

Can You Open-Source Your Strategy?

by **Barry Newstead** and **Laura Lanzerotti**

Strategy development has traditionally been the domain of the C-suite, employing structured tools for analysis and tightly managed decision making. The Wikimedia Foundation (the nonprofit that operates Wikipedia) took a different approach by open-sourcing its strategy formulation, drawing on the community of Wikimedians around the world. The process took place in public, on a strategy wiki that anyone could contribute to.

The yearlong experiment, which wrapped up in July 2010, yielded a cohesive strategy for Wikimedia that will steer its priorities for the next five years. Clearly, the extreme openness of Wikimedia's strategy formulation process may not be suitable for every organization. And even at Wikimedia, some elements of traditional strategy creation remain—for instance, senior executives set priorities and synthesized the final initiatives into a business plan. But we believe the experiment offers valuable insights for companies looking to revitalize their own strategy formulation processes.

In particular, this approach can help firms more closely align their activities with the interests of their communities, be they customers, suppliers, or even colleagues. For example, Wikimedians tackled two important elements of strategic planning: identifying growth opportunities in key markets and coming up with ways to keep contributors satisfied. The Chinese Wikimedia community identified censorship as a key barrier to growth in China. Contributors advised against direct investment by the Foundation of China and recommended informal community efforts—onshore and offshore—to minimize the impact of censorship. The local community in India identified an opportunity to invest aggressively in outreach to recruit local language editors and create new mobile and offline distribution products. Wikimedia's volunteer community of editors delved into issues of contributor retention, shaped initiatives to improve the culture, and identified systemic barriers to loyalty.

Open-sourcing strategy brings the customer inside to shape and support strategy from conception to execution. To be sure, Wikimedia traded away control, but in return it fostered a sense of ownership of strategic problems among contributors, who are the

lifeblood of the organization. Wikimedia expects that will translate into a desire to stick around and execute on the solutions. In most business or nonprofit settings, the benefits of improved customer insight and loyalty that come from genuine engagement outweigh loss of control and the additional time needed to facilitate an open process.

Wikimedia may be the perfect lab for testing open-source strategy making, since the organization's mission is rooted in the belief that outsiders will collaborate for the betterment of a product or service. But the success of the project demonstrates that many businesses today can benefit from opening up strategy—at least in part—and that idea has relevance whether you make wikis or widgets.

Crowdsourcing the Right Way

Wikimedia learned (often the hard way) four important lessons for open-sourcing strategy:

1. **Get Ideas out early.** Too much polish leads contributors to simply vote yea or nay rather than engage in dialogue that generates true insight.
2. **Share the raw data.** Contributors may see different patterns in the data or do their own analyses, leading to big “ahas.”
3. **Give People Time.** Engage contributors at various points, allowing time for reflection. Tight deadlines don't respect their time constraints and inhibit dialogue.
4. **Recognize When a Crowd Is Just a Crowd.** Contributors can help on many strategy issues, but some—such as resource allocation trade-offs—benefit from C-suite engagement.

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