4. Digital platforms for open innovation – Community managers as facilitators

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Europe must get better at making the most of its innovation talent, and that's where Open Innovation comes into play. (European Commission, 2017, p. 10).

Introduction: Accountability relationships in decentralized production

We certainly should make the best of our innovation talent. Not just the EU, but also Universities, UAS and firms. Yet, distributed innovation projects, like Open Innovation, face the challenge that they depend on contributions made by peers and volunteers, "who can either lose their enthusiasm or do not have enough time to dedicate to the project (Pazaitis, et al., 2017)." Accountability relationships in decentralized production are horizontal, which creates complexities in the accountability relationship. This text introduces some of these complexities and challenges in an attempt to sketch a "trust cycle" that practitioners should take into consideration when preparing for more distributed forms of innovation, such as crowd sourcing and open innovation.

Democratization of innovation - Claiming accountability for the crowds

In a recent interview with the Executive Vice President of an Innovation Platform provider (*Spigit*), the EVP told us: "Only about 14% of the challenges that our clients are running involve external crowds." Their clients include companies like *Goodyear, KLM, ExxonMobil* and *Pfizer* to name a few. The CEO's statement surprised us since it stands in stark contrast to recent ideas of the 'democratization of innovation' (von Hippel, 2005) and successful strategies where the 'wisdom of the crowd' (Surowiecki, 2005) has outperformed innovation organized internally in a firm or an organization (Lakhani, et al., 2013). *Youtube, Kickstarter, Innocentive, Threadless* and the Finnish *Mesenaatti* are platforms that bring individual creative projects to life in a myriad of visualizations and prototypes, which we can support, rate, review, co-create and consume. With the help of new technologies, crowds of lead users engage in knowledge collaboration (Faraj, et al., 2011), develop their own new products and services, share them with others, and create rich intellectual commons (von Hippel, 2005). This kind of innovation has been conceptualized as 'open' or 'distributed' where the loci of innovation is organized in "the open" (Kornberger, 2016), "O2O platforms" (McAfee & Brynjolfsson, 2017), and in complex organizational boundaries (Lakhani, et al., 2013). In terms of the community of "crowds", research shows how the increased blurring of boundaries between firms and online communities can create opportunities for communities to play an increased role in creating value for organizations. (Barrett, et al., 2016) Considering all of this evidence, it seems a mystery that one would <u>not</u> choose a strategy of radically open innovation. Right? Well according to the same EVP from *Spigit* there are some common concerns. One is IP, the other one is accountability. Since "if you're going to invite somebody in to be part of a crowd" and they are an external entity, (especially your customers), you "have to *do something* with the ideas

that they submit (EVP, *Spigit*, emphasis added)." This sets an expectation that companies don't always want "to be held accountable to." In this text, I am not going to touch upon the IP concern, but rather discuss: What happens when innovation moves outside your organization and *who is accountable to whom, and for what* in such Open Innovation (OI)? This is interesting for firms and organizations both working with internet and communication technologies (ICT) and culture since peer production is a radical innovation. Communities of peers are organized in digital infrastructures (ICT) and managed by community managers.

According to Yochai Benkler at Harvard Law School, the model of peer production is even, the "most radical innovation" (Benkler, 2017) that has emerged from Internet-mediated social practice. The model places, according to him, intrinsic and social motivations, rather than material incentives, at the core of innovation, and hence growth. In addition to that, it challenges the centrality of property, as opposed to the interaction of property and commons, to growth. Finally, it questions the continued centrality of firms to the innovation process. (Benkler, 2017, p. 265) For the firms (if it even is part of the picture in the future), peer production requires that they can integrate social meaning and relations into their organizational ethos and practice. Since such integration often calls for activators and brokers from both sides - a new profession is emerging: the community manager. As the collaboration forms a new border-zone community that needs its special kind of management, companies start naming some-one to orchestrate and put the activity forward, curate the discussion and collaboration. This can often resemble a voluntary, naturally born role based on earned power, but is most often a recruited job position from the company responsible for OI.

Take care of the Trust Cycle

Peer production, such as OI, is organized on platforms. What people regard as a platform varies; it can be a digital platform, and sometimes a physical space such as an open space on a workplace or in a cultural center, even a city (Anttiroikko, 2016). Here I focus, mainly, on the first kind of platforms (digital).

In another interview the CEO of *Imaginatik* (another platform provider) described platforms as follows: "The beauty of a platform is that it can be distributed through or accessed through different channels." In OI you deal with a 'wealth of contributions' (Kornberger, 2016) so the challenge is not only to gather a lot of ideas, but also to match these ideas. What the ICT industry is doing right now is create designs that allow for the integration of the innovation platform so that it becomes part of the overall computing environment, ERP, CRM, IoT and other networks in an organization. The design of a challenge is as important as the platform. According to *Imaginatiks* CEO: "the beauty of a well-designed challenge is that it is transparent. The design principle around effective platforms and challenges is: "How do you make visible what is invisible?" (CEO, *Imaginatik*)

Being transparent is a catchword of our time, both in politics, finance and innovation. Contrary to popular opinion, making the people, actions or things that matter visible is complicated. With the words of Marilyn Strathern, there is nothing innocent in transparency (Strathern, 2000). In terms of the design of OI you need to be transparent about who is actually part of your "crowd." A firm or university might want to signal that it is "open", but if this openness also includes external crowds, you are also accountable to that crowd. According to the CEO: "you need to make it visible not only in terms of ideas

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but also in terms of participants as well as the interactions among various people." According to this design, you need to drive transparency across 3 sets of activities (ideas, participants and interactions). You need to make "what is going on" visible. Many innovation programs fail because they are not terribly transparent, and they "don't have a closed loop between identifying a challenge and taking up the challenge, assessing and prioritizing the results."(CEO, Imaginatik) This closed loop is the "trust cycle" that you need to design in order to retain credibility among the crowd. You have to, according to the CEO, close the loop with the crowd: "Thank you for your ideas. This is incredibly interesting. This is what we're going to do with this thing now." Martin Kornberger who has proposed three design parameters for distributed innovation, goes even further in that he states that the primary function of organization design in distributed innovation systems is not to actually organize production or to innovate, but "to provide the conditions in which distributed innovators can do so." (2016, p. 12) The parameters or mechanisms proposed by him are 'interfaces' that structure interaction within distributed innovation systems.

Second, you have to design good 'architectures of participation' that provide a language through which network innovators with varying degrees of commitment, motivation, and skills can articulate their contributions. The final mechanism is familiar to those who have submitted games or apps on Apple store or ideas on for example Kickstarter. 'Evaluative infrastructures' encompass rankings, ratings, and "a myriad of other evaluation devices through which products are being compared, commensurated, and categorized." (Kornberger, 2016, p. 12)

The value of a Community manager

In distributed innovation, a managerial challenge is "who is accountable to whom, and for what?" Further, is the manager even needed since he/she has no formal authority over the production process, since evaluative infrastructures control the quality of ideas and submissions, while architectures of participation handle the necessary communication between peers? On my innovation journeys into different OI platforms and challenges, a reoccurring character is the "Community Manager." The digital infrastructures of OI provide many of the tools to solve the four central problems[1] in innovation management identified by Van de Ven (1986). Nonetheless, crowds are not always 'wise' nor smart, and engage in herd behavior and crowd bias. As illustrated by the community manager at *100% Open* (a third OI platform provider), who describes the Community managers job as to "probe, test and question", and let the crowd work on "the surprising, the less obvious: we're actively exploring with the crowd."

The first experiences of Creathon, in addition to some of the experiences from earlier innovation activities, of which some are presented above, the closing of the "trust cycle" fails, at least on these occasions:

>   a) When stakeholders acknowledge 'openness' in theory but not practice

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[1] The problems: 1) the human problem of managing attention, 2) the process problem of the implementation and institutionalization of innovative ideas, 3) the structural problem of managing part-whole relationships, caused by the proliferation of ideas, people and transactions, and 4) the strategic problem of institutional leadership (i.e. the challenge of developing infrastructure, strategy, structure and systems that facilitate innovation. (Van de Ven, 1986)

b) When the organization responsible for OI is not sincere in integrating social meaning and relations into practice

c) When that same organization does not actually want to be held accountable to the crowd

100% Open offers a "Co-lab-test" to assess if "you" are "ready" for OI. The question goes: - How do you measure up in terms of openness? It is a good question. Do you for example design for distributed innovation but still regard some peers as "bigger" and more important than others? Then you fail on point a, above. Or, do your key performance indicators also measure social meaning? Or, are you ready to put resources on a community manager who has facilitation skills, as well as the cultural competence and interface competence necessary to manage the crowd? In distributed innovation to address the question of *who is accountable to whom, and for what*, is as relevant for the crowd of peers as well as the organization that has invited the crowd.

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