

To Make Crowdsourcing Work, Move From Contents to Continual Innovation

John Paul Williams



From the manufacturing C-suite has come a new directive: speed to market is a strategic imperative.

The race is on to shorten R&D cycles and match product development to true demand. With increased competition, flattening margins and more demanding consumers, product development teams know there is little room for error. As a consequence, they are increasingly inviting a nontraditional group to join their innovation team: the consumer.

Crowdsourcing is all the rage. The Internet is rife with breathless coverage of companies inviting the public to submit videos, create new food flavors or submit product ideas to company and open platforms. Much of the coverage ranges from hype to downright hysteria. While campaigns such as Lay's ["Do Us a Flavor"](#) [1] potato chip design contest drum up fantastic publicity — 6.8 million Facebook likes and countless media mentions — they essentially represent one-off social media experiments. Companies such as Kimberly-Clark, which has reduced time to market by 30 percent for new products and Proctor & Gamble, which used external contributors to create Mr. Clean Magic Eraser and Pringles Prints, [are still in the minority](#) [2].

A New Philosophy About Open Innovation

In order to leverage the full potential of crowdsourcing, manufacturers need to move away from contests to continual innovation and move to third platform businesses that harness big data, social tools, cloud platforms and mobile devices for competitive advantage. They'll also need to link front-end processes with back-end systems to handle the onerous work of vetting ideas for corporate relevance, fresh IP and quality; moving them through the product development pipeline expeditiously; and linking external idea-makers with internal teams.

With [two-thirds of all global demand arising](#) [3] from emerging markets by 2020, it pays to prepare for the day when product proliferation is the norm. Here are seven strategies for embedding crowdsourcing into your culture. These drive the results your competitors can only dream about, while preparing you to deliver on the promise of mass-customization and personalization for emerging markets.

Get serious about crowdsourcing: Global brands are using platforms like InnoCentive to engage creative on-demand talent outside of their own organization. The platform boasts an 85 percent success rate to its premium challenges and says companies pay awards of \$5,000 to \$1 million depending on the complexity of the problem. Crowdsourcing enables network participants to solve issues faster, more cost-effectively, and with less risk than using internal teams — as long as problems and desired solutions are clearly framed.

Leverage the crowd for multiple front-end processes: [Consumer products company Quirky](#) [4] uses its 900,000-member online community not just to generate ideas — some 3,000 each week — but also to vote on concepts and help refine them before they are rushed into production with 3D printers and other machinery in a [small factory](#) [5]. Products can end up in stores in as little as a month and have the virtue of being approved by a virtual army of would-be buyers.

Build or leverage the right platform: Companies also need to choose whether they participate in open platforms such as InnoCentive or build their own open networks such as Quirky. While going the Quirky route opens up idea generation to hundreds of thousands of participants, proprietary networks have other compelling advantages: enabling companies to post a myriad of challenges, identify and build relationships with top innovators, and pipe data directly into internal systems for instant analysis. In addition, they can share confidential data on closed systems to protect IP, if so desired. While there are relatively few corporate open innovation platforms at present, [IDC says](#) [6] hundreds will emerge over the next two to three years.

Master big data: Crowdsourcing is the ultimate big data challenge. For every winning idea with global research, there are thousands — or millions — of irrelevant submissions, not to mention ideas that are just plain wrong. Companies will need to implement automated rules engines and analytics capabilities to sift through these concepts, as well as monitor online chatter and other social media for indications of shifting demand. They'll also want to harness the power of intelligent systems that learn as users control and modify queries and functionality.

Digitize key processes: Great ideas often have a shelf-life. Maximize their value

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by digitizing the entire product development cycle, so that ideas move swiftly from initial vetting to prototyping, piloting, and market introduction.

Create the right culture: Link internal and external contributors for rapid-cycle brainstorming and iteration with [collaboration decision environments](#) [7], which enable real-time, face-to-face idea sharing; document annotation and process mockups; meeting recordings; and search capabilities, to make knowledge sharing an ongoing enterprise. Companies will want to create a [virtuous manufacturing ecosystem](#) [8] to nurture emerging and established talent — wherever it comes from.

Build innovation hubs: Once they gain experience with crowdsourcing, companies may want to set up separate businesses to take R&D faster — and further — than they can inside the enterprise. Innovation hubs link contributors, digitized processes, and technologies, such as 3D modeling and printing, sensors, and robotics to build the ultimate test-and-learn laboratory.

While crowdsourcing is still in its early stages as a manufacturing enabler, it offers the potential to be a significant disrupter if taken seriously. Companies like P&G, which reported it will source 50 percent of new products from external networks, are clearly betting on this scenario.

Are you ready?

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[1] <https://www.dousaflavor.com/>

[2] <http://www.destination-innovation.com/articles/the-rise-and-rise-of-open-innovation-and-crowdsourcing/>

[3] http://www.mckinsey.com/insights/manufacturing/next-shoring_a_ceos_guide

[4] <http://www.cbsnews.com/news/an-inventors-quirky-path-to-success/>

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[7] <http://www.polycom.com/solutions/solutions-by-industry/manufacturing/solution.html?id=mfg&link=smpb>

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