

The business case for crowdsourcing



By [Nokwazi Mzobe](#)

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Gone are the days of employing a large number of people; relying on one or two overpriced suppliers; consulting one person on a business problem or struggling to raise funds from a finance institution.

Technology has made access to skilled individuals, finance and suppliers easier and affordable. This is great for small businesses and start-ups. If you don't know what crowdsourcing is - take a few more minutes to read more.

Crowdsourcing is outsourcing work (typically online) to a group of people or suppliers. The business term "crowdsourcing" has only been around for a decade. [Wikipedia](#) (which, by the way, is a great example of a tool that uses the crowd, to source its content) provides a more formal definition, which is: "*The process of obtaining needed services, ideas, or content by soliciting contributions from a large group of people, and especially from an online community, rather than from traditional employees or suppliers.*"

Crowdsourcing allows you, the business owner (small, medium or start-up) to focus on what is core and outsource what isn't. In that way it can:

1. Lower operational costs, most are "pay as you use" revenue models
2. Decreases the cost of investment into research and development
3. Give you access to talented people globally
4. Save you time
5. Allow you to focus on what's important - growing and establishing a sustainable business
6. Bring diverse perspectives into your business
7. Drive innovation.

Big corporates are also using crowdsourcing models to assist them in creating new products and services - they call it open innovation. Multinationals such as P&G, Coca-Cola, GE and Unilever all use open innovation models.

[<http://www.ge.com/about-us/openinnovation> GE]] explains further: "By crowdsourcing innovation-both internally and externally - GE is improving customer value and driving advancements across industries."

Here's how you can use a crowdsourcing model in your business or start-up:

- If you need funds for your business or idea: Consider a model which allows you to pitch to a group of potential funders. Explore sites such as [startme](#), <https://www.thundafund.com/> [thundafund](#) and [kickstarter](#).
- Looking for a creative service like a graphic designer, writer or photographer? [99designs.com](#) is a great site. Submit a brief and designers respond with ideas and you choose the one that best meets your needs. More info on [MateMedia](#).
- Find a freelancer to do research; write a report; design a product or develop some software at [Freelancer](#) and [Elance](#) - connecting you with freelancers around the globe.
- Outsource a small job by registering on [M4JAM](#) a South African platform which allows businesses to outsource "micro jobs" to users registered on their platform.
- For innovative solutions to a problem (be it scientific, technical, social or business), [InnoCentive](#) crowdsources solutions from the world's smartest people, who compete to provide answers.

- Crowdfsource content for your online magazine versus hiring fulltime writers. Sites like [Bizcommunity](#) and [Entrepreneur](#) use this model for content from various contributors.

Whether you are a start-up still building your business model; a small business looking for a new logo or an established business looking for innovative solutions, you should consider using crowdsourcing models/tools/principals. From our point of view the business case for crowdsourcing is solid.

ABOUT NOKWAZI MZOBE

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