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Traditional market research – carried out primarily through surveys and focus groups – is dead. Leading companies now use shorter and more dynamic intake mechanisms to stay on top of the latest developments in consumer tastes, competitor performance, and market opportunities. My firm 10EQS is very much at the forefront of this evolution in market research, and we have staked out a niche in what I would call insight curation services. In this post I'd like to share some of what we've learned in 2014.

For those unfamiliar with 10EQS, we answer challenging and time-sensitive questions for a variety of industries using a tightly controlled crowdsourcing process. In simple terms: we get a market research question, we coral the right team of global experts, and we curate the answers to bring the most value to our clients. In general we work with three types of organizations: consulting firms with specific gaps to fill on projects or thought leadership pieces; private equity firms needing specialized expertise for due diligence efforts; and global enterprises with marketing or operational challenges in particular geographies. To give you an idea of the breadth and specificity of our mandate, here is a sample of projects from 2014:

- The future of outsourcing in the wake of the Affordable Healthcare Act. (Key sources: insurance providers, insurance exchange experts, and healthcare service experts.)
- The impact of digitization on insurance operating models in North America. (Key sources: senior IT and operations employees.)
- Opportunities for efficiency gains in hospitals using RFID, asset tracking, and people tracking. (Key sources: CEOs, CMOs, CIOs, CTOs, CNOs of leading hospital networks and local community hospitals.)
- Asset integrity evaluation of a Floating, Storage and Offloading (FSO) fleet in Southeast Asia. (Key sources: 30- to 40-year veterans of the offshore oil & gas industry with crew and management experience.)
- Key applications, market size, and growth trends in service robots for oil & gas, power, transportation, and healthcare. (Key sources: robotics commercialization experts, PhDs in robotics, innovation and technology consultants and executives.)
- Market opportunities and landscape for industrial commodities and specialty chemicals in diesel and gasoline. (Key sources: chemical engineers, R&D leaders, and experts from chemicals and downstream oil & gas players.)

We have now worked with experts from every continent on more than 500 projects like these over a period of 4 years, and I'd like to share three general takeaways related to the challenges and opportunities of a crowdsourcing model.

1) It's all in the "how."

Because expert pools are inherently fluid, finding the right person has more to do with how one goes about it than which 'Rolodex' one uses. This is not intuitive to most clients, based on how they typically approach us. The standard question we get is, "What's the depth of your network in X?" But this misses the point. The better question to ask is, "Do you have the right people and platform to get the insights I need?" The last question gets to the heart of how the crowdsourcing process really works.

As an illustration, more than 90% of our projects require custom recruitment of experts as opposed to re-engagement of individuals from a preexisting community. This is because the supply of expertise is a moving target. There is an ever-growing body of specialized practitioners and independent knowledge workers in the world today, and practically all of them are electronically accessible through networking technologies. (LinkedIn alone has more than 350 million professionals, and there are niche communities of professionals who hang their shingle in German (Xing), Chinese (Tianji), Spanish (ICTnet), French

(Viadeo) and other languages.) In addition, there is a plethora of industry forums, blogs, and other online communities that can be used as expert sources. The idea of building a captive community under these conditions makes no sense.

Another reason why very few experts are recycled is that the nature of what companies seek to know has changed. Companies are more knowledgeable today because of the radical transparency of information in the Internet age. Further, high-performing organizations have absorbed sophisticated talent and are less reliant on third parties for strategic or generalist advice. Market research is therefore becoming more granular and specific, and the required expertise from companies like ours is increasingly narrow and bespoke.

2) Use the crowd, but with control.

Tapping into the ‘global brain’ is a compelling concept, and indeed we have created tremendous value in doing so. But there are caveats to bear in mind. Organizations that engage the crowd must have clearly-defined means of expert identification, evaluation, recruitment, compliance checking, collaboration, compensation, feedback, and so forth. This is the case for a couple of reasons. First, the crowd is a massive, unwieldy entity that can deliver highly variable results unless strong processes are in place to maintain quality control. Second, if process components are not carefully designed to integrate easily with the client’s workflows, the value of the crowd won’t be realized. We’ve seen many corporate clients embrace different forms of crowdsourcing for R&D or innovation, only to see their initial enthusiasm diminish because these integration points have not been properly worked out.

Process integrity is also important as “the company” continues to be redefined and reassembled in interesting ways. Corporations are generally moving away from centralized and static structures in favor of de-centralized and dynamic attributes that afford greater agility. This allows them to leverage small-scale partnerships and alliances, which are critical to gathering intelligence and achieving a first-mover advantage. But, again, unless there is a mutual vision of how to work together in a systematic way, the gains from such partnerships and alliances will be piecemeal and unclear.

3) Technology still can’t replace people.

Because crowdsourcing is such a new and innovative concept, it tends to get lumped together with technology innovation more broadly. People expect that the ‘secret sauce’ is a mysterious algorithm in the background. Surprisingly, this is less true than one might expect. Yes, there is an important platform underlying our business that integrates and organizes our view of the expert universe, but if networking technologies represent the heart of our operation, people represent the organs and limbs.

Quite candidly, without the human element these expert technologies would be of little use. At virtually every step in our process value is created through human intervention: confirming that an expert match makes sense; verifying the authenticity of an expert’s credentials; framing the right questions to ask the expert; modifying the initial questions based on lessons learned over the engagement; drawing out the full potential of what each expert has to offer in the subtle give-and-take of a virtual discussion; synthesizing and structuring expert insights to address the client’s needs, etc. All these issues demand high-level conceptual, analytical, and communication skills.

These are just three of the key takeaways from 2014, and they roll up to a broader point, which is that the demand conditions for our service model only appear to be getting stronger. Just as consumers are more overwhelmed each day by a torrent of information and are increasingly reliant on content curation services, companies have a growing need to apply an intelligent filter to an otherwise unmanageable amount of material. To operate effectively in the “fog of war,” and to avoid being disrupted, companies need a quick and reliable means of understanding what is relevant and actionable information.

If one compares the evolution of market research to how one chooses a restaurant, one could say we are witnessing a progression from Zagat to Yelp to customized communities of local gourmands who know where the chef will source his ingredients next week. Today’s research mandate points to such nimble and targeted methods of gathering information, underscoring the need for every company to reassess its intake methods. From my perspective, what currently looks like a highly specialized insight acquisition and curation model will be commonplace in short order.