brewer (Aussie logic!). They lacked the where-with-all to compete in a traditional retail market dominated by several giant brewers. Did they buckle? No! They headed to the web where customers buy online. Direct shipments was their piece de resistance. With no brewing experience they gave the reins of their business to their friends and through a great viral campaign that gave out shares to the company, they soon grew a small community of beer lovers who decided what to brew, the bottle shape and label design. With a ready-made audience who designed the finished product, they contracted out the brewing and bottling. They delivered a hit. Today the business has spilled over into producing mineral water and other products.



# RAP2: We Serve

Competition has minimised the differences between product benefits and prices. As a result, many companies are turning to customer service for their edge in the marketplace. Using communities to improve customer service and increase customer satisfaction can, simultaneously, reduce costs. What could be better than satisfied customers helping other customers 24 hours a day?



## Us and Them

The instructions are in the box. Just get on with it and don't call us or email us. Service with barely a smile!

## Call us

*"Your call is important to us and we'll get to it as soon as we can with our limited number of call consultants who are trying really hard but working against the odds."*



Yes, you're trying to help and in many cases this is not effective if this is your entire service strategy.

## Pay for service

Apple and Dell are two companies that will provide you with solid service post warranty – as long as you pay a little extra for it.



This reflects having multiple tiers of service. Consider what beginners to your products need, what else regular users may desire and how your expert users could contribute to others.

## Do it yourself

Here's a series of online tools you can provide so your customers can help themselves.

- A Frequently Asked Questions list on your website is the easy starting point.
- Take your FAQ a step further and build into a more extensive knowledge base of questions and answers.
- Offer software downloads such as printer drivers or pdf instruction manuals with the latest info.
- Video demonstrations can be recorded in a fun and simple way. Post them on your website and/or YouTube.
- Do you answer your emails? A quick response is vital and can be achieved with standardized answers in most cases.
- Your blog can answer customer questions, demonstrate how to get the most from your product and be a valuable source of customer feedback.

## Customers helping each other

Cookshack sell barbeque smokers out of a small factory in Oklahoma. The food is wood-cooked at low temperatures and they have a passionate audience who love their barbeques and their smoked meats. Cookshack answer questions through a toll-free phone number and an online forum that has instructions, recipes and troubleshooting topics available 24 hours a day, 7 days a week. It's a place for their customers to hang out, share their creations and help each other enjoy great food. Employees contribute their thoughts, answer questions, represent the company and monitor the forum.



# RAP3: We Sell

Traditional selling and marketing was framed around an artificial barrier between 'us' as producer and 'them' as consumer. Today that line has blurred. Communities can be created to help reduce selling and marketing costs whilst improving customer loyalty.



## Buy this!

You're in the middle of dinner and the phone rings. Thinking it might be friend or family you answer only to be besieged by a script-wielding telemarketer from some country on the other side of the planet who barely speaks English.



## You might like this

Go back to your regular customers with a regular offering or a modest update and they're likely to still want it – unless someone comes along with something new and better.

## I think this is good

Dave Neuport's M80 Interactive Marketing fuels demand for his client's music by finding existing fans, convincing them to promote the product online and then teaching them how to do it.



Fans are rewarded with exclusive offers, inside knowledge, t-shirts and concert tickets.

This undercover word of mouth marketing can be a very effective, low cost, marketing tactic. Although some regard it as underhanded and sneaky.



## That's cool!

Amazon taps the wisdom of the crowd through their use of recommendations. They invite customers to review books they've read and a rating for all to see.

People recommending also get rated and get the reward of being seen as an expert.

Amazon builds on this by displaying other books under the banner 'Customers Who Bought This Item Also Bought'.

This has the effect of being a referral from other customers – a key plank in any Word of Mouth marketing program. The only thing better is to get people talking face-to-face about your product.

## Of course I want it!

Sugar CRM produces open source Customer Relationship Management software that is available to customers for free.

More than one million companies or individuals have downloaded their software and any one can pitch in and fix errors, patch holes or build third party extensions.

Sugar earns revenue by providing technical support and customized versions of its software.

Being free and with the option of customization, means the customer can design exactly what they want.

When your audience builds their own version of your product for themselves, naturally they'll want to buy it.

# RAP4: We Produce

Traditionally, production was an in-house capability – you decided what and how to make it. Now communities are showing that you don't even need your own content. You can tap into the crowd either to share their individual work or to collaborate on a single mass construction.



## Take this!

This season you shall wear green with stripes and cut fine to emphasize your figure. That's fashion. The producer decides what will be made and persuades the buyer that this is what they want.

## You liked it last time

The Italian fashion company Benetton uses a quick response production system to track trends in sales.

As sales are recorded through their stores around the world, they track colours and styles and produce more of what is in demand and less of what is not.

## Make this for me

'I want this, can you make it for me?' This is the essence of personalized or custom production.

It might be personalized and it still relies on an external production crew. Whilst this is a huge step forward from traditional production thinking, it may not be enough in an era where many tools of production are now freely available via computer and online technology.

## Share your work

Google paid more than \$1.5 billion for YouTube and Getty images paid a mere \$50 million for iStockphotos yet both of these companies don't have any products of their own. Their entire catalogue of millions of videos and high quality photos have been made and submitted by thousands of individuals. They've posted their work for free on YouTube and for sale on iStockphotos. Now that's a serious flip on how businesses operate. It reflects the democratisation of production which means the tools we use to create things are now more widely available. For instance, your computer now has tools for writing a book, recording music, editing a movie... In this context, sharing and distributing your content becomes more important than the production of it.

## We made this together

Wikipedia and Open Source software like SugarCRM and Firefox are Weapons of Mass Construction – they're a single creation generated by a community of thousands of volunteers.

To achieve this you need to find something the public wants and needs and to present it in a way for a community to form around it.

Tapping into the emotional need is critical too. This may be a chance to express oneself, recognition of being an expert or some aspect of working for the greater good.

Then, the structure of the project is crucial. How does one contribute? Who can contribute? How do we decide what is the best result?



# RAP5: We Finance

Traditionally, large companies have tapped into crowd based finance through the sharemarket. Here's how to tap communities to help fund business growth balancing the degree of choice in your loan terms and the use of the crowd to support through you through to your final repayment.



## On our terms

When you borrow from the banks you're at their mercy unless you're borrowing millions. They decide the terms and you need to agree to get the loan. Central control and ownership.

## Join us

A Credit Co-operative is owned by its members and offers lower cost loans compared to traditional banks. Community ownership and central control.

## We can help

Nobel Prize winner Muhammad Yunus' Grameen Bank offers micro-loans to impoverished communities in Bangladesh. The lending is based upon group credit with peer pressure. By building a community of borrowers they can influence each other to follow a strict discipline with their financial affairs to ensure eventual repayment and develop good credit ratings.

## Great idea!

Traditional Venture Capital firms invest other people's money based upon the judgement of their managers.

Common Angels is a different type of Venture Capital firm – individual investors contribute their own money and they all invest as a group. It's all in or none in.

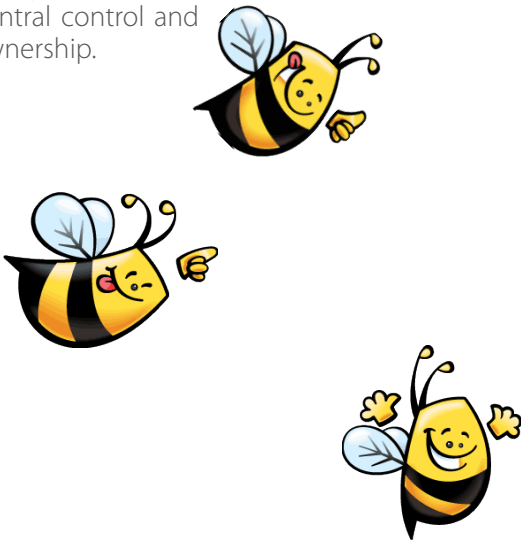
Common Angels have developed a range of techniques to make their community work. On the one hand they need to avoid 'group think' and on the other overcome individual preferences to unite behind a single investment decision.

With over 70 investors they have collectively funded more than 34 companies and with \$38 million and have had numerous successes.

## We'll lend you

Prosper.com is a cross between a Credit Co-operative and Ebay. Lenders auction their loans with borrowers bidding on the interest rate and the amount borrowed. The crowd of lenders decides what's a good deal and supplement their chances of a good deal by forming groups along the lines of the Grameen Bank to use peer group pressure to achieve a 97% successful repayment rate.

Zopa.com operates in a different way relying on credit checks and risk assessments. Loans are spread across many borrowers to minimise the risk – there must be at least 50 lenders for every £500 lent. They also have a 97-99% successful repayment rate.



# RAP6: We Manage

Communities can be used to create and manage projects. Balance the level of input in creating the overall direction and the input to bring the project to fulfilment. The key to using the crowd to manage is to define the rules for self-governance.



## You will do this

In the military, the few control the many and life is one order after another. No input in what you do and total involvement in fulfilling it.



## Working together

In a democratic situation the direction is set by a vote. This may be at the level of government or within an organization, such as a cooperative. The fulfilment of the task is then delegated to a separate team to get things done.



## Work for us and with us

In a typical corporation, the senior members of the team set the direction and then actively oversee and implement the plan. Depending upon your position within the organization, your role may be to help define your future work or merely implement someone else's strategy.

## We'll take over if we have to

*We are Smarter than Me* – the Book – was a collaboration of content that required the authors to step in to manage the project to get it over the line.

Over 3000 online contributors provided a wide array of examples and insight through blogs, wikis, discussion forum posts and even a community event in Las Vegas.

Whilst, in the finish, the flow of topics, the graphic design and the actual book text was produced in the conventional way, it is surely a hint of things to come.

## Manage the environment

In 2006, Canada's Cambrian House raised \$2.6 million to fund a business that didn't know what they were going to build, who was going to build it and who would buy it.

Ideas are offered by their community of 30,000+ members. They rank them on marketability and ease of distribution over the Internet. This feedback helps refine the ideas and determine their commercial viability. Competitions are then held to determine the really hot ideas.

Community members then collaborate to bring an idea to reality receiving royalty points for their contribution. If an idea takes off all contributors benefit, if it flops they can learn from their experience.

Overall, by harnessing the power of the crowd better decisions and bigger profits are ultimately made. Cambrian is demonstrating this through the early success of their product launches.



# RAP7: We Learn

The benefits of building a community over individuals may result in faster, better and cheaper results. However, there are some important things to keep in mind. Here's a selection for you to consider.

## Lead From Behind

It takes time money and energy to build a community and the temptation will be to push things along a little with some divine and over zealous intervention. The whole point of crowd sourcing is to tap into a community of like-minded people to access their thoughts, their ideas, their inklings of the future and the instincts for success. Get out of the way and let this happen.



## Like Minded

Creating a vibrant community relies on like-minded people who share a common outlook. This is critical to establishing trust, respect and open channels for communication and cooperation. First, target individuals who have expressed an interest in connecting with your organization, ideally as satisfied customers. Then ensure bright people are included, as this will attract others.



Provide tools to interact online and offline in conferences or meetings or through phone calls. Also, ensure



the community is large enough to provide diversity.

## Be Transparent

You can fool some of the people some of the time but sooner or later the truth will surface. Forget about putting a spin on things. When the inevitable mistake occurs, admit it ASAP, apologize and correct it. Confidentiality is dead, presume transparency instead.



## Stir Things Up

Your community will struggle if it's homogenous, complacent and predictable. Boring! Liven it up by sponsoring the search for new ideas, feedback and useful suggestions. A debating class atmosphere that throws around lots of viewpoints, including contrarian ones, is the spark your community needs to touch people.



## Play Long Term

To build a community will take time – at least 12-18 months to see if it is viable. It is not a quick fix and you will need to tweak it, experiment with it and fine-tune it to ensure valuable discussion and interaction takes place. Measure the responses to different activities and

play for the long-haul. Allow the group to develop its own personality.

## Say Thanks

The community is not a resource to be plundered. If you're going to sponsor a community you need to thank, support and reward the players for sharing their thoughts, giving you their time and contributing value. This may range from a points reward system for participating, exclusive news, special offers, product rewards or recognition for their contribution. The key is for the community to decide that the reward is fair and adequate or you'll soon notice a drop-off in participation.



## Forget Perfection

The goal is to get the community to talk and interact - anything that does this is good. Anything that does not is not good. Avoid over polished work because it suggests everything is already resolved and no further input is required. Instead, adopt a comfortable, down-to-earth, honest tone in real language. Avoid taking yourself too seriously and have a relaxing time with friends – as you would if you were building a face-to-face community.



## Step in When...

Creating a community is not an abdication of responsibility. Even though communities will have self-correcting capacities to interrupt or ignore troublemakers and correct misinformation, there may come a time when your company will need to step in. The key question here is 'what is in the best interest of the community?' When the need arises step in quickly and decisively with a clear explanation – then get out again. This is not a time for Big Brother control of minor details it is the elimination of significant digression. Err on the side of laissez faire.



# Actions: Your Community Plan

We've fuelled you up with food for thought, now it's time to put that energy to good use and start tapping into the power of the crowd.



## 1 Starting Point

- What's the status of your current community?
- Do you have customers?
- Do you have monologues or conversations with them?
- Do you listen?
- Do you have places for them to congregate and meet each other? (see tools)



## 2 End point

- What does your community look like when it's under way? Put your ideal scenario down on paper.
- How far do you want to go? Which areas of your organization do you want to open up to the crowd? Innovate, Serve, Sell, Produce, Finance, Manage? All of them?
- Start discussing your plan with your colleagues and immediate community.
- For a simple kickstart, talk to an expert. For example, if you're a building company pull your young apprentice off-site for a day and make them your sidekick. Sit down and ask him to tell you how to get into social networking and community development. He'll know.

## 3 Experience Community

Join in and contribute to some of these communities:

- WeAreSmarter
- Amazon
- Brewtopia
- Cambrian House
- Common Angels
- Facebook / Linked In
- Innocentive
- Intuit
- iStockphotos / You Tube
- Prosper / Zopa
- Sourceforge / Sugar CRM
- Virtual Tourist
- Wikipedia



## 4 Test Tools

Explore and test these community building tools:

- Blog : the minimum to get started, share your thoughts, invite comments, converse!
- Forum/Discussion Board : get the conversation going!
- Wikis : An open platform for contributions
- Offline : face to face meetings for your community are important too!
- Check out RAP2 : We Serve, 'Do It Yourself' for more tools.

## 5 Manage Conversations

You've got your plan of what you want to accomplish, you've contributed to other communities, tested some of the tools, now there's one thing left to do... manage the conversation to build your community.

What's going to slow you down?

Remember, crowd sourcing is a direct challenge to traditional business etiquette. You may face resistance. However, have the courage to let the will of the people drive you forward.



# More info...



## ABOUT THE AUTHOR

Hi folks! Thanks for reading **Book Rapper**. I think we've all got our own special genius. Mine is to take a whole bunch of information and distil it into some simple yet co-ordinated pattern. I used to be an architect. And, for me, tracking trends and working out how they fit together is just like designing a building.

Cheers, Geoff (McDonald)



## ABOUT BOOK RAPPER

**DIY** : This document is our 'DIY' solution. We suggest the actions you could take and you personalize them to your situation.

**Custom** : We also design custom solutions for your unique situation.



**Delivery** : This can be delivered in a variety of ways depending upon what you need. This might be one-on-one coaching or mentoring, or group events such as keynote presentations, facilitating strategic planning meetings or creating projects to achieve specific outcomes.

**Home Base** : We're based in Melbourne, Australia and with the clever use of technology we can virtually be anywhere.



## WANT MORE?

**Share it** : If you like this issue, share it with your friends and colleagues. Discuss the issues to expand your thinking.

**Take Action** : The best way to learn more is to put these ideas into practice.

**Read the Book** : If you want more detail about this particular issue, buy the book. We only select 12 books a year, so a book's got to be good for us to RAP it.

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