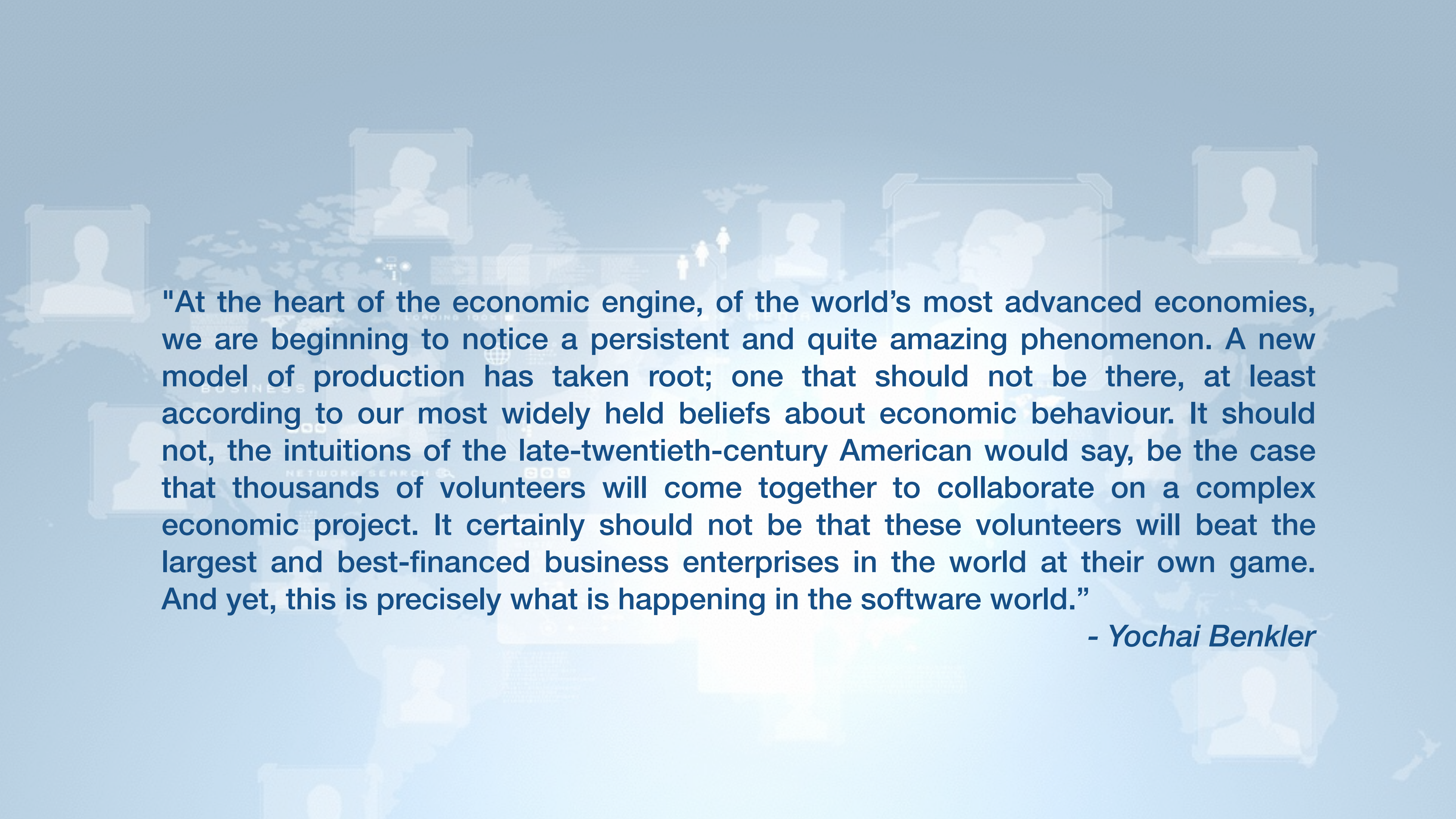




Managing peer production networks

An overview

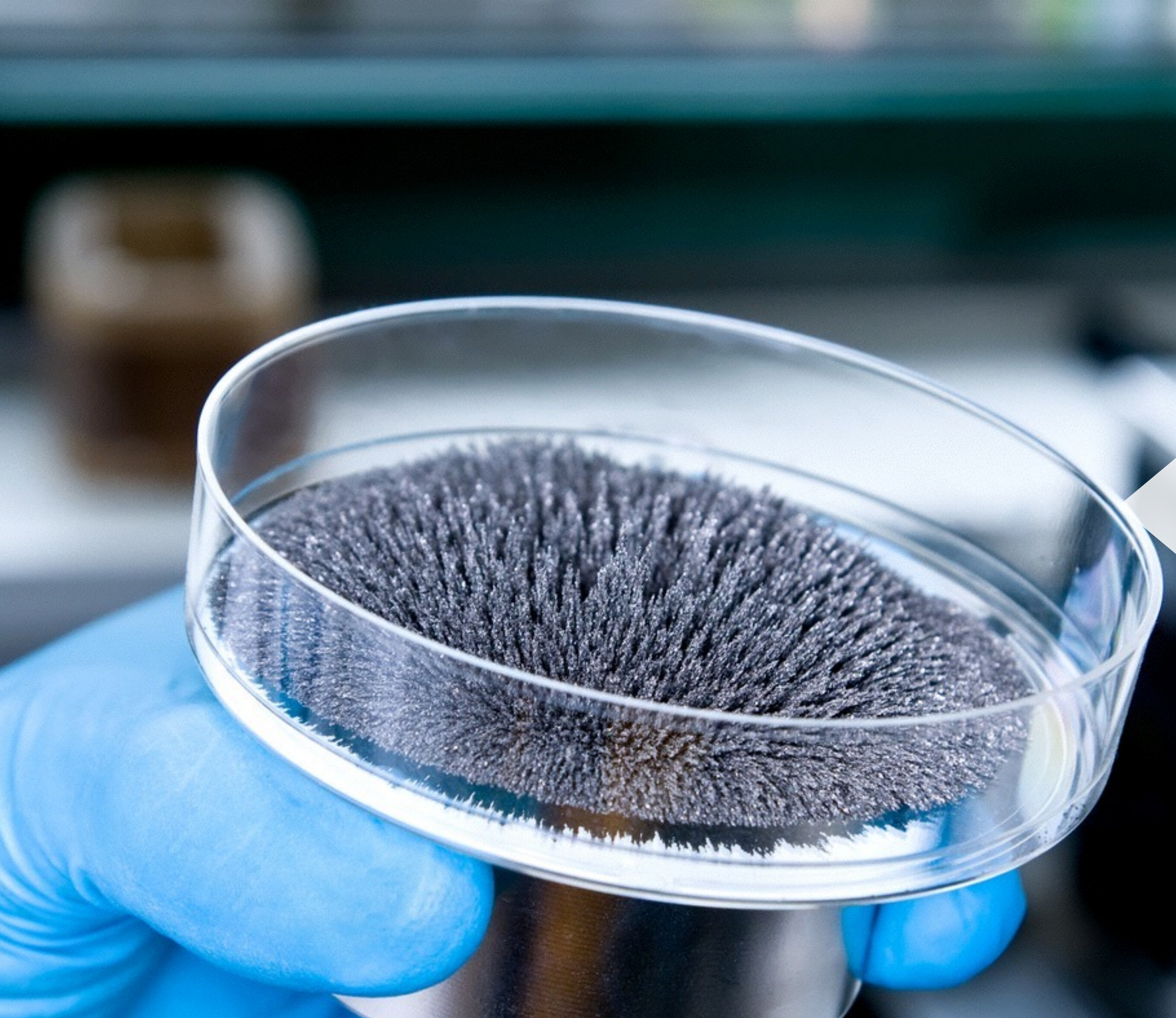


"At the heart of the economic engine, of the world's most advanced economies, we are beginning to notice a persistent and quite amazing phenomenon. A new model of production has taken root; one that should not be there, at least according to our most widely held beliefs about economic behaviour. It should not, the intuitions of the late-twentieth-century American would say, be the case that thousands of volunteers will come together to collaborate on a complex economic project. It certainly should not be that these volunteers will beat the largest and best-financed business enterprises in the world at their own game. And yet, this is precisely what is happening in the software world."

- *Yochai Benkler*

Having discussed this new form of more complex collaborative organisation, the question then turns to how to manage it, as in many ways it appears to reject much of our traditional conception of what management is. Traditional management is largely about managing zero-sum games of competition where the interests of members diverge and we have to counterbalance incentives and use top down control and regulatory mechanisms to align them towards achieve overall functionality within the system





When we are dealing with intangible, non-rival services and situations where people are interconnected and interdependent the management of organisations shifts from regulating competition to enabling collaboration. Creating positive-sum games, situations where it is in the best interest of individuals to collaborate, that is to say collaboration is an attractor state within the system towards which individuals will naturally gravitate

Cultural context

This means identifying challenges, creating an enabling context within which users can self organise to create emergent solutions. With this approach the system is managed through self-regulating feedback loops whiles we also expose the organisation to the selective pressure of its environment. Lets go over that in more detail to flesh it out.





Identifying challenges

The end to the lifecycle of industrial age systems presents us with a world of challenges from reengineering infrastructure to redesigning political systems, where there are real challenges like this there is real value to be gained from being able to deliver solutions. The challenge is to properly understand the environment and be able to contextualise these challenges in a way that makes sense and is communicable to others.

Cultural context

Creating a context starts with creating a culture - a story about how the world is - values that point to the significant of the challenge and relevance of the solution. In this world of collaboration that is less driven by competition and extrinsic motives, culture becomes increasingly important





Solutions space

Create the structure and connections that allow people to self-organise within this context. That is to say the collaborative platform that defines the protocols for connecting people.

Self-Regulation

The aim is to create a self-regulating system, using the connectivity and transparency that information technology enables to close feedback loops between people and their actions.

Reputation and rating systems are good examples of this.





Rapid Development

Open organisations enable rapid innovation and learning. By opening the product or service to the remixing and adaptations of end-users and by combining this with an open market place -for a selection mechanism to work on choosing the most adapt- we can mimic the process of evolution.

Generating revenue

Within peer production networks revenue is shifted from its traditional point of sale location to either being embed in the network, with a fee for each transaction, or within more open networks it is shifted to monetising on axillary services that are built around the product. There is almost always a two tier system with a service that is free of charge -where the network effect is used to enhance the value of the service- and some form of a premium service. This dichotomy is often made between generic products that can be duplicated at virtually no cost and specific “hand made“ services that require time and cannot be duplicated.



Key concepts

1. Identifying challenges
2. Creating a cultural context built around challenges
3. Creating collaborative platforms
4. Creating interconnections and interdependencies to enable self-regulation, using attractors
5. Harnessing enduser remixing and branching to enable rapid development
6. Creating a selective environment to enable an evolutionary dynamic



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