

**Open Innovation: A Muse for Scaling**

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## Open Innovation: A Muse for Scaling

Open innovation enables community participation, distributed accountability, and knowledge creation—all behaviors that provide the groundwork for scale

BY ALEXA CLAY & ROSHAN PAUL

RECENTLY ASHOKA HELD A SERIES of summits with leading social entrepreneurs from around the world focused on globalizing innovative models for social change. These summits had the usual discussions around scale—such as capital constraints, leadership and talent, and capacity development—but one topic of discussion stood out: open innovation.

At each one of the three summits held in 2011 and 2012, we put social entrepreneurs in a room with open source experts for three days. It was an exercise in cross-pollination, an experiment to see how these communities might play together. What the social entrepreneurs came to learn was that open source or open innovation communities can be agile models for creating networks of influence that extend beyond any one organization.

Open innovation communities are characterized by transparent communication, decentralized decision making, and widely distributed action. Moreover, open innovation offers strong principles for structuring participation, tapping people's intrinsic motivation, distributing accountability, and harnessing local knowledge—all behaviors that provide the groundwork for scale. Although the summits may not have made for quality reality TV, the insights that emerged were powerful, offering a radical reframing of the scaling challenge and leading to concrete strategies for accelerating impact.

To apply open source thinking to scale, however, it's important to acknowledge one underlying objective: scaling up social *impact* without necessarily increasing the size of an *organization*. In other words, we abandoned the conventional wisdom that equates scale with budget growth. Accelerating impact, not organizations, became our credo.

### FIVE TIPS FOR OPEN SOURCE SCALING

**Tip 1: Turn beneficiaries into co-creators** | Open source communities measure their success not strictly by growth in revenue or users, but by the number of users who actually become co-creators. Many social entrepreneurs are also beginning to embrace this logic, empowering their target beneficiaries as active problem solvers. This approach means that traditional beneficiaries become innovators in their own right, able to evolve, iterate, and shape a given product or service. For example, Stephen Friend, president of Sage Bionetworks, is working to transform the practice of closed information systems in biomedical research. He envisions a world where “citizens could follow disease-related

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projects, become fans, and join as followers or even funders.” By empowering patients to bring their data together with scientists and physicians, patients begin to see themselves as active agents in their own treatments as well as collaborators in curing disease. But this also brings challenges. To what extent can informed patients interpret the data they are exposed to? Is the concept of citizen scientists too much of an ideal or false aspiration?

Certainly this approach would never supplant the role of scientists and physicians; it provides incentives for data capture and better matchmaking between patients and treatment options. The challenge here is ensuring that patient-provided data can be trusted, which is why Sage

Bionetworks is building a rating system.

Turning beneficiaries into co-creators also earns people recognition in their communities, enhancing motivation and deepening commitment. And once you start

seeing your beneficiaries as co-creators, it becomes easier to involve them in new projects, and perhaps in creating an organization's mission. When CouchSurfing, a travel social network, was looking to define its vision and mission, it took all its users' personal mission statements (which they write when joining the website) and, through repeated word clouds and other synthesis tools, came up with an aggregation of their community's purpose and goals.

**Tip 2: Move from enterprise to ecosystem** | Once you start seeing your beneficiaries as co-creators, it becomes easier to think about transitioning your strategy from one where you are at the center to one where you have a network of actors (funders included). This is also where you can turn your weaknesses into areas of cooperation, by finding other organizations, perhaps even competitors, that can contribute to your vision or strategy.

One way to move toward an "ecosystem perspective" is to think about how you can take something that is proprietary to your enterprise and turn it into an open source tool for the whole field in which you work. For example, when Ushahidi, an online platform for crowdsourcing crisis information, first started, staff were the sole users of the tools. But now Ushahidi has an entire community that puts its tools to use, from monitoring elections in Afghanistan to tracking the oil spill in the Gulf of Mexico. This allowed for much faster global growth. Today Ushahidi has had more than 17,000 deployments in more than 130 countries and wants to become the default resource for people interested in crowd mapping. But to do that, Ushahidi's leaders realized it must offer up the technology to people everywhere, effectively giving up control over which crowds are being mapped where and for what purpose.

**Tip 3: Master the art of gifting** | As you move from enterprise to ecosystem, you may find yourself giving things away or developing flexible licensing. No longer exclusively concerned with the individual interests of your organization, you naturally start empowering other actors and organizations that share your vision and commitment by offering them your tools and services. This spirit of the "gift economy," central to open source software communities, is now beginning to be co-opted by social entrepreneurs as well.

For instance, Village Telco founder Stephen Song believes that open sourcing his technology created what he calls "a fast track toward trust." Village Telco, which aims to make starting a telephone company as easy as starting a blog, designed a phone networking technology that it refused to patent, instead giving away the design to a manufacturer, who in return agreed to produce the hardware cheaply and be open to further design iteration by others. Now Village Telco has a network of more than 500 people from around the world who contribute and iterate upon the technology faster than Village Telco could on its own.

When social entrepreneurs think about giving things away, they often fear a dilution of quality. To sidestep this issue, some innovators patent their technologies and then create flexible terms of use or open-license arrangements. This kind of flexible patenting encourages the transfer of best practices, because entrepreneurs are forced to document and codify their work in simple and user-friendly ways. The innovation itself then becomes more transparent and easily replicated. It also goes as far as possible to ensure that your beneficiaries don't later become competitors.

**Tip 4: Spark entrepreneurship inside and outside your organization** | Open innovation communities also draw strength through peer-to-peer accountability. This democratized or "crowd" leadership model allows for the constant inflow of new ideas and strategies. In contrast, one of the greatest difficulties many social entrepreneurs face is hiring and bringing on board other entrepreneurs. Many social entrepreneurs launch organizations that become inseparable from their personal identity, and thus become strongly dependent on the founder. But hiring entrepreneurial people who have the ability to reimagine and reinvent with you, sharing the burden of devising the next game-changing idea, is critical to the long-term sustainability and growth of your organization.

Similarly, you can look for game-changing ideas from *outside* your organization. For example, in 2008, the Washington, D.C., local government announced an Apps for Democracy contest, in which anyone could access the city's data troves and build new government services using the data. In less than a month, 47 entries were submitted. The total cost of the project, including prize money, was \$50,000. The Washington, D.C., government estimates that had they solicited those ideas using traditional contracting methods, it would have cost them \$2 million and taken more than a year to generate the same results. Several other cities around the world have since copied the idea.

**Tip 5: Allow for mutability** | By its very nature, open innovation makes it easy to start variations (new products, geographic adaptations, and new beneficiaries) that ultimately enhance beneficiaries' satisfaction. Village Telco, for example, allowed for mutability from the beginning. When one of its users wanted to customize Village Telco's technology to better serve small businesses, he was actively encouraged. Now 30 percent of the community is using this person's adapted version of the product rather than the original one.

Another way to look at this, as Steven Johnson writes in *Where Good Ideas Come From*, is that "protecting ideas from copycats and competitors also protects them from other ideas that might improve them [and] transform them ... to true innovations." For many social entrepreneurs, a mark of success is not being credited with an idea, but actually having that idea stolen. This happens, however, far less often than people imagine.

#### A CATALYST FOR IDEAS

As every innovator knows, failure is as much a part of the journey as success. One of the great opportunities of thinking in open source ways is that it allows experimentation, and thus failure, without causing too much damage, because the costs are not all borne by a single entity. In an era when social sector leaders are gradually allowing ideas to fly outside their organizations to accelerate impact, open innovation has the potential to be not just a cost saver, but a great catalyst. Whether it comes to turning beneficiaries into co-creators, embracing mutability and the gift economy, or moving to an ecosystem approach, as Ushahidi co-founder Erik Hersman puts it, "the key cultural shift that needs to happen is to think of open source not as a software term but as an organizational term."

In other words, open source thinking doesn't mean that you eschew teams and strategy. It is a discipline, not miracle work, and the core values and protocols are fundamental. ■