



## The ant business - Show me the money!



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With Google's \$1.65 billion acquisition of YouTube just a couple of days behind us, the answer to the question whether you can make any money with Web 2.0 seems trivial. Yes, you can. Of course, this is not the type of business most of us are involved in. So, does Web 2.0 also make any sense for the more regular company?

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### Web 2.business

In the past couple of articles, we discussed some of the main characteristics of Web 2.0 initiatives. Very likely, while reading this, nearly all of us did get some kind of feeling that "it would be nice if similar approaches could be deployed within our organisation".

Indeed, nearly all Web 2.0 initiatives embody much-desired elements of innovation, collaboration, enthusiasm, commitment and leverage. Every organisation is always at the look-out for more of these.

As a result, it is quite normal that companies are trying to adopt similar principles and techniques. Will they succeed?

Well, I assume the answer to this will be: "partly".

At first sight, a lot of Web 2.0 approaches can be leveraged within an organisation. Wiki's can be used to foster knowledge sharing and to facilitate collaboration within project teams. RSS feeds can accelerate and facilitate information distribution. Corporate blogs can improve the communication with the consumer base. And many more...

However, are they the right cure for the real problem?

### The knowledge economy

Our economy is increasingly becoming a knowledge economy, whereby the real value for the business originates from the flow of interactions between so-called knowledge workers.

Some of this we already discussed in [Empowering the knowledge worker](#) and the 2006 Number 2 issue of the McKinsey Quarterly has an interesting article on it called "[Competitive advantage from better interactions](#)" by Scott C. Beardsley, Bradford C. Johnson, and James M. Manyika (registration required).

Improving the productivity of these knowledge workers, capturing and safeguarding their "hidden" intelligence, distributing and sharing this knowledge at the right moment to the right people... All of these are increasingly becoming key requirements for today's businesses and several Web 2.0 technologies seem to be able to address these increasing knowledge issues. Unfortunately, they will only partially succeed.

The main reason for this is the fact that, in most environments, our "knowledge problem" is not due to a lack of suitable tools, but rather the unfortunate outcome of organisational structure, corporate culture and personal agendas. Until now, no technology exists that can remedy this.

## Information overload

In the 80's, I was working as an account analyst (which is some kind of software guy) for Tandem Computers. Tandem made fantastic, but complex, fault-tolerant computer systems, based upon a proprietary operating system. As a result, software expertise resources were scarce and we always had an uphill battle against our main competitor, IBM.

However, perhaps due to this underdog position, Tandem was a great company to work for and collaboration was a de-facto behaviour.

These were the days before the Internet era and all we had was an e-mail system, but it was stretched to its limits creating a vibrant collaborative network of knowledge sharing.

Collaboration and knowledge sharing are the outcome of a corporate culture and the mindset of the participating individuals, not the deliverable of some kind of information technology.

In theory, if Web 2.0 technology would have been available at that moment, things might even have been better. However, I am not so sure about that. Making things too good and too easy can have a perverse effect on the "productivity" of such collaborative network.

Indeed, one of the major risks of collaboration, knowledge sharing and instant information delivery is information overload. Web 2.0 technology only increases such risk.

Currently, I do subscribe to 25 RSS feeds and blogs and I do try to keep this as the maximum value. Still, at the moment of writing this article, I have a backlog of 1.380 unread articles or posts. Is Web 2.0 technology improving my productivity as a knowledge worker? I hope so, but I doubt it.

## Participation inequality

Another inherent risk of Web 2.0 approaches is quality. Ever since James Surowiecki wrote his bestseller "The Wisdom Of Crowds", his book has become the bible of the Web 2.0 aficionados who use the slogan as some kind of quality label. Numerous Web 2.0 sites such as [Digg](#), [Del.icio.us](#) and [Technorati](#), are assumed to present us the "best" content on the web.

Unfortunately, most Web 2.0 crowds are not wise at all and the main reason for this is the law of "participation inequality". Jakob Nielsen, principal of the [Nielsen Norman Group](#), has written an excellent article on this, titled "[Participation Inequality: Encouraging More Users to Contribute](#)".

As Nielsen explains, social or collaborative networks never represent the "average" wisdom of the community. In reality, there is always a disproportional "weight" of a smaller group of contributors compared to the input of the rest of the group.

As described by Surowiecki, in order for a crowd to be wise, every participant must be able to equally contribute his/her own opinion, without being influenced by the rest of the group. In social or collaborative networks this is never the case. Therefore, there is no guarantee that the network will represent the "best knowledge" of the participating members.

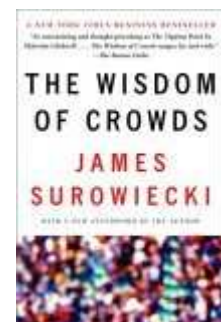
Also in my Tandem days, similar patterns were present in our knowledge-sharing network. However, in Web 2.0 style environments that thrive on self-expression, identity creation, recognition and emotion, the risk for participation inequality is much greater.

## Web 2.0 for the enterprise

Therefore, organisations that are looking at Web 2.0 approaches and technology to address their current knowledge challenges, must be very aware of these two potential pitfalls.

First, they must start building a correct understanding of the reasons for the existence of certain knowledge issues in their current environment.

In most cases, they will uncover inhibitors for knowledge sharing and collaboration that are



The Wisdom of Crowds  
Why the many are smarter  
than the few  
James Surowiecki

directly embedded in the current organisation and its participants. Such inhibitors will not be removed by the use of some kind of technology. Therefore, do address these issues first.

Once you have done this, you can start evaluating the added value of specific types of tools or approaches for specific parts of your organisation. There is no general rule here. Some parts of your organisation will greatly benefit from the deployment of Web 2.0-style approaches, some won't. While making your choices, always assess the risks for information overload and participation inequality. No Web 2.0 approach is immune for this.


To be continued...


## About the author



Marc Buyens is analyst, management consultant and owner of Xpragma. Marc started Xpragma in 1999 after a 20+ years career in the IT sector. Today, he provides advice, training and mentoring services focusing on the intersection of technological evolution, organisational change and business strategy: a messy world of unfulfilled promises.

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