

## BOOK REVIEWS

**Crowdstorm: the future of innovation, ideas, and problem solving**, by Shaun Abrahamson, Peter Ryder and Bastian Unterberg, Hoboken, NJ, John Wiley, 2013, 230 pp., £19 (hardcover), ISBN 978-1-118-43320-1

The crowd matters. Abrahamson, Ryder and Unterberg explain this (apparently intuitive) concept by looking at how organizations acknowledge the value of external talent and decide to tap into it. Building on the celebration of the potential of brainstorming (Osborn, 1948), the authors produced a guide on brainstorming 2.0. This new form of online collaboration between crowds and organizations is referred to as ‘crowdstorming’. Unexpectedly, the prominent role of technology in the shift from brainstorming to crowdstorming does not make the book a mere celebration of the internet as a panacea for firms’ problems (the discussion of enabling technologies is placed at the end to avoid an internet-centered argument). Rather, it is a collection of examples and lessons learnt to grasp the opportunities the internet can bring. The book is organized around the ‘Crowdstorming Lifecycle’ that guides the reader through planning, organization, execution and review of crowdstorm projects.

Chapter 1 elaborates further on the intuition of crowdstorming as brainstorming 2.0. To do so, it builds upon the definition of crowdsourcing (Howe, 2006) by arguing that this is about how organizations work with large groups to deliver value through some main activities. One of them (generating and evaluating ideas) is specifically what the authors refer to as crowdstorming, justifying then an extended notion of brainstorming. The chapter touches upon the theoretical background by revisiting the relationship between misallocated companies’ resources and transaction costs. Collaborative strategies (Benkler, 2011), open innovation (Chesbrough, 2006) and collective intelligence (Malone *et al.*, 2010) enable a new type of relationship with ‘people who are not employees and who are not accessed via the market’ (see the examples of Goldcorp, LEGO, Starbucks and Triple Eight). The chapter concludes by presenting the possible outcomes of crowdstorming that can impact on companies’ business models and be visualized by the adoption of Osterwalder and Pigneur’s (2010) business model canvas.

The first block of chapters elaborates on the context that enables crowdstorming. Chapter 2 defines the notion of openness with the ‘ships versus castles’ paradigm discussed by Phillips (2012). This paradigm describes the opposite attitudes of companies that can either choose to look beyond their borders, seeking new knowledge and talent, or protect and work with internal resources. Thinking in terms of ships and castles defines the organizations’ internal and external spaces, whose interactions are deemed to impact on intellectual property and branding. This is what the examples of Apple, Google and P&G make clear in revealing practical issues related to tackling intellectual property, confidentiality and brand issues. Leveraging on ship strategies, Chapter 3 looks at how organizations have crafted their tasks for an open and virtual audience by defining the

characteristics of good calls to action to promote details, complexity and maturity of ideas. In designing successful calls to action, it is crucial to establish a mutual trust between the crowd and the organizations by setting clear evaluation criteria for ideas and solutions. Chapter 4 sheds light on the mix of incentives to convince participants to join crowdstorming projects. The GAME framework breaks down these incentives into four main categories (good, attention, money and experience) that help to crack the ‘American idol’ case and understand the roots of its success. However, a system of incentives cannot be a stand-alone recipe for a fruitful crowdfunding because participants need to identify a track record of delivering promises, and rely on fair rules and clear terms of engagement, guaranteed by the integrity and the transparency of the contest.

The second block of chapters investigates the organization of crowdstorming by looking at the architecture of the inside-outside relationships and the main challenges in managing them. To start, Chapter 5 sorts out the organizations’ outside partners by their potential role and the value they bring into (and receive from) the coalition. Media partners – responsible for identifying the best locations where to find the right crowd – are core in this task, as the example of Core77 explains well. That said, Chapter 6 identifies three possible crowdstorming patterns to manage the roles of the crowd and the type of interactions. Search, collaborate and integrate are the three proposed models that Chapter 7 investigates in depth. These models help clarify the transition from crowds to communities. Crowds (outside participants) can limit their crowdstorming to the submission of ideas to representatives inside the organizations (i.e. search model). If any form of interaction across organizations’ boundaries happens, opportunities for collaboration among the crowd also flourish (i.e. collaboration model). Only the simultaneous integration among the crowd and across the organizations’ boundaries can create a full dependence on crowdstorming (i.e. integration model). On top of these patterns, community managers can promote the right balance among contributors and facilitate participation and further integration with the crowd.

The third block of chapters looks at nature, quality and value of contributions in crowdstorming processes. Specifically, Chapter 8 clarifies that contributions (and feedback) are not all alike and that they need to be read within the full system of interactions with and among the crowd. This is crucial to determine the most appropriate set of incentives and rewards to support the best ideas. However, specific knowledge and *ad hoc* techniques are needed to filter and evaluate a large number of ideas. The expertise-diversity dichotomy imposes boundaries on the selection of ideas, but it cannot be sufficient when the number of contributions increases and the risk of manipulation of voting systems arises. Chapter 10 concludes the outlook on crowdfunding execution by looking at the spaces where management models can develop. Specifically, their complexity increases when shifting from search to collaboration and integration, mostly because the necessity to review and shortlist best ideas becomes a need to understand the potential of contributions and their impact on organizations’ business models.

Chapter 11 concludes with an analysis of the crowdstorming process, but no single and definitive lesson for the reader to take away. Crowdstorming – the authors say – ‘is just a first step in a much larger process’ (p.206), so that the review phase opens up new possibilities to make the process better, to share and discuss new ideas with long-term horizons in mind. Crowdstorming keeps evolving

in targets, methodologies, spaces and actors and is expected to bring solutions in such fields as sustainability that might benefit (through new forms of incentives) both businesses and the crowd.

Overall, the book presents crowdstorming as an evolution of the concept of brainstorming. It applies this concept to the collaboration efforts between organizations (mostly businesses) and people outside them. To do so, the authors have read companies' business models in a way that looks at the value of crowdstorming processes only. The result is sparkling reading that helps crack the rationale behind some business decisions, encourages research in the field and brings food for thought in the fields of collaborative strategies and open innovation. The only criticism that can be made stems from the fragmented mix of examples and discussion that sometimes makes the argument dispersive and hard to follow. But this is not supposed to be an in-depth structured guide to crowdstorming. Rather, it is an example of crowdstorm itself with valuable ideas to be further investigated by the crowd of scholars and experienced by the crowd of practitioners.

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**Reinventing giants: how Chinese global competitor Haier has changed the way big companies transform**, by Bill Fischer, Umberto Lago and Fang Liu, Chichester, Jossey-Bass, 2012, 304 pp., £19 (hardcover), ISBN 978-1-118-60223-2

Haier has become one of the largest and fastest growing manufacturing companies in the world over the past 20 years, attracting increasing research from the academic and business community (Wu *et al.*, 2011, Hong and Yintao, 2012; Huang *et al.*, 2012; Liu and Li, 2002). Fischer *et al.* attempt to characterize the factors behind Haier's success from the innovation point of view. They propose that the success of