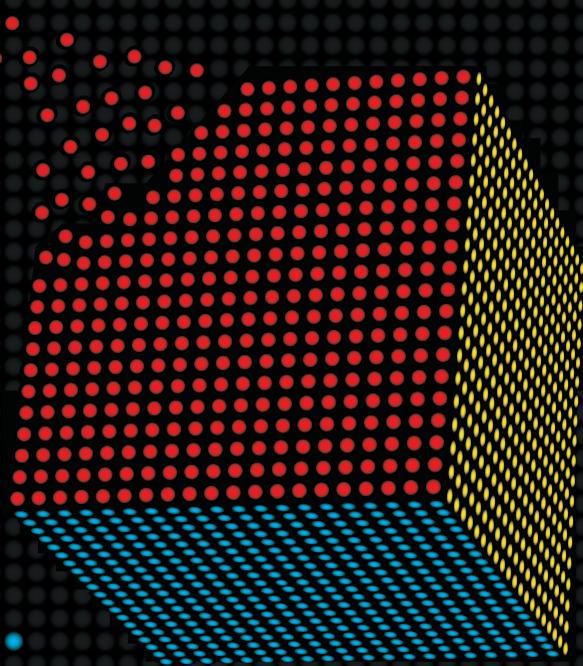# Getting **Results** From Crowds

The definitive guide to using crowdsourcing to grow your business

Ross Dawson   **Steve Bynghall**

Advanced Human Technologies

Build your business by tapping one of the most powerful trends in business today: **Crowdsourcing**

Getting Results From Crowds provides practical, pragmatic, clear guidance on how you can draw on the power of crowds to grow your business. Filled with real-life case studies and useful examples, it gives you everything you need to know to create success in a world where talent can be anywhere.

What business leaders are saying:

"Ross Dawson and Steve Bynghall have masterfully delivered a comprehensive and strategically pragmatic guide to crowdsourcing. Each chapter elegantly lays out a key concept and then provides practical advice. This is the must read bible for effective crowdsourcing."
R "Ray" Wang, Principal Analyst & CEO, Constellation Research

"Ross's latest book is a fantastic guide for businesses looking to access skills and drive innovation through crowdsourcing. I highly recommend it."
Peter Williams, CEO, Deloitte Digital

"Ross Dawson, the "crowd king", provides with Getting Results from Crowds a comprehensive and up to date review of how to make crowds work for you!"
Matt Barrie, CEO, Freelancer.com

"This is the smartest, most practical overview of crowdsourcing I've seen (and I think I've seen them all)."
Lukas Biewald, CEO, CrowdFlower

"To make the most of the different crowdsourcing options available for your business grab a copy of Getting Results from Crowds — it will pay for itself many times over!"
Mark Harbottle, Founder, 99designs.com

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www.resultsfromcrowds.com

$25.00   214 pages

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Specifying

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> " *Be anal about the details. It pays to put in time and effort upfront in project definition and wherever possible, solid examples of what you're seeking.* "
>
> **Rand Fishkin**, CEO, SEOmoz

A fundamental skill in using service marketplaces is the ability to scope and describe your projects accurately so you can attract the best people. There is some effort involved in creating real clarity on what you want from your projects, but it is well worthwhile as it will drive your success, and avoid wasted time, money, and effort.

Chapter overview

- Scope projects by focusing on overall objectives and then defining outcomes, timetables, measures, and major milestones.

- Explore the service marketplaces and find one that suits your requirements.

- Develop and write a clear job specification to place on the marketplace.

- Define a target cost for the job and consider whether it should be charged as fixed fee or on a per hour basis.

CASE STUDY

Mike O'Hagan's methodology for writing job descriptions for simple tasks

Mike O'Hagan is the founder of successful moving company MiniMovers. He's used marketplaces for global talent extensively to grow his business.

"Some people are absolutely hopeless at transferring a task through the internet to another person. They write it up and it's written in such a way that is difficult to understand. The number of times you get stuff back and you think hang on, yes that is what was asked for but it's not really what I thought I was going to get!

I have a set process for describing a single task. When I need to get something done, such as a piece of graphic design or finding a list of businesses to find, I write it out in simple English so that a nine year old could understand exactly what I want.

For example it might be 'what I want is somebody to go into this and that website, I then want you to go and find these set of things here and then take this bit of information and put them in an Excel spreadsheet under these columns."

So I write out the whole job in a flowing pattern. I don't use boxes and I don't use diagrams, I write it out as a story.

When I finish that story and it makes sense and it's easy to understand I then edit it down to a shortened version which takes all the identifiers out of it.

So now I'll say I need someone to go into various websites and take certain information and put it into some columns which I will nominate in a spreadsheet. So I generalize it and I shorten it.

I then take that short generalized description and that's what I put up on oDesk as the job."

Mike O'Hagan, Owner, MiniMovers

Defining tasks and outcomes

Defining outcomes and tasks from the outset is critical for the success of any crowd-based project. The clearer you are from the beginning, the easier it is to identify the role required, write an accurate job description, hire a great provider, and ultimately develop a crowd capability that can help grow your business.

Identify overall objectives

When initiating a project the starting point should be to identify your overall objectives. Some of these will be the higher-order business outcomes, for example increasing revenue by increasing website traffic and improving brand awareness.

You should also think about your objectives around potential long-term relationships with providers. Your needs may be purely short term, for example getting a logo designed, but you may also soon need to get a new website created. This suggests an additional objective could be to identify an outstanding graphic designer you can build a relationship with and use as required for your business.

If you are relatively new to crowdsourcing it would also be worth setting an objective of learning from your experience and developing your capability in using service marketplaces.

Focus on project outcomes

It is critical to be as clear as possible on the outcomes you want from the project. From defining the overall objectives the link to the business impact should be clear. Wherever possible make these measurable or otherwise able to be assessed objectively.

Define output

You need to know what the outputs from the project will be and more specifically what they will look like. In some cases you will have a clear understanding from the outset as to what they will be. However you may need input or guidance in defining outputs in detail. For example if you are a non-technical business owner you may start by knowing you want "a new website", which after research becomes "a wordpress site with a custom theme", and thereafter a clearly specified project with a set number of pages, defined content, and established features.

Define timetable

Having a timeline upfront for the delivery of your project is critical. Even if you are relatively relaxed about it, resist the temptation to be vague on delivery dates. Deadlines keep the project focused and also allow providers to co-ordinate your project with work for other clients.

Define measures

Define measures of the success of the project that relate to your overall objectives. Some of these may be obvious, for example the percentage rise in traffic to your website. You may also want to try to calculate the time and cost saved by doing the job on service marketplaces compared to working internally or with existing suppliers.

Define major milestones

Breaking down larger projects into manageable chunks is an important issue that is covered in more detail in Chapter 10 on Setting Frameworks. However there may be obvious major milestones that you can put into your job description. For example you may identify a first step in the project of defining and agreeing on a wireframe and mockup of the website, followed by working with a third party designer, creating a website for review, and finally launching the site.

Selecting the marketplace

There are a variety of major service marketplaces available, each with distinct characteristics, and to a certain degree different providers. All of them are rapidly growing in the talent pool they give access to, and are continually introducing new features to improve the user experience.

You are more than likely to have good providers applying for roles you advertise on any of the major marketplaces. We have included a brief overview of the marketplaces in Chapter 13 to provide a starting point to assess the platforms, and below are some criteria in which they may differ. If you are expecting to be a significant user of the platforms then the best approach is to try several to see which ones have the best providers for your kind of work and the most intuitive user interfaces for you. If you will be using them less frequently, then post a job on one and you can always try another one.

Criteria for choosing different platforms	
Specialist or general	Most marketplaces are general in nature and cover all kinds of jobs such as programming, marketing, administration, and design. There are some that are particularly strong in areas such as web development, or may be dedicated to one type of work. Usually it is worth starting off on a general marketplace.
Reach	Some marketplaces have a strong geographical bias, for example featuring more US-based providers or being focused on a specific country. Some of the marketplaces provide an analysis of the location of their registered providers so you can make comparisons.

Criteria for choosing different platforms (continued)	
Features	There are a variety of useful features on each platform which can help you operationally. These include a variety of collaboration and monitoring tools, team rooms, and easy payment of providers. All of the platforms are consistently adding more useful features so check the latest.
Charging model	The fees from the marketplaces are generally similar – between 7 and 10% on each transaction – but some provide different models for frequent users.
Hourly or fixed fee model	Marketplaces usually handle both types of jobs, but some have more developed features for hourly payments.
Recommendations	Speak to other users if you can. Personal recommendations and experiences will give you direct insights.

Writing the job specification

The job specification is critical. It's your chance to attract the best people so you want to make sure that you get the right messages across. The best providers will only apply for what seem like the most attractive opportunities.

Full specifications versus public specifications

In some cases you may be happy to share full project details with the public. More often you will prefer not to provide every aspect of the job on the service marketplace if it is publicly advertised. This is not an issue if you are only inviting existing trusted providers to bid, however by default your job post will be openly visible to all, including your competitors if they care to have a look.

The best approach is to write a full specification, which provides all necessary details to get the job done. After having created that, you create a summary specification for public posting. If you are asking for a fixed price bid, then the summary needs to provide sufficient information on the work scope for the provider to quote accurately. Since you will often not share any raw files in the public posting, you may need to describe their content in detail.

If it is difficult to give an accurate idea of the project scope without the full specification, you can ask for preliminary bids, and then select a few providers to which you provide the full specification, possibly with a Non-Disclosure Agreement, for them to finalize their bid.

Issues in writing job specifications

Clearly define project outcomes	A clear description of the outcomes of the project will make sure you're not misunderstood. In particular fixed fee jobs require sufficient information for providers to propose a fee, and for it to be unambiguous when the job is complete.
Distinguish full and public specifications	As described above, where appropriate write a full specification which is then summarized into a specification for public posting.
Use simple language	Your provider might not be using their native language to communicate with you, so use clear language and a limited vocabulary.
Ask for specific responses	Asking for very specific responses in applications (e.g. relevant experience or suggested technology platforms) helps to assess the relevance of their capabilities and understanding. It also means you can immediately discard applications from providers who haven't read and responded to the job post.
Describe the hiring processes	Let providers know if there are going to be trial tasks and interviews and the format at each step, so this is clear from the outset.
Strike a positive tone	Make sure you frame the job description in positive language, which will suggest you are good to work with and the project will be enjoyable.
Make value clear	Ensure that you mention any attractive non-financial rewards that could be valuable to bidders. These include offering flexibility, providing ongoing regular work, and public attribution of their work.
Inspire	Make your organization and the work sound inspiring and exciting. What are the possibilities, where is it going in the future, and why is this a worthwhile project?
Choose the correct categories	Marketplaces use standard keywords to describe the type of job. Make sure you select the right description to make it visible to the relevant providers.
Mention practicalities	Mention any issues important to you such as preferred time zones, software platforms, or methods of communicating.
Time frames	Make sure you mention the time frames of the project so that providers know what you expect of their availability.

> " *Your planning and organization are key to getting what you want out of it.* "
> **Tracey Corcoran**, Co-Founder, iPilates

Developing specifications

There are a variety of sources of guidance or inspiration you can draw on in developing useful and relevant specifications.

Research other job specifications

The best starting point is to research other job specifications across the marketplaces, especially from experienced employers who have posted many successful jobs. However do not copy these unless you fully understand their intent. Only draw out what is directly applicable to your situation.

Some of the marketplaces have a clarification board on which providers have asked questions about specifications. These give useful clues on the common gaps in specifications where providers need more details in order to bid.

Use or edit templates

Some of the service marketplaces have very good help sections that include templates and model job descriptions. These are rarely what you will want to use for your job unless it is very generic, but they provide a good starting point for you to edit and make relevant to your situation. These usually cover the major issues you are likely to want to address.

Engage a specialist

If it the job description is technical and you do not have the in-house expertise required to create a specification then you can engage a specialist to help you shape the specification. This can be done by engaging someone for an hour to discuss your situation and provide suggestions, or asking them to write the full specification. Language skills will be important in both situations. Talented providers will often be happy to help create specifications in the hope of getting the ensuing work, and in fact this can be a great way to find someone good who you have directly experienced you can work well with.

> " *I get tired of having to know what I want. Often I don't. So I posted asking for someone who was a WordPress expert and social media advisor and asked applicants to suggest what I needed done to my site before we started.* "
> **Sarah Wilson**, Australian TV presenter

Setting fee levels

Some of the marketplaces, especially for fixed fees, require you to give an idea of the budget for the project. You should have an idea of this in any case before you hire somebody. The primary reference points for fee levels should be the value to you and usual pricing on service marketplaces rather than the costs of traditional outsourcing or service providers.

Setting the target cost

Assess project value to you	Make a realistic assessment of the value of the project to you based on the overall impact on your business. This is not always easy for projects with intangible benefits, however it helps to keep expected fee levels in perspective.
Research fees for similar work	Get an idea for what the market is paying by looking at fee levels for similar work on the service marketplaces.
Set a range you can afford	Based on the value to you and market rates you should set an overall budget range for the project. This will probably be as a fixed fee, however based on the estimated hours for the project you can also calculate a range for hourly rates. Be prepared to adjust your range if the bids you get suggest your range is unrealistic.
Account for transaction costs	Account for your own time that you might need to spend running the project, as well as any assistance you might require, which may be higher than using other channels. This gives you a view of the total costs of getting the work done.
Set contingency	Things can go wrong so set aside some money in your budget in case the project runs over or you have to hire help to sort out any problems.

Select hourly or fixed fees

Jobs can be done on a fixed fee basis, in which an agreed fee is paid for defined outcomes, or on an hourly rate. In the case of hourly pay, marketplaces provide mechanisms for logging hours worked, sometimes supported by monitoring the provider's computer so their work activities can be viewed by the client. Fixed fee and hourly rates are each relevant in different situations, so consider your situation and which approach is going to be most appropriate for the project.

Hourly fees versus fixed fees

	HOURLY FEES	FIXED FEES
Defined scope	If the task is clearly defined.	If the task is difficult to define or the cost of doing so is high relative to the value of the task.
Ongoing work	If you are looking for a worker for ongoing activities.	If you are looking for only a single defined task.
Defined value	If the value of the work is less clearly defined.	If the value of the work is clearly defined, enabling a fixed priced offer and selection of the best bids.
Ongoing relationship	Easier to develop an ongoing relationship.	Specific effort is required to extend the relationship.
Monitoring	Need to check what is billed.	Harder to see project progress.
Concerns	Provider could spend more time than is necessary.	Provider could take shortcuts or not focus on quality in creating the deliverable.
Control mechanism	Maximum hours in any given period can be capped, and work diary can be monitored.	Release of fees can be staggered based on reaching various milestones.
Disengaging early	Easy to disengage.	Harder to disengage before project completion, though setting clear milestones helps.