

# Open collaboration, which led to Bitcoin, TedX and Wikipedia, likely to grow

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which has brought the world Bitcoin, TEDx and Wikipedia – is likely to expand into new domains and displace traditional organizations, according to a paper in a journal of the Institute for Operations Research and the Management Sciences (INFORMS).

"Open Collaboration: Principles and Performance," by Sheen S. Levine of Columbia University and Michael J. Prietula of Emory University, appears in the INFORMS journal *Organization Science*.

In the paper, Levine and Prietula explain how open collaboration creates new kinds of organizations that are not quite non-profits and not quite corporations. They describe the operating principles and build on recent research in psychology and economics to model the performance of open collaboration.

They show that such open collaborations perform well even in seemingly harsh environments, for example, when cooperators are members of a minority group, "free riders" who tag along, where diversity is lacking, or when goods rival one another. They conclude that open collaboration is likely to expand into new domains, displacing traditional organizations. They suggest that executives and civic leaders should take heed.

The authors define open collaboration as "any system of innovation or production that relies on goal-oriented yet loosely coordinated participants who interact to create a product (or service) of economic

value, which they make available to contributors and non-contributors alike."

Open collaboration emerged with [open source software](#) less than two decades ago. Its underlying principles are now found in many other ventures. Some of them are Internet-based, for example Wikipedia, online forums, communities, and Bitcoin. Others are off-line: TEDx, medicine, and traditional scientific experimentation. Such ventures have been affecting traditional firms, with, for example, Wikipedia supplanting Encyclopedia Britannica as a major general research tool. But despite the impact, the operating principles of open collaboration were opaque. The new research explains how these new organizations operate, and where they are likely to succeed.

**More information:** The study can be viewed at [pubsonline.informs.org](http://pubsonline.informs.org).

Provided by Institute for Operations Research and the Management Sciences

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