

# Are “We” Smarter?

*Group think: the benefits of collective intelligence*

**W**hen last I looked, Wikipedia, which defines itself as “a multilingual, Web-based free content encyclopedia project,” defined “collective intelligence” as “an intelligence that emerges from the collaboration and competition of many individuals.” I suppose that could apply to almost any situation where people have had to work together over the past 30,000 years.

But Wikipedia itself is the canonical example of Internet-enabled collective intelligence. It contains more than 4 million articles in 200 languages. All of the entries are written and maintained by volunteers.

According to a study conducted by the science journal *Nature* last year, Wikipedia contained only slightly



By Stephen C. Buckley

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more errors in its natural sciences articles than did the *Encyclopedia Britannica*, which has a large, paid

research staff (*Britannica* refutes *Nature*'s findings).

Other examples of collective intelligence are emerging. Blogs can be useful forums for people to make sense of events. Google lets people easily access massive amounts of unstructured data to find helpful answers to questions. Companies like Innocentive provide a matching service, linking scientists with tough R&D queries.

The focus of a new research effort underway at MIT is to understand how the *perspective* of collective intelligence can be applied to different phenomena. Headed by Professor Tom Malone, the Center for Collective Intelligence brought together a diverse group of faculty from across the institute. Their premise is that collective intelligence is a potentially useful way of thinking about strategic initiatives such as organizational effectiveness, firm productivity or profitability, teamwork, and leadership.

Collective intelligence is a way to think about markets. EBay is one early online example, where buyers collectively set the value of a given item through their bids. But what if businesses could

use collective intelligence to create different kinds of markets?

The Chicago Mercantile Exchange is a form of collective intelligence. There, traders collectively set the future price of any given item based on projections, simulations, analysis, past experiences, and sometimes just hunches. Overall, they have proven remarkably accurate.

So, what if an IT department created a “futures”-type market for its services internally? Would that ensure that projects which provide the firm the greatest competitive advantage get built first? Or what if a high-performance consulting team sold its future capacity to take on projects, letting the market set its rates? Would that maximize revenue to the firm and reduce non-billable hours?

There are also potential applications for business of the Wikipedia model. What if a business used wiki software to allow all its employees to rewrite

their policies and procedures manuals? Would that improve employee morale and retention and reduce lawsuits? How about a company that allows its customers to use a wiki to write and edit its product manual? Or maybe customers could help design products using a collective intelligence perspective.

Sounds crazy, right? Then ask yourself why Google is the dominant search engine and not Microsoft. Why did Apple create the iPod and not Sony? The easy answer is that Google and Apple knew what their customers wanted. Collective intelligence perspectives toward markets and customers could also bring businesses one step closer to having “perfect information” about the actions of competitors.

It's clear that something important is happening, and blogs and wikis are just the first baby steps in what will one day become an integral and important part in how we all live and work together. ■

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*Stephen C. Buckley is associate director of the Center for Digital Business at the MIT Sloan School of Management in Cambridge, Massachusetts. He can be reached at sbuckley@mit.edu*