

WEEK 5 COURSE HANDOUT

CROWDSOURCING

Extrinsic Motivation

Cognitive surplus – surplus capacity of time, creativity, interest

What is the cause of Crowdsourcing?

Intrinsic motivation of individuals to reach out to large community

High modularity

What are the **conditions** for crowdsourcing?

Low granularity

OPENSOURCING

Allows anyone to modify the program freely

Allows anyone to re-distribute the program freely

Allows anyone to see the source code

What is **free** software ?

Allows anyone to run the program freely

GPL

What is **Open** source ?

Software where source code is provided with binaries

Students / hobbyists

Individual contributors

Corporate employees

Professional organisations

How is open source software **created?**

Created by groups of people around the world

Gift economy

Revenues / employment opportunities

Why create free software?

Satisfy a personal itch

Reaction to industry control

Self actualization in a community of peers

To reduce costs

Less re-invention of the wheel

Higher security, lower virus threats

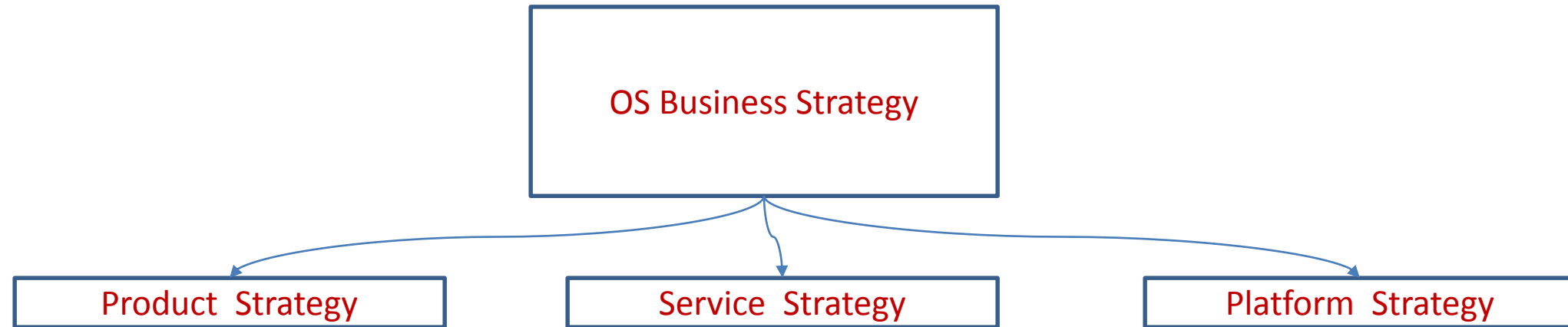
Why are organisations using open source?

Allows customisation

Licensing allows easy distribution

Easier to switch suppliers

Open source business strategy



- Firm owns product and retains copyright
- Give product as open source & charge customers for customisations & extensions
- Example - Red Hat

- Build service skills around open source
- Revenues are based on service billing for maintenance, extensions and support

- Create an open source platform that is used to create other commercial products
- Example - Java. Eclipse

Open source licenses

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License	Author	Modification	Patent grant	Should source be made available when modified?
Apache License	Apache Software Foundation	Allowed	Yes	Free to distribute without source code
BSD License	Regents of the University of California	Allowed	No	Free to distribute without source code
GNU General Public License	Free Software Foundation	Allowed	No	Source code should be made available
MIT license / X11 license	MIT	Allowed	No	Free to distribute without source code

MANGING OUTSIDE INNOVATION

Open innovation

What is **outside innovation**?

Crowd innovation

Challenges for managers

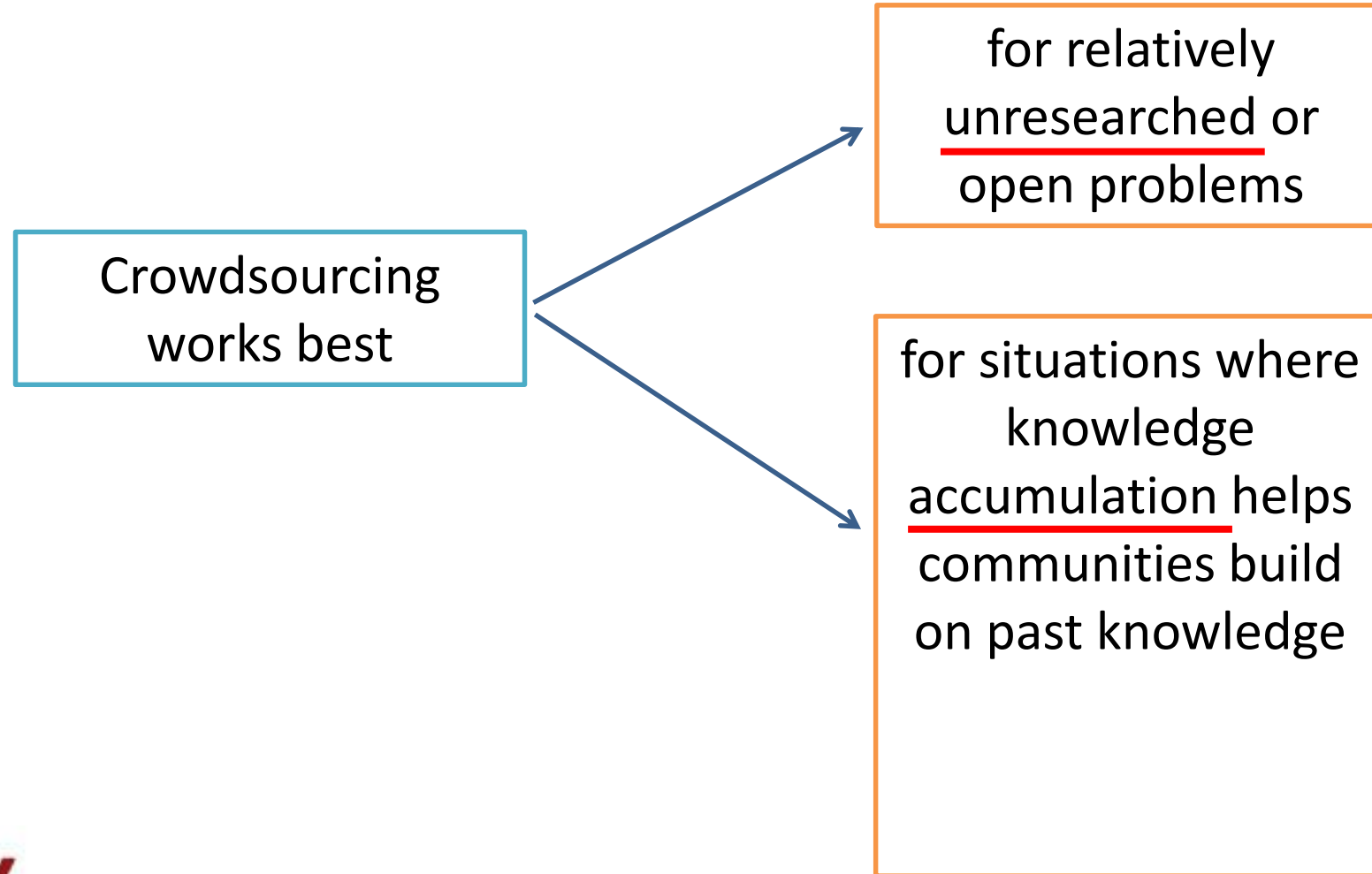
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What type of innovations can be set up for external innovators?

What will motivate external innovators?

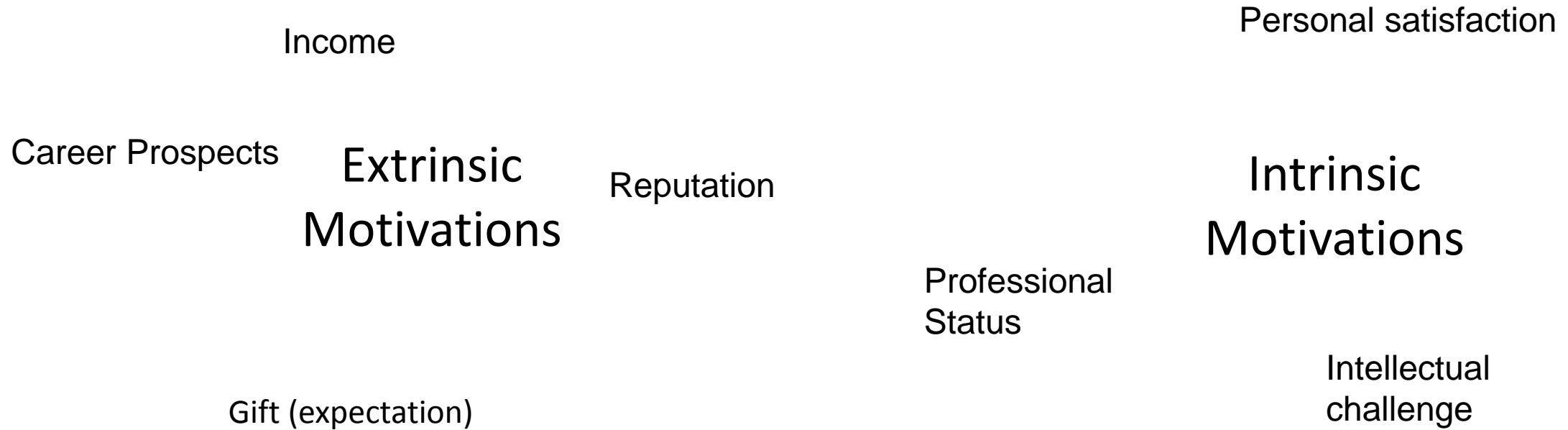
How can a platform be designed to allow innovators to work on problems?

Type of innovations

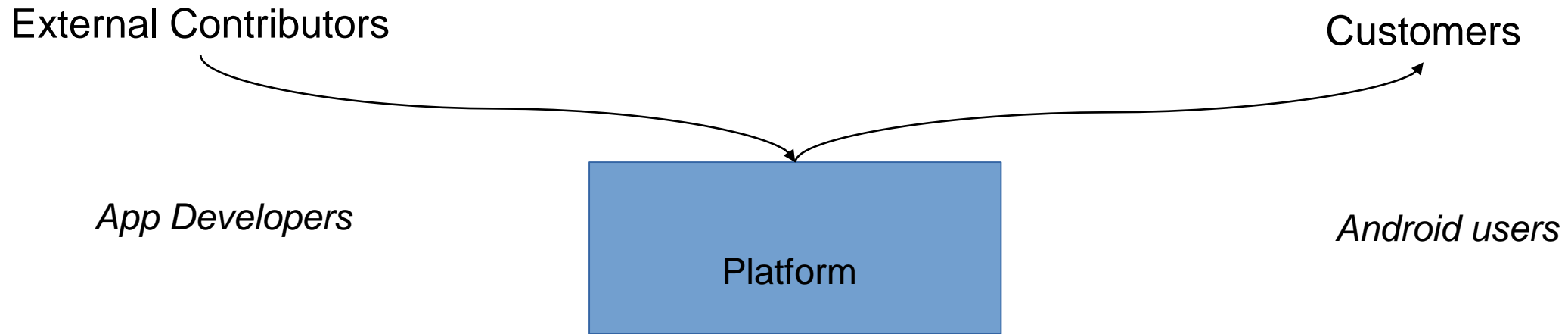


Motivation for external innovators

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Platform design



Android App (Google Play) platform