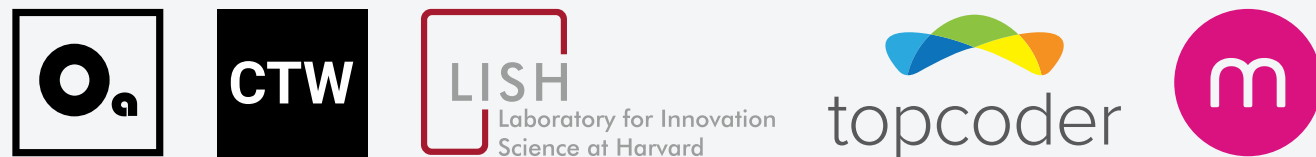


NETWORKED ORGANIZATION

FROM THEORY TO PRACTICE

Version 1 | August 2021



Open Assembly, in partnership with CTW, LISH, Topcoder, and magenta

This is a clickable, interactive PDF.
Play with the navigation panel, contents, and links
to jump ahead to relevant sections and discover
a treasure trove of additional information.

ABOUT THE CREATORS

This playbook is true to Open Assembly's philosophy that innovation comes from anyone, anywhere in the world. It is the work of many individual contributors, within our community and those external. We stand on the shoulders of giants, to bring you the latest research, methods, and practice to help you chart a path for your organization's transformational journey.



OPEN ASSEMBLY

Open Assembly is the world's leading community and knowledge resource for the Open Talent economy. Founded out of the Laboratory for Innovation Science at Harvard (LISH) we are a network of the world's leading thinkers, innovators and consultants helping companies transform the way they work.



Topcoder is the world's largest technology network and on-demand digital talent platform with more than 1.6 million developers, designers, data scientists, and testers around the globe. Topcoder empowers organizations including Adobe, BT, Comcast, Harvard, Land O'Lakes, Microsoft, NASA, T-Mobile, Zurich Insurance, and more, to accelerate technology delivery, solve challenging business problems, and tap into hard-to-find technology skills via our on-demand technology community. Through Topcoder customers execute entire technology projects, portions of projects, or simply access top freelancers on-demand for individual project assignments.



CENTER FOR THE TRANSFORMATION OF WORK

The Center for the Transformation of Work is a community dedicated to transforming work for a billion people by 2025. To accomplish our purpose and vision, we are focused on creating the common language, resources and tools required to help organizations realize the benefits from the adoption of Open Talent models.



The Laboratory for Innovation Science at Harvard (LISH), founded by Professor Karim Lakhani, is spurring the development of a science of innovation through a systematic program of solving real-world innovation challenges while simultaneously conducting rigorous scientific research and analysis. LISH is a Harvard-wide research program. With partners in both academia and industry, LISH conducts research on innovation within six areas of application: Crowdsourcing & Open Innovation; Data Science & AI Development; Science of Science; Technology Commercialization; and Online Platforms and Communities.



MAGENTA

magenta is a design and communications studio. We are a collective of fresh thinkers helping disruptive businesses build and amplify their thought leadership. We support business leaders by applying our skills as communications strategists, designers, and copywriters.



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FOREWORD

Welcome to the **Networked Organization Playbook**. Our goal is to create a **prototype of an adoption framework for people to evolve their organizations to tap into the power of the global workforce ecosystem in a post COVID world**. This is an extension of the **Open Assembly Quarterly** that we produced together before the pandemic, **[How to Thrive in the New Economy of Work: The Ultimate Guide to Adopting Open Talent Models within Your Organization](#)**. In that volume, we explored ways to embrace Open Talent models, noting adoption was the largest friction point preventing the growth of Open Talent business models.

We have seen incredible digital and business transformations in 2020-2021 produce tangible value for industry leaders including Amazon, NASA, Johnson & Johnson, and T-Mobile. Harvard, Oxford, MIT, Gartner, and others have found indisputable academic evidence of success from an outcome-based approach. However, global organizations are still, unfortunately, woefully slow to adopt Open Talent models.

As we prepared this report, we talked about living in a crowdsourced world. As consumers, we spend our days engaged in crowdsourced content, from social media to navigation. This act of collective co-creation has not only fueled a revolution and brought people together from all over the world; it has also been vital as we've lived through a pandemic. In our personal lives, sequestered at home, we've become willing adoptees and enthusiastic participants as connecting digitally was the only way to feel a part of something bigger than ourselves. It worked better than anyone could have imagined.

This same connectedness that we've experienced in our personal lives is available in our businesses. Open Talent is the digital extension of outsourcing. It refers to the 'crowd' of global talent available outside our internal hires. Early adopters of Open Talent pools can find the best ideas at scale, tap the best expertise, and augment staffing as needed.

Yet, we find that businesses are still slow to adopt similar Open Talent tools. Just as they have been in the consumer world, these approaches are incredibly disruptive. They have dislodged many of the incumbent businesses in categories where open competitors have emerged. We understand that many of these tools and strategies are seen as an existential threat to the analogue era processes that most companies are built on. Yet, we believe that as we've built new digital skills from Zoom calls to sharing intellectual property and using new collaborative tools, most of our businesses have survived, as well.

Now, as we emerge from this pandemic, businesses and employees alike are rethinking their way of working. How do they become more digital? More resilient? More flexible? More valued?

Through our community, the [Center for the Transformation of Work](#) (CTW) and the work we do at the [Laboratory for Innovation Sciences at Harvard](#) (LISH), we believe the answer to these questions lies in building the next generation of Networked Organizations. This approach, which allows companies to be magnets that attract the best talent from anywhere in the global workforce ecosystem, is core to moving forward.

What's been missing is a framework for adoption that empowers employers and teams to capitalize on the promise of Open Talent innovation. This document lays out the steps needed to become such a Networked Organization and use its power to accomplish your goals.

It has been co-created by [Open Assembly](#) and the Center for the Transformation of Work community. We hope you find it valuable and join the conversation with comments and ideas as you use the framework. Join us to reach our goal of transforming work for a billion people by 2025.

All the best,
Mike and John



John Winsor
Founder and CEO
Open Assembly



Mike Morris
CEO
Topcoder



INTRODUCTION





THE ORGANIZATION IN FLUX

If ever there was a black swan event, COVID was it. As with other black swan events in history, the seeds of change have been growing for a couple of decades. While businesses have always built their future by bringing together the right people, in the right place, at the right time, this culmination of events has forced leaders to rethink everything. We have gone from a status quo world to a volatile, uncertain, complex, and ambiguous (VUCA) world, all at once.

Organizations are struggling to adapt to a changing environment where: the right people aren't always employees, the right place is not always a location on a map, and the right timing is a flash in the pan.

A decade ago, companies began using networked organizational thinking as a way of adapting to market shifts and demands. This approach helped break down silos within their traditional infrastructures and think about their organizations as the inherent, dynamic networks that they are. Ten years later, the alchemy of technology and connectivity created a network of non-traditional workers that exist outside of companies that can be hired on-demand to get work done. This is the Open Talent Economy.

Now, we have networks of talent and information that exist both inside and outside companies—a global workforce ecosystem that companies can, and should, tap into in order to keep pace with the digital changes that are happening everywhere. This requires a new, broader way of thinking and tapping into the Open Talent Economy. Open Talent is the expansion of outsourcing through digital technology. It is a model through which businesses can tap into the 'crowd' of global talent available for fluid, flexible work. By partnering with technology platforms, organizations can find creative ideas, engage domain experts, and augment staffing.

Engaging with the Open Talent Economy helps companies discover radical fresh thinking and

perspectives that can help them run more efficiently, solve more complex problems and reduce friction, all while accelerating growth.

2020-21 forced us to radically rethink the workplace. Organizations, almost overnight, realized that 'work is not a place you go but a thing you do'. What they are slow to embrace is that 'workers are not people you gather in a place but those who can solve the thing that needs to get done.' And they can come from anywhere. This playbook introduces the tools and frameworks to navigate uncharted paths of the global workforce

A NEW ERA OF TALENT



ecosystem and succeed in a VUCA world. Throughout, we provide examples of successful organizations—the process, people, and platforms they harnessed, where they have failed, and hard-learned lessons from their leaders. It is the scaffolding around which future leaders can develop the mindset, strategy, and culture fundamental to building a new Networked Organization. This framework also includes external resources to transform your company.



- VOLATILE:** the speed at which rapid and catalytic change approaches
- UNCERTAIN:** the level of predictability, awareness and understanding of issues
- COMPLEX:** the number of multicausal factors that can cause chaos and confusion
- AMBIGUOUS:** the degree of clarity, the potential for confounding cause and effect

First employed by the United States War College, VUCA is a checklist against which businesses can map the relative disruptions to their way of working.

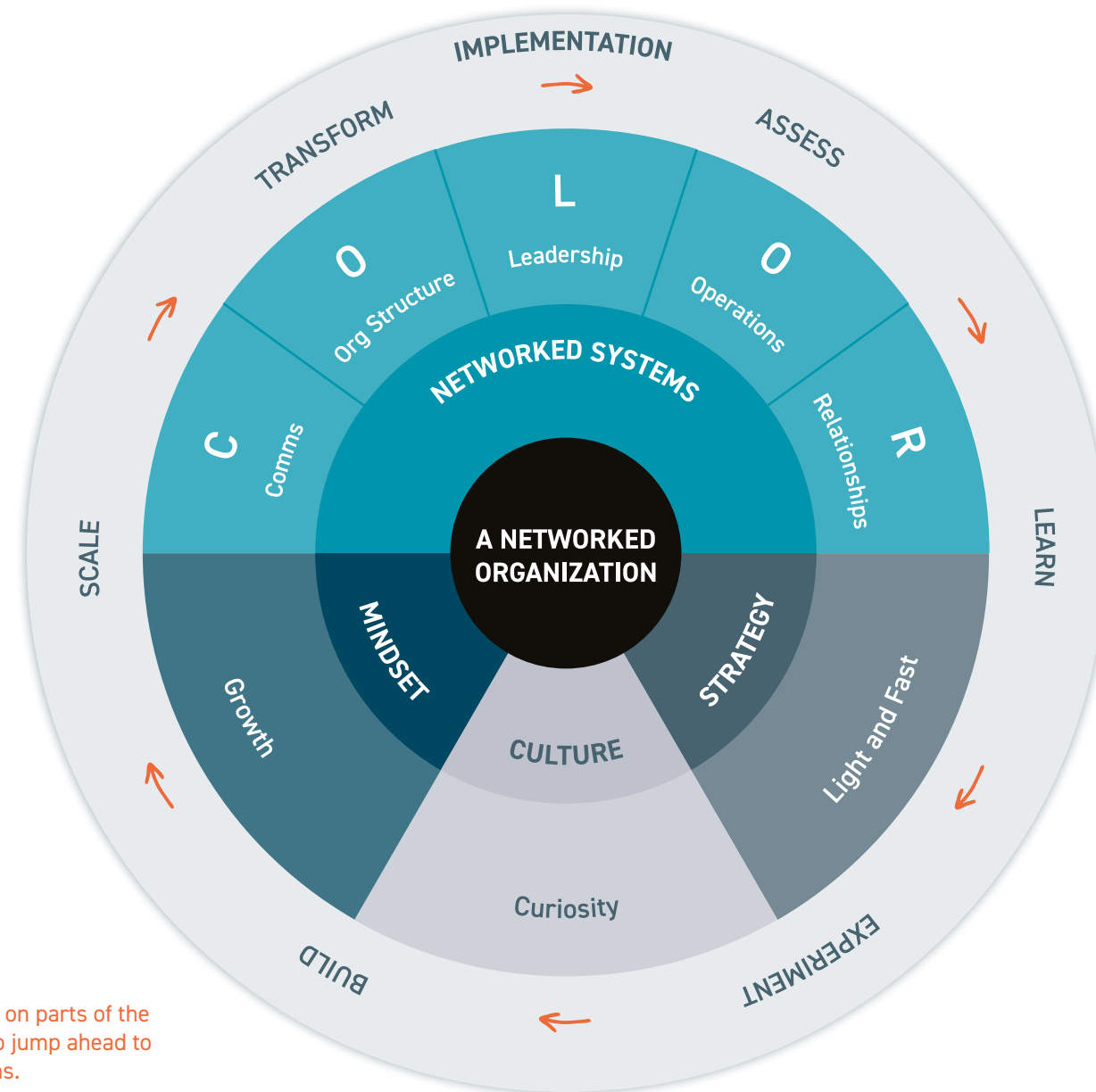


FRAMEWORK

BUILD A NETWORKED ORGANIZATION

The advantages of an Open Talent strategy are now becoming clear—access to a wider network of experts, many more testable ideas, reduced development time, and often substantial cost savings. And yet, after an initial successful pilot launch, most open projects fail to be transformative within their organization. Using the Networked Organization (NO) framework helps to avoid the common pitfalls that hinder open innovation such as processes, compliance, and data protection.

EMBRACE A DISTRIBUTED AND DECENTRALIZED APPROACH TO OPEN TALENT INNOVATION



You can click on parts of the framework to jump ahead to those sections.

When it fails, Open Talent is seen as a waste of resources. When it succeeds, it becomes a threat. Like a host attacking pathogens, company cultures will reject Open Talent initiatives at the first chance they get. Business leaders and Open Talent champions need to factor in existing processes, compliance, security, and company culture. If not handled well, they can become an impasse.

Leaders need to use any initial success as a springboard to initiate subsequent programs—by recruiting advocates for the cause, celebrating successes through communications, and turning failures and setbacks into training modules. We have created the Networked Organization framework to identify and address hurdles at each step of the journey.

Networked Mindset: View the world through a lens of abundance, with a growth mindset for successful innovation.

Networked Culture: Nurture curiosity and creativity within your teams. Promote continuous learning and knowledge sharing across your internal and external workforce.

Networked Strategy: Based on your organization's comfort level, adopt a strategy that is light and fast.

Networked Systems: Evaluate your entire workforce—not just full-time employees.

COLOR: Understand the five pillars that are key to the success of all Networked Organizations.

Implementation: Follow an iterative approach to transforming the organization.



NETWORKED MINDSET



MAKE THE MINDSET SHIFT

To compete in the age of Open Talent, organizations and business leaders need to rethink an oft-repeated business catchphrase—'don't bring me problems, bring me solutions'. This problem-solving ideology is so deeply rooted, businesses use it as the basis for hiring, compensation, promotions, and task assignment decisions.

However, in the current business climate, where solutions are ubiquitous, business leaders must spend more time and attention on crafting the right questions. As Einstein said, "If I had an hour to solve a problem, I'd spend 55 minutes thinking about the problem and five minutes thinking about solutions."

Companies built on a traditional or fixed mindset view the world through the lens of scarcity. It is a mindset where the source of perceived power is rooted firmly in a hierarchical past. What's worked before becomes the default habit. Competitiveness seeps into every part of the company and can be a destructive force in a VUCA world. They often end up with a perverse incentive culture where professionals value themselves and their peers based on their ability to solve problems. Likewise, managers value their internal teams' ability to execute solutions. Under such conditions, employing an Open Talent strategy can be seen as a crisis of confidence to employees. If outsiders are creating the firm's value, what is our purpose?

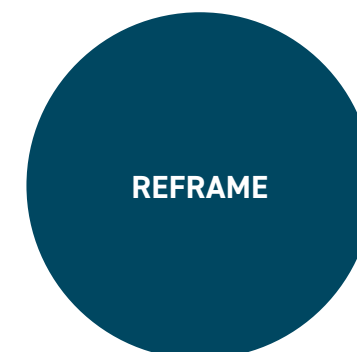
Contrast that with companies that are built on a Networked Mindset. These companies seek to benefit by accessing a wide range of expertise from Open Talent platforms. To do so, they must help their employees shift their professional identities from being problem solvers to becoming solution seekers.

Networked Mindset views the world through a lens of abundance—one filled with possibility, openness, and collaboration.

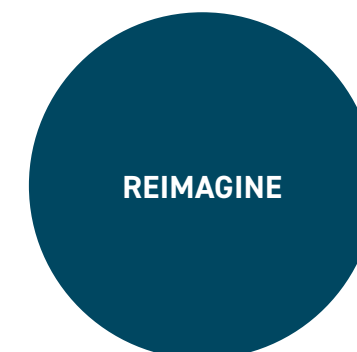
HOW CAN LEADERS INSTILL A NETWORKED MINDSET?



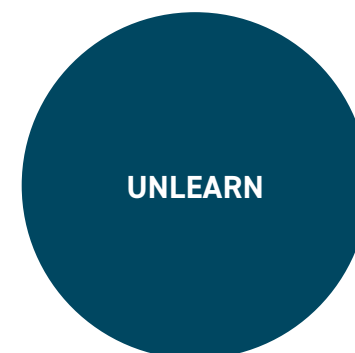
Help employees buy into the larger mission of their work.



Introduce Open Talent as a model that helps achieve the mission faster.



The total talent ecosystem is your capability, not just office colleagues.



Teach employees to unlearn old operating methods.



Reward Open Talent solutions advocates financially and with prestige.



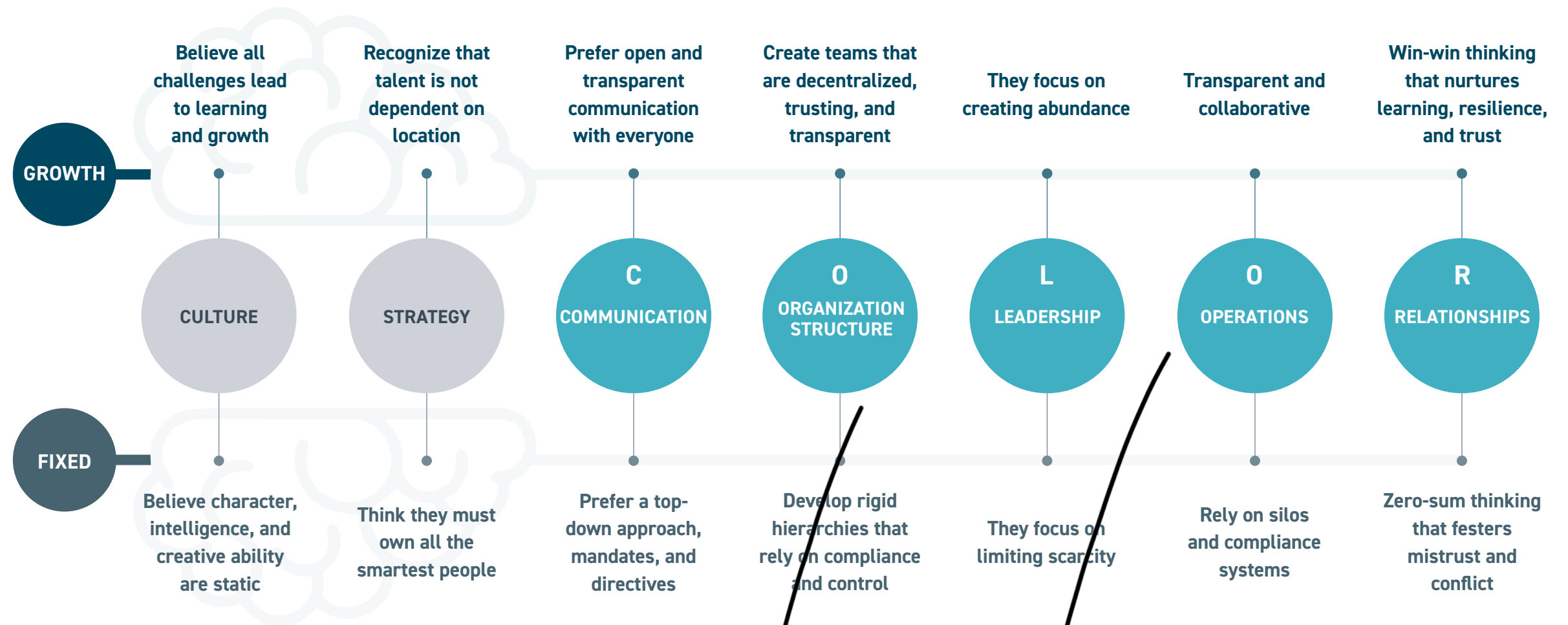
Highlight innovators who adopt a solution-seeking mindset.

In an abundant world, collaboration beats competition.

NURTURING A GROWTH MINDSET

As we emerge from a collective global tragedy, it is natural for people and businesses to revert to a survival mode of thinking. While such a fixed mindset may show short-term success, leaders of Networked Organizations can benefit tremendously from developing a growth mindset. A growth mindset in a VUCA world helps you recognize that change can come through chaos and organizational discomfort is often a precursor to successful innovation.

HOW BUSINESSES WITH FIXED VS GROWTH MINDSETS VIEW THE ECOSYSTEMS THEY OPERATE IN:



Being of two minds

Individuals who believe their talents can be developed (through effort, coaching, and continuous learning) have a growth mindset. Those who think talent is innate have a fixed mindset.

“The learn-it-all does better than the know-it-all.” – Satya Nadella, CEO, Microsoft



NETWORKED CULTURE



LEARN, SHARE, GROW

In an abundant environment where your company's strategic goals are frequently more fluid than fixed, you need to switch gears, reevaluate, and change direction quickly. Knowing when to accelerate, when to change, and when to maintain the course, is a trait organizations possess when their cultural DNA places a high value on learning and curiosity.

At the core of a Networked Culture is curiosity. It is the impulse to view the world from the lens of "what if" and to question fundamental business assumptions that, in doing so, can create new market value. An impulse that has several benefits for organizations that embrace it:



Networked Culture a collection of values, expectations and beliefs that make up a Networked Organization - one that prioritizes curiosity, creativity and continuous learning.

Often, whether a successful Open Talent experiment translates into a larger business plan comes down to whether the organization is haunted by the Not Invented Here syndrome. While our pride or business norms can push us to shoot down a good idea that we didn't think of ourselves, developing a culture of curiosity is the antidote to the problem. Being able to get out of your own way and recognize innovation from elsewhere—even if it comes from outside of your company's four walls—can be the difference between an organization that thrives on disruption and one that succumbs to it.

Creating a curiosity culture

The capacity for and fluidity of rapid, continuous learning that happens through experience, experimentation and knowledge sharing across worker types and beyond traditional boundaries are fundamental traits of a Networked Organization. Such workplaces balance the tension between humility and boldness to encourage the spirit of inquiry among leaders and teams. To create a curiosity culture:

- develop systems thinking
- reward continuous learning
- give meaningful and constructive feedback
- lead by example
- focus on knowledge sharing
- hire rebel talent

“In times of change, learners inherit the earth, while the others find themselves equipped to deal with a world that no longer exists.”
— Eric Hoffer, Social Philosopher



NETWORKED STRATEGY



SUCCEED IN THE AGE OF CONTINUOUS DISRUPTION

In confined business environments, companies face a dilemma: prioritize and manage costs while keeping open growth options. Rigid prioritization can cut off up-and-coming projects before they have time to show their potential. Ultimately, killing off too many such projects hampers a business' ability to grow when the market rebounds.

If this last year has taught us anything, it's that the global ecosystem within which our businesses operate can shift within a moment's notice. We learned that the hard way. And now we know that the path and time frame within which we have to achieve business objectives must change equally fast. A Networked Strategy recognizes that disruption is constant and not cyclical. Companies that deftly stave off disruption need to adopt a light and fast strategy. Such a strategy requires letting go of hierarchical control. Instead teams within Networked Organizations are intrinsically motivated and respond to changes as they happen.

Nimble shake off disruption

Institutions have historically relied on a top-down approach to guiding the organization. This anachronistic style is based on traditional linear thinking based on scarcity and risk management. In a stable environment this can often yield stable results, but in a VUCA world successful companies will tap into the abundance of a globally connected workforce. Like a boxer, bobbing and weaving through punches, being agile allows business to duck potentially harmful market pressures and test new ideas that have the potential to strike true.

Many businesses have traditionally operated as lumbering giants, comfortable in slower-paced static environments. An agile approach, on the other hand, allows businesses to act more like startups and gives teams more agency and a sense of ownership over outcomes. The agile process can be seen as expensive in existing enterprises where time constraints, resources, opportunity costs, and overhead costs balloon quickly. Yet, it has radically sped up software development and has fostered a willingness by hiring managers to tap into the larger talent ecosystem. Open Talent marketplaces, which match hiring managers to highly-skilled freelancers open for work, are the perfect mechanism of an asset-light talent model that can scale quickly when needed.

LEADERS CAN CREATE A NETWORKED STRATEGY BY:

- 1 providing a vision of what's possible
- 2 conducting a bottom-up analysis
- 3 focusing on inclusion and diversity of inputs
- 4 creating a curiosity culture by celebrating questions over solutions
- 5 introduce experimentation and testing of emerging business models
- 6 adopting a light and fast strategy

Networked Strategy an implementation model that helps companies adopt the Networked Organization framework in six phases: assess, learn, experiment, build, scale and transform. This model prioritizes agile approaches and recognizes that disruption is constant.

ELEMENTS OF A LIGHT AND FAST STRATEGY

RESPONSIVE

Observe changes in the ecosystem and adapt quickly to them.

PULL VS PUSH

Pull people in to collaborate on projects instead of pushing top down mandates.

EFFICIENCY

Resource allocation should expand and contract to reflect changes in the world.

COMMITMENT

Increase employee motivation by making them a part of strategic decisions through bottom-up analysis.

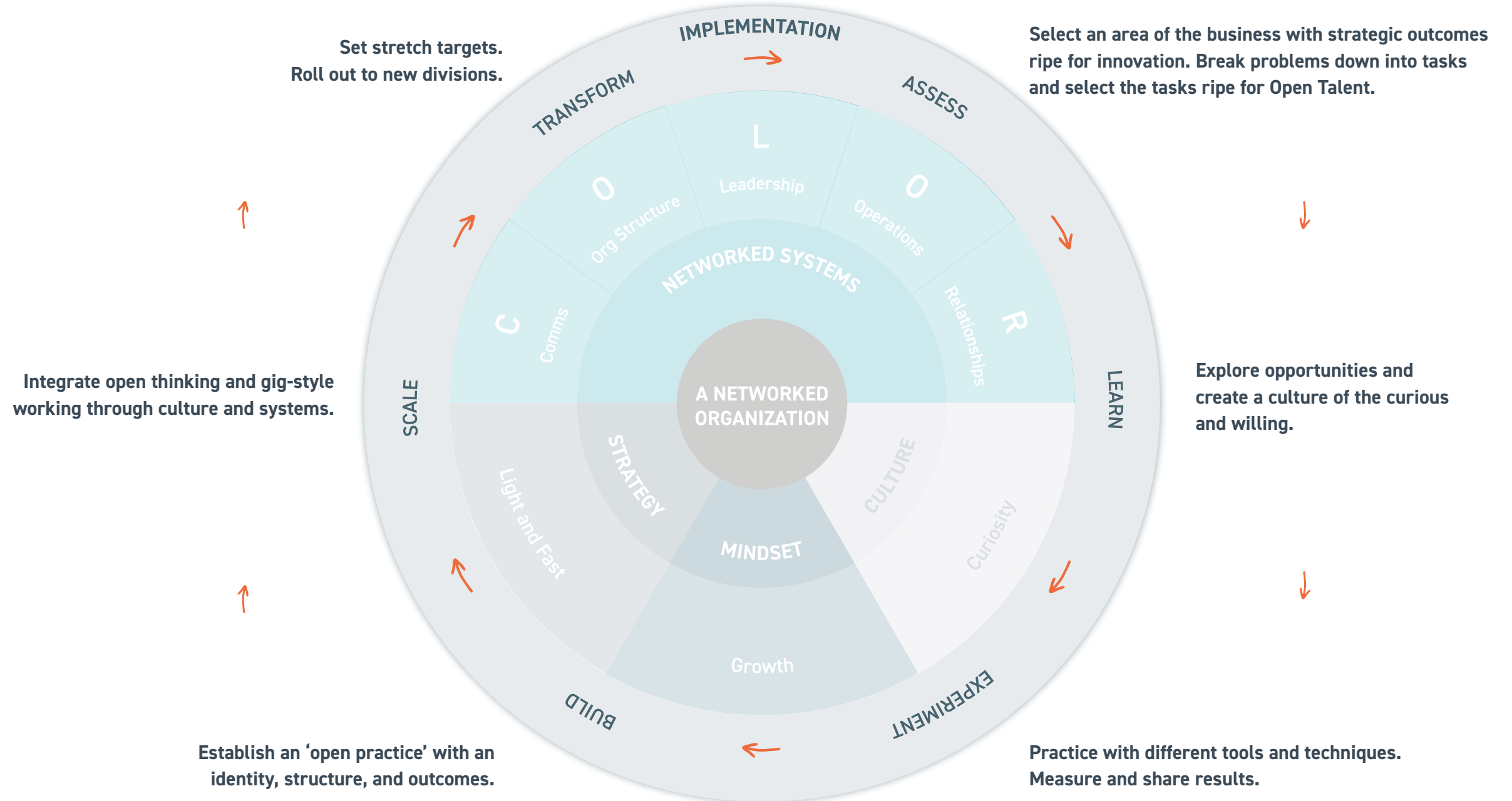
FOCUSED AND EMERGENT

Have one strategy to drive business objectives, while exploring other strategies that react to change.

IMPLEMENTING A NETWORKED STRATEGY

As the economy continues to stabilize, recover, and renew growth, organizations can seize the opportunity to update their workforce model. Doing so will severely change business as usual. It is a networked leader's role to manage that transition for their employees, reshaping work to reflect our new reality. Our implementation model helps create a strategic roadmap to put the theory into practice.

As strategy becomes more fluid, business organizations should prioritize vision and flexibility.





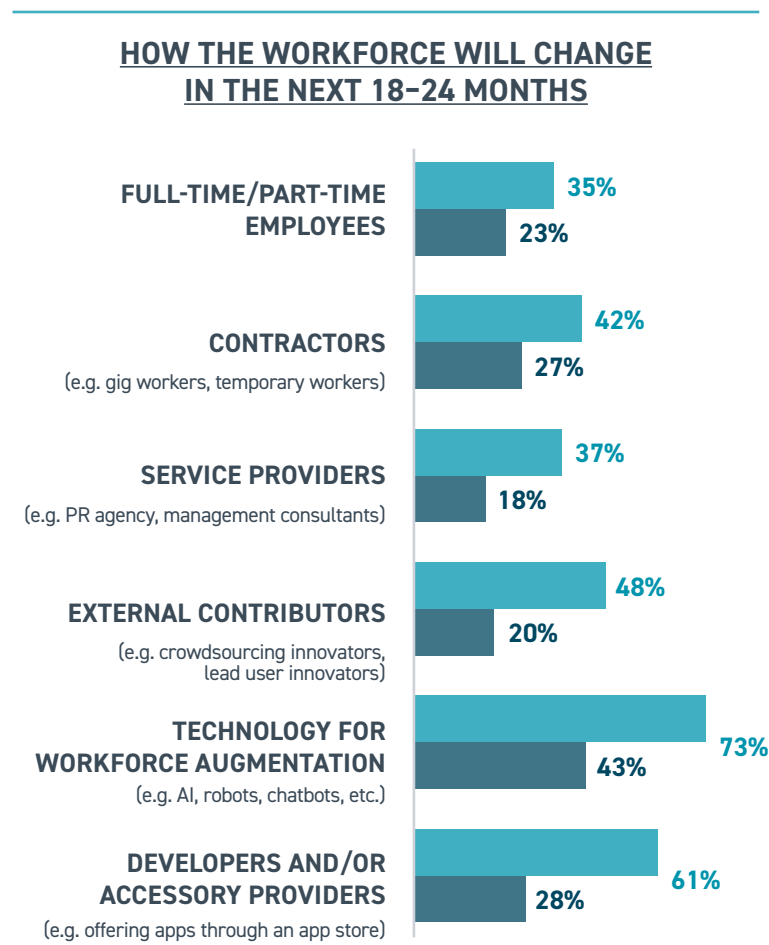
NETWORKED SYSTEMS



UNLEASH THE NETWORK'S POTENTIAL

Is looking at your employee headcount the most accurate way to quantify and qualify your workforce? We'd argue that it isn't. Most companies also employ external collaborators—contractors, freelancers, service providers, external developers, crowdsourced contributors, and independent communities. In fact, the workforce of many marketplace companies, like eBay, include entirely independent businesses and third party sellers. Yet, Open Talent like this is rarely integrated fully into the essence of the organization and therefore isn't used to its full potential.

Networked Systems Evolved, internal structures that allow organizations to fully harness the potential of external talent ecosystems.



Broadest workforce definition - Respondents who consider contributors from all categories to be part of their workforce

Narrowest workforce definition - Respondents who consider only employees to be part of their workforce

Workforce Ecosystem

A global culture of workers using technology to pursue their passions and work more efficiently.

Increasingly, talent hired from platforms is becoming the preferred partner of choice for companies that successfully transcend disruptive market forces. Though success stories abound, most managers remain cautious, even skeptical about the adoption of Open Talent models. It's hard not to be. Hiring Open Talent requires trusting strangers with sensitive data, proprietary technology, and intellectual property. For years, secretive R&D labs were seen as crucial to the success of companies, regardless of proven outcomes. Leaping to an external talent marketplace in search of similar outcomes can be a challenging transition, especially when many initiatives take multiple iterations to be fully adopted.

While these concerns are understandable and even logical, not including Open Talent in your strategic toolkit

is like mailing your friend a letter instead of emailing her. It might be comforting, but it is slow and inefficient. Working effectively with these external collaborators requires us to acknowledge them as part of the fabric of our Networked Organization. Bringing in these new partners requires time and financial resources—to support search, trial, ensure compliance, and develop new relationships between internal and external talent. Introducing your organization to the workforce ecosystem, only to have it fail, is costly.

Organizations that let the established reject the new risk obsolescence. Legacy thinking can rarely accommodate new players who threaten to upend the old ways.

Companies can fully harness the potential of these external talent ecosystems by evolving their internal structures into Networked Systems. To do so, they need to fundamentally rewire their thinking across five dominant areas: Communications, Organizational Structure, Leadership, Operations, and Relationships.

REORGANIZE AROUND COLOR

Black and white thinking doesn't pass muster in a networked economy. Companies need to access the full spectrum of color.





COLOR



THE STORY YOU TELL DRIVES THE OUTCOME YOU WANT



COMMUNICATIONS

Business leaders actively pursuing Open Talent strategies are keenly aware of how quickly the culture of the organization can reject it. Frequently, successful Open Talent experiments are met with resounding silence rather than the active adoption promoters were hoping for. The root cause of such a result can be traced back to a lack of proper communication.

When rolling out an Open Talent strategy, the best internal communications plan assures your workforce that while the way they may do things may change, their jobs are secure. One of the most common reactions from employees is the fear that freelancers will come in and take their jobs or lessen their role and value. Being thoughtful in your approach and addressing their unspoken fears will increase their willingness to embrace external collaborators.

A good internal communications program helps humanize the vision and champion the people involved.

CASE STUDY: Changing the narrative on employee value
US Oil & Gas company, Anadarko (now part of Occidental), identified business challenges that would benefit from open innovation, as part of its digital transformation strategy. [Partnering with Topcoder](#), the company invited Open Talent or “the crowd” to help

solve these problems—what it called ‘pain points’. The objective was to find problems that didn’t attract much thought internally and offer them up as challenges to the Open Talent Economy. Since nobody in the company was actively working on these challenges, solutions to them wouldn’t be met with too much opposition, Anadarko’s Open Talent pioneers, Jose Silva and Rich Copsey reasoned.

They emphasized the role of communications to frame the ‘pain point’ in an accessible way. “You have to break the pain point down into multiple parts. Some parts may be appropriate for the crowd, and others, not. That’s an important part of the learning process,” says Silva.

“As well as atomizing, it’s important to be able to change the way you think about the problem. If you can abstract the problem and find language that’s not domain-specific, you open yourself up to many new solutions.”

For Anadarko, clear communications led to an off-duty cop who solved a hundred-year-old ‘mud log’ problem using his expertise in finding counterfeit cheques.

Anadarko also understood that problem solvers couldn’t make their breakthrough without the vital work of Challenge Owners, who came from their internal workforce. It further used communications channels to recognize and celebrate their immense value alongside steering committee teams who curated, defined, evaluated, and implemented the solution. By making the role of Challenge Owner a reputable, even celebrated position within Anadarko, Silva and Copsey guaranteed the success of subsequent Open Talent projects within the firm. An internal communications plan that sought buy-in, explained the process, and addressed cultural concerns was vital to success.

STEPS TO SUCCESSFUL OPEN TALENT COMMUNICATION

1

CREATE COMMON STANDARDS

Use common language, values, and frameworks to align people and objectives. Introducing new language and jargon can create friction in the adoption process.

2

WALK THE WALK

Exploring Open Talent can’t be handed off to your team. Leading the charge and having skin in the game shows your confidence in its ability to succeed.

3

IDENTIFY AMBASSADORS

As Open Talent plans unfold, identify and empower internal ambassadors who can organically give voice to the project’s achievements.

4

TRANSPARENCY

Use every opportunity to update your team, other employees, and external partners on progress, hurdles, learnings, and success stories.

5

REFRAME AND ADDRESS CONCERNS

Openly engage with critics. That is where you learn otherwise unsaid objections to the program.

6

CELEBRATE SOLUTION SEEKERS

Put emphasis on the solution seeker to help refocus professional identities around being collaborative and pave the way for Open Talent solutions that stick.

EVOLVING FROM CLOSED TO OPEN

0 ORGANIZATIONAL STRUCTURE

Introducing a move to Networked Systems with press grabbing headlines, a top-down mandate, and a public relations blitz is doomed to fail. In the early stages of piloting Open Talent, senior leaders should be sensitive to a company's unique organizational culture. A successful Open Talent pilot needs to accomplish both the metrics and the momentum. Too often, Open Talent enablers ignore the last part. Successful leaders build momentum by listening and taking part in one-to-one conversations, especially with critics and fence sitters, which is crucial.

Follow the slow march of progress. Start by opening projects internally, then to existing partners before reaching for the crowd. Savvy leaders recognize every step of this journey as an opportunity to win allies and assuage critics.

MOVING CLOSER TO THE OPEN TALENT ECONOMY:

Companies implement different models for engaging with Open Talent. Here are some options for you to consider.

- **Look internally:** Seed the transformation to open innovation by opening up projects and competitions to employees from other departments, geographies, and nontraditional skillsets.
- **Engage the existing network:** Most companies already work with a host of external partners, vendors, and freelancers. Bring these established relationships into the fold, moving them from project collaborators to talent-on-demand and solution finders.
- **Evolve your contingent workforce processes:** Next, introduce open-source tools and platforms that let internal solution seekers employ freelance skills on specific tasks in new ways.
- **Bring in the larger crowd:** Once internal employees are comfortable using open systems, work with crowdsourced innovation platforms to run open-ended contests with an external crowd.
- **Co-create with customers:** Tap into your customer network to problem solve, completing the transformation from organization to ecosystem, and finally, to a community.

Generating momentum for an Open Talent transformation requires nurturing employee excitement, a working business model, frequently sharing stories, and internal champions. With a growth mindset, Networked Organizations can transform from internal crowds to the Open Talent Economy and finally to an external crowd for exploration-based innovation.

CASE STUDY: Innovation is everyone's job

The Commonwealth Bank of Australia, one of Australia's largest financial services institutions, launched a digital platform called "Unleashing Innovation" to host internal crowdsourcing contests and "always on" continuous improvement channels aligned to their businesses. Through either of these mechanisms, the Commonwealth Bank of Australia empowered all of their employees to submit new ideas that could improve, or innovate, the bank's products, processes, systems and services at any time. The platform has provided a pathway for employees across their organization to be able to collaborate with one another and help create solutions that either enhance their customers' experience with the bank, or improve efficiencies in their internal operations.

In FY20 alone, over 25% of the Commonwealth Bank of Australia's people had actively used the platform, which led to the submission of 8,664 ideas and a collection of 42,948 votes cast and comments submitted on ideas raised. Excitingly, the Commonwealth Bank of Australia was also able to track the delivery of 1,276 ideas

through the platform, meaning that nearly 15% of all ideas raised through the platform were delivered on, leading to material business value for the bank and its customers.

TO INSPIRE THEIR PEOPLE TO INNOVATE, COMMBANK DISTILLS THEIR PLAN INTO THREE STAGES:

CAPABILITIES

Delivering innovation training programs to our people to uplift their skills.

CULTURE

Building employee networks, running contests and hosting events to create a community.

PATHWAYS

Developing pathways for ideas of all shapes and sizes to find a home in the bank.

Through "Unleashing Innovation", people across the Commonwealth Bank of Australia are empowered to drive innovation and improvement at scale, regardless of who they are, what they do, or where they're located. "By leveraging the power of the collective skills, experiences and intelligence of our people through "Unleashing Innovation", we have been able to drive innovation across the entirety of our organisation, at scale and pace" says Jesse Arundell, Head of Emerging Technology at the Commonwealth Bank of Australia.

NETWORKED LEADERS ENABLE AN OPEN FUTURE



LEADERSHIP

As leaders reconfigure their lenses in which they view their workforces—away from a location-dependent mindset to a globally focused one, they'll need to work hard against organizational boundaries and entrenched processes. Interweaving the wisdom of external networks with internal ones might result in brilliant and unexpected solutions. Nudging away from existing practices, leaders must actively consider underlying philosophies, systems, and processes and make adjustments that allow for the widespread adoption of Open Talent systems.

Becoming a networked leader:

1. Understand how a year in lockdown has changed peoples' outlook toward work.
2. Commit to continuous learning and deliberate practice.
3. Pay attention to the exact opposite of your beliefs to avoid being misled.
4. Remember the future is made by the people around you, not above you.
5. Align yourself with what the evidence shows you. Don't align the evidence to what you believe.

Leaders of Networked Organizations should recognize, address and engage all types of workers who contribute to business outcomes. As illustrated by the [Workforce Ecosystem Report](#), 87% of business leaders consider their workforce to include more than their employees. At the same time, only 28% said they were sufficiently prepared to manage such a workforce. By owning the change taking place, you can encourage your colleagues and teams to follow suit.

LEADING THE NETWORKED ORGANIZATION:

- **Create a vision for transformation:** By internalizing these models and having an exciting and inclusive vision, business leadership can actively encourage, mentor, and support their teams' collaboration with Open Talent systems.
- **Psychological safety:** Create an environment where mistakes are not admonished and curiosity, creativity, and courage, even in the face of failure, are recognized.

- **Emotional resilience:** Stay calm and optimistic, in the face of VUCA scenarios, by developing agile teams and a culture of learning.
- **Be flexible:** Participate in frank, open conversations with critics and fence-sitters to understand and address concerns.
- **Promote conviction:** Incentivize allies and ambassadors financially and with praise, recognition, and mentorship.

CASE STUDY: Leading change pixel by pixel

Pixel enabled Deloitte's teams and clients to leverage open or on-demand talent and crowdsourcing for client engagements to access specific, difficult-to-find expertise, collaborate to develop new products and insights and build and test new digital assets. While some were enthusiastic, the growth of Pixel was slowing down. The Pixel team found substantial resistance to applying Open Talent and tools to client engagements. A significant concern that loomed over was, "If the crowd can do it, what is our value proposition?"

At the same time, early successes showed Open Talent delivered solutions significantly quicker and an order of magnitude cheaper. The leadership at Deloitte identified a broader portfolio of use cases around Pixel, including instances where clients prioritized speed, required difficult-to-source insights, had hard to fill staffing needs, or needed to identify a sheer volume of high-quality expertise. These use cases didn't

threaten existing business-as-usual scenarios and instead, helped Deloitte consultants address otherwise unaddressed client problems.

Overcoming cultural resistance, Pixel conducted roadshows with leaders at Deloitte. This helped them identify a few leaders willing to try Pixel's approach. Further consideration was given to whether the use of Pixel should be a mandate. A few internal advocates started to bring members of Pixel to each of their account meetings. They began to look at every project through the lens of Pixel and tried to identify use cases for Open Talent. In public interviews, Deloitte leadership established credibility for Open Talent and how large organizations can participate. As Open Talent and crowdsourcing became more commonplace, these statements helped create a halo effect around Deloitte as an innovator in the arena.

Recognize, map, and engage all contributors to your ecosystems.

A SILVER LINING OVER A DARK CLOUD



OPERATIONS

Companies are learning to quickly adapt to new digitally-supported service models. Remote work, which became the default for most organizations during 2020, was one such example.

By introducing third-party apps into their workflows, they shifted into a remote model. Although organizations feared the transition, sixty percent, 'had no major difficulty adapting to COVID-19-inflicted changes', according to Deloitte's European Workforce Survey.

This is an unprecedented opportunity for Networked Leaders. Capitalizing on the new cultural reality, they can bring in Open Talent innovation. To be successful they must rethink rigid internal process, inefficient onboarding, and reliance on proprietary tools, which are a barrier to effective collaboration.

REMOVING OPERATIONAL BARRIERS TO OPEN TALENT



Take a keen look at internal policies and processes that prioritize structure and work to replace them with those that encourage partnerships.



Put first the processes that help teams respond to changing business environments, marketplaces, and customer needs.



Introduce systems that facilitate ease of interactions between the extended workforce.



Reskill internal employees with newer collaborative tools that are freely accessible to anyone, anywhere, regardless of whether they are employed by the firm or not.



Use processes and guidelines that are easily accessible to external collaborators. Replace proprietary software with open-sourced, non-exclusive tools and templates. This will reduce the learning curve for external crowd participants.

CASE STUDY: Think exponentially about the workforce

To tap into this workforce ecosystem, companies need to become Networked Organizations that allow them to connect with people outside the organization.

Take NASA, for example. If you view NASA as a traditional place-based organization, it has 17,000 full-time employees working across eight facilities. However, NASA's 17,000 employees connect with each other and their 60,000 contractors through their NASA @ Work platform. Additionally, NASA's Center of Excellence of Collaborative Innovation brings together the expertise of an additional 110,000,000 people through 40 connected platforms. Viewed through the lens of a Networked Organization, NASA benefits from the passion and talent of 110,077,000 people, whether it's for an hour, a day, a week, a month, or a year.

For Networked Leaders, Open Talent is a path to exponential creativity and growth.

THE FUTURE OF WORK IS BLENDED



RELATIONSHIPS

Today, more and more skilled, sought-after experts are prioritizing flexibility. Networked Organizations who understand this and adapt will win over future talent. Open Talent lets companies scale skills that may not be considered urgent in the short term but are essential in the long term. The future of work requires balancing both the depth and breadth of existing and emerging skills. Companies that continually exercise skills agility will be able to better navigate the ebbs and flows of market conditions.

Traditionally, companies relied on hiring the best person who applied for the job. Embracing Open Talent economies lets companies rely on the person with the best skills for the job.

SEEKING OUT EXTERNAL RELATIONSHIPS

TALK FIRST

Have frequent and transparent conversations with your external collaborators.

INSIDE-OUTSIDE TALENT

Assess skills gaps within the organization and choose external partners who can fill those.

ENCOURAGE COMMON IDENTITY

Extend internal culture to include external partners.

MAP THE ECOSYSTEM

Create a map of relevant partners, tools and platforms that can enable your Open Talent ambitions.

FOSTER COMMUNITY

Encourage interactions and participation between the various workforce partners through events, meetups, and conferences, virtual or physical.

CASE STUDY: Rejecting ‘not invented here’ thinking

Historically, success breeds complacency. Especially with organizations that have heavily relied on internal growth and innovation. The more success they’ve had, the more myopic their view of work and innovation. Countering such a fatalistic attitude to forward-thinking solutions, in one Open Talent project, a team of Roche executives sourced ideas from emerging scientists, i.e., graduate students at universities. They wanted to view the world from the lens of scientists ‘not influenced by a corporate mindset open to game-changing ideas over a 10–20-year time frame.’

The Roche team framed the questions to guide the thinking process for their Open Talent contributors.

Students were asked specific questions:

- Biggest healthcare need in 10 to 20 years
- Problems and opportunities to be addressed
- What the proposed innovation would look like
- How it would improve human health

By the end, Roche received 138 responses to their contest. Of these, Roche estimated 48% were out of their area of focus, suggesting new avenues for the company in the future. As former Roche CEO, Franz Humer noted, “There is not economy of scale in research. In research, its economy of ideas.”

Roche put together a cross-functional team to revamp the company’s innovation processes. They involved

members from diverse backgrounds, regions as well as skillsets. Having a mixed group was a crucial takeaway for the organization.

“The idea is to increase the number of shots on goal. You never know where a solution is going to come from,” says Tod Bedilion, Director of Technology Management, Roche Diagnostics, who tested Roche’s internal team against external contributors, in a second open innovation experiment.

The results were “incredible” according to Bedilion, himself a scientist with over a decade of experience in commercial research. “I couldn’t put ten people in a room and have a brainstorming session or a seminar for two days for the same cost with all the travel involved.” In 60 days, Roche was able to solve a problem that it and its partner have been tinkering with and optimizing for the last 15 years.

Networked Leaders understand that no matter who they work for or where, they can take their bench of valued contributors with them.



KEY TAKEAWAYS



10 STEPS TO SUCCESS

The world is filled with people who have ideas, expertise, and skills that are underutilized and untapped. The Open Talent Economy provides access to enthusiastic, passionate, talented individuals whom the traditional hiring process cannot reach.

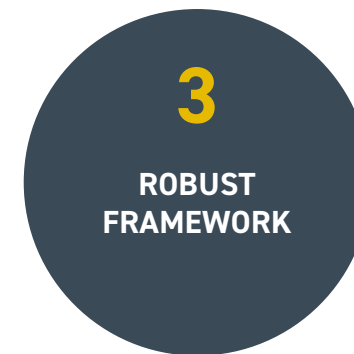
Networked Leaders need to think about what parts of their business are better served by internal employees and those that are better served by harnessing to the raw creativity of crowds. As you kickstart your organizational transformation, here are a few ideas to keep top of mind.



Get backing and commitment from an influential senior leader with a solid business case for change.



Create a process to change the way work gets done in the business.



Design and measure savings against other work channels and document user feedback.



Put together a thorough onboarding plan for Open Talent, including sign-up, training, support, help, and ongoing engagement.



Have a clear idea of what work should be sourced via Open Talent and what should not.



Match the outcomes, budget, quality, and timeline to the right platform.



Be transparent about compliance, security and IP guidelines and integrate them into the hiring journey.



Uncomplicate the briefs concisely with achievable milestones for freelancers.



Avoid misunderstandings and keep track of progress with an open line of communication.

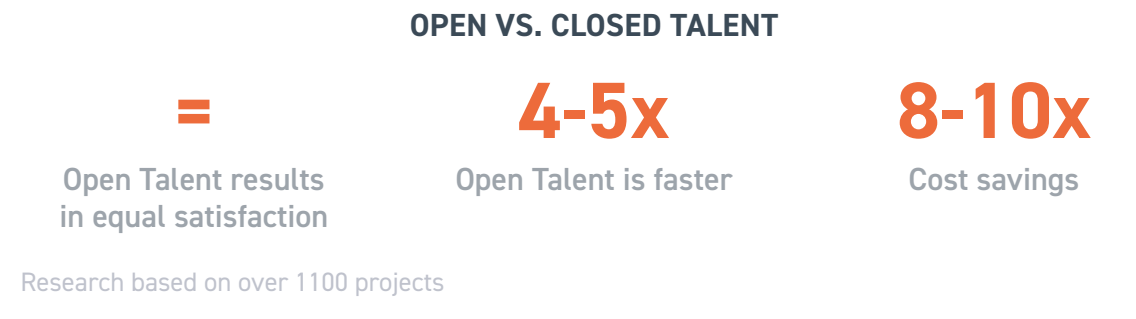


Choose collaborators with experience in your sector and expertise that meets your needs.

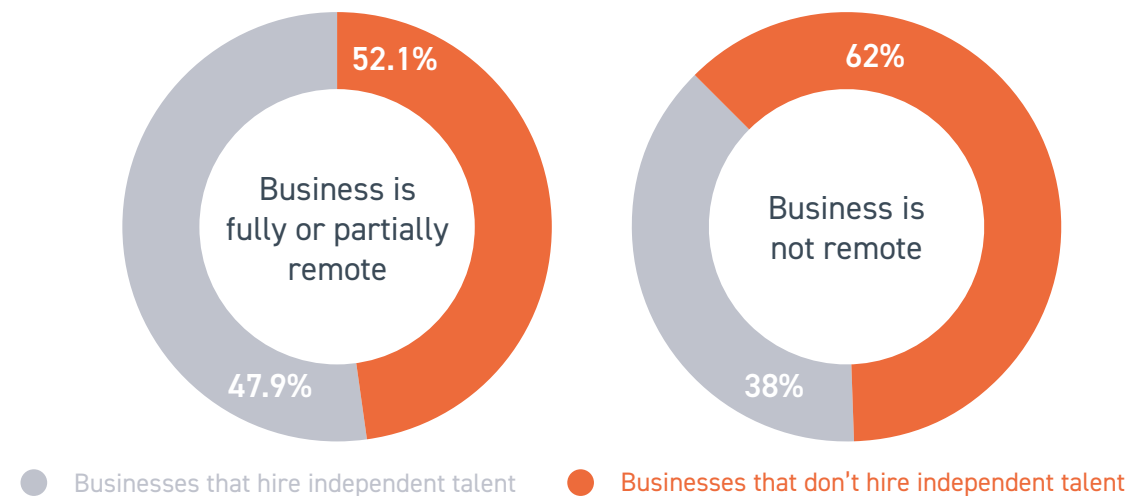
PUT NETWORKED ORGANIZATION THEORY INTO PRACTICE

Businesses today already benefit from the Open Talent Economy and open innovation. Organizations don't need to reinvent the wheel to integrate Open Talent ecosystems into their business model. Networked Leaders working on transitioning their organizations can rely on talent partners, community and best practices, such as these, shared by [Open Assembly](#) and the [Center for the Transformation of Work](#).

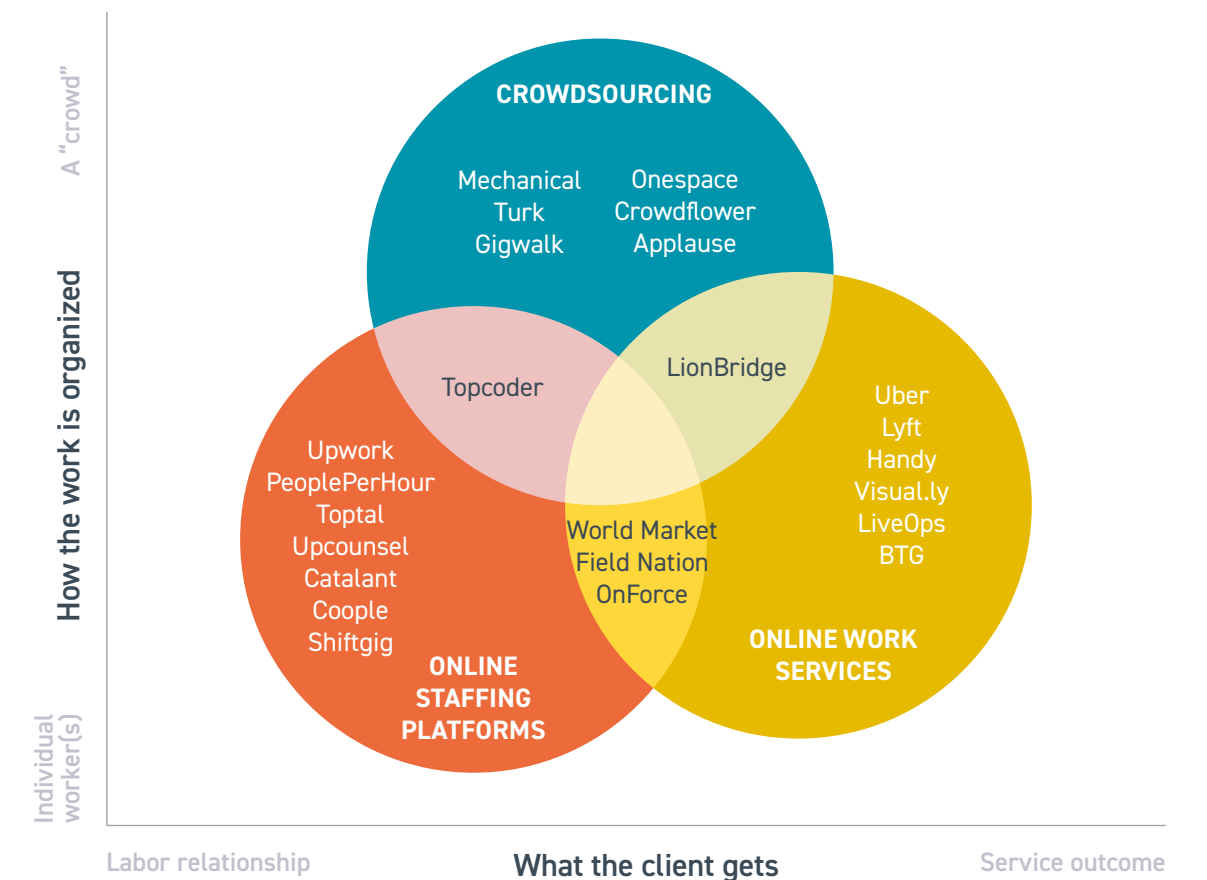
For information on consulting, certification and to join our community, please [contact us](#).



TODAY, MORE THAN HALF OF PRIMARILY REMOTE BUSINESSES HIRE INDEPENDENT TALENT, COMPARED WITH 38% OF NON-REMOTE BUSINESSES



THE HUMAN CLOUD FRAMEWORK AND TAXONOMY*



*Adapted and modified from Staffing Industry Associates, Competing in the Gig Economy Report, 2019



GLOSSARY & REFERENCES



GLOSSARY

By employing a common terminology, **Networked Leaders can reduce the barriers between internal and external talent pools. With that in mind, we have prepared this glossary as a starting point. The Open Talent Ecosystem is dynamic and ever evolving, and so is this glossary. With the help of the Open Assembly community, we will add and adapt terms and their definitions as the industry expands.**

CO-CREATION

Adding new value based on collaboration from more than one source or expert. For example, ideas, products or solutions that are generated from crowdsourcing and/or the coming together of key stakeholders and consumers.

CONTINGENT WORKFORCE

A population of workers that are employed directly by an organization for a finite period of time and have a different work arrangement than regular/permanent, direct wage, salaried employment. Includes temporary employees, Statement-of-work (SOW) consultants, and independent contractors/consultants.

CROWD

A group of people who come together to complete a task, project or outcome, regardless of whether they sit in- or outside the organization. The essence of the “crowd” is one of co-creation, iteration, and collaboration amongst parties incentivized to contribute based on interest and/or competition.

CROWDSOURCED (TALENT, CONTENT)

Information, talent, ideas, content or something else accessed by a large number of people, paid or unpaid, often using a platform (ex. Waze).

CROWDSOURCING

An online platform model that enables work to be distributed and performed by a “crowd” of talent (internal or external talent). Typically, the organization of a “crowdsourcing” platform is purchasing an outcome or output. Workers compete or bid against one another to solve problems, or tasks, with winners selected and compensated based on the merit of their submissions.

FREELANCERS

Typically classified as independent contractors, freelancers are independent professional workers who aren’t paid as salaried employees and perform, or have the freedom to perform, multiple jobs at one time for multiple clients.

GIG WORKERS

Workers who perform project-based or freelance work. Any contingent or temporary worker, sourced directly, through an online platform, app or agency, that provides work for a finite period of time and managed by a variety of providers. Also called “on-demand” or “human cloud” workers.

GIG-STYLE WORKING

A way of providing value to a company or more than one company, using unique skill sets and expertise, that falls outside traditional employment classifications.

GLOBAL WORKFORCE ECOSYSTEM

Networks of talent, information and technology that exist both inside and outside companies, used to create a global culture of workers who pursue their passions and work more efficiently.

NETWORKED CULTURE

A collection of values, expectations and beliefs that make up a Networked Organization - one that prioritizes curiosity, creativity and continuous learning.

NETWORKED MINDSET OR NETWORKED ORGANIZATIONAL THINKING

A mindset that looks at organizations as the inherent, dynamic networks that they are, often used to break down silos within traditional business infrastructures. A Networked Mindset is a critical component of the Networked Organization framework and for building a Networked Organization.

NETWORKED ORGANIZATION

Iterative, not hierarchical, that taskifies work and empowers a group of people to get work done.

NETWORKED ORGANIZATION (NO) FRAMEWORK

A framework created by Open Assembly and the Center for the Transformation of Work, implemented by organizations to embrace a directed, distributed, and decentralized approach to innovation.



GLOSSARY

NETWORKED STRATEGY

An implementation model that helps companies adopt the Networked Organization framework in six phases: assess, learn, experiment, build, scale and transform. This model prioritizes agile approaches and recognizes that disruption is constant.

NETWORKED SYSTEMS

Evolved, internal structures that allow organizations to fully harness the potential of external talent ecosystems. These evolved internal structures require a critical look at five key business areas: Communications, Organizational Structure, Leadership, Operations, and Relationships (COLOR).

OPEN INNOVATION

Innovation that happens through the interactions of internal and external ideas, technologies, processes and channels. As opposed to closed innovation, where innovation typically happens within company boundaries, or within a self-contained environment with rigid structures.

OPEN TALENT

Open Talent is the digital extension of outsourcing. It refers to the 'crowd' of global talent available for fluid and/or flexible work. The talent is made available through technology platforms, and leveraged to find the best ideas, tap the best expertise, and augment staffing.

OPEN TALENT ECONOMY

A large ecosystem of "open-sourced" talent where people can connect, share information and build community.

OPEN TALENT PLATFORM OR OPEN TALENT MARKETPLACES

An online, often self-service application that matches on-demand talent or gig workers with work that needs to get done inside organizations.

OPEN TALENT STRATEGY

How companies leverage communities or pools of non-full time employees to achieve critical business outcomes.

REMOTE WORK

Work that is performed outside of a traditional office environment, by an employee who sits from a local coworking space, from home, in a city or somewhere else.

VUCA

A checklist against which businesses can map the relative disruptions to their way of working. The acronym stands for Volatile, Uncertain, Complex and Ambiguous.

REFERENCES

The Open Talent Economy has grown exponentially in the last year and a half. While digitally native firms have long taken advantage of Open Talent, incumbent organizations lacked an adoption model. The Networked Organization: From Theory to Practice builds on the work of many pioneers to bring you a holistic model.

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CONTRIBUTORS



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Click on the name to go to their LinkedIn profile page.





TRANSFORMING WORK FOR A BILLION PEOPLE BY 2025

