



HOW A BEST-SELLING AUTHOR CROWDSOURCED AND BROKE EVERY RULE IN THE BOOK

THE STORY OF ORCHESTRATING WINNING PERFORMANCE GUEST
SPEAKER ALEXANDER OSTERWALDER

By IMD Professor Howard Yu

IMD
Chemin de Bellerive 23
PO Box 915,
CH-1001 Lausanne
Switzerland

Tel: +41 21 618 01 11
Fax: +41 21 618 07 07
info@imd.org
www.imd.org

The idea of crowdsourcing, a paradigm that assumes that firms can and should use both external and internal ideas, is nothing new in technology-driven companies. Pharmaceutical firms, defense system manufacturers and many others have collaborated with leading universities around the world for a long time, tapping into their latest thinking in an attempt to turn promising inventions into blockbuster products.

Some people may have a hard time fathoming this. How can the wisdom of an average crowd trump a subject expert who has labored in the specialized field for years? Yet, as counterintuitive as it seems, crowdsourcing has proved its merit even in a field where individual insights, personal voice and a unique perspective is most highly prized: book writing and book publishing.

Big new idea

Alexander Osterwalder had a big idea. Having worked in industry as well as in non-profits, he became obsessed with a simple question: How could organizations reimagine the way in which products and services could be delivered or, in industry parlance, engage in business model innovation? He became so preoccupied with this question that he enrolled in a PhD program in Business and Economics at the University of Lausanne, on the other side of his native Switzerland. His thesis was titled “The Business Model Ontology: A proposition in a design science approach.”

In the ensuing years, Alex maintained a personal blog, interacting with a small crowd of business managers, academics and scholars who shared a similar interest. He posted his original dissertation online for like-minded people to download. His followers steadily grew in number. He also posted YouTube videos of his talks and started giving free lectures to companies that invited him to do so.

Drop in the ocean

When Alexander first went back to his former dissertation advisor, Yves Pigneur, to discuss a book idea, he had no idea how easily the whole project could end up in a dustbin. He recalled, “There are 1 million books published in English every year, and 11,000 are business books, on top of 250,000 existing ones. It’s very hard to stand out in such an ocean... Nobody is waiting for another book, nobody is waiting for our book.” He later added, “But at that time I just went ahead with my ignorant belief.”

To stand out in the book market, he figured, the book would have to be positioned as a field guide with animated visual graphics and complemented with free content distributed online, all packaged in an unconventional manner. The problem was that he lacked the funds, and as a first-time author, no major book publisher would bet on him. When he shopped around his idea with other academics, the usual empathic advice was, “Don’t waste your life on it.”

Fortunately, that sage advice went unheeded. Unfazed, Alex asked his online community to contribute. Or more precisely, he invited them to pay to become one of the co-authors of what he described as “a potential international bestseller ‘yet to be written.’” For a \$25 subscription, followers could receive draft sections of the book, on which they provided feedback. Every fortnight, Alex was able to increase the subscription fee by 50%. By the time the book was close to being finalized, he had pooled 470 co-authors from 45 countries and raised US\$250,000, including pre-sales. He used these funds to pay the graphic designer, the editor and the printer. “It was a Kickstarter project, before Kickstarter,” Alex mused.

Success breeds success

With each co-author scrutinizing and commenting the book’s content, it was little wonder that *Fast Company* magazine named it the best book for business owners in 2010, describing it as “by far the most innovative book on how to think about putting together a business.”

Success fed on success. The popularity of the self-published “Business Model Generation” gained momentum, and Wiley – a medium-sized publisher specialized in academic writing – acquired its global distribution rights and pushed it through major book retailers such as Barnes & Noble and Amazon. The 470 co-authors were among the most fervent book promoters the industry had seen, each relentlessly promoting the final product through their personal networks on Facebook, LinkedIn and Twitter.

Eventually, more than 1 million copies were sold, and the book was translated into almost 40 languages, far more than the average 20,000 copies that major publishers typically sold on any particular business topic. According to the Independent Book Publishers Association, 92% of all books sell no more than 70 copies. In 2015 Alex and Yves were ranked 15th by Thinkers 50, a ranking of the world’s top 50 management and leadership thinkers, which the *Financial Times* calls the Oscars of management thinking.

Breaking every rule in the book

Yet, with his thick dark hair, trimmed beard and heavy rimmed glasses, Alexander still looks more like a college graduate student than the author of a top-selling business book. Ironically, when he later asked Wiley if they would have allowed the team to do what they did from day one, the publisher adamantly replied, “No chance, you have practically broken every rule in book publishing possible.” The team had no idea that was what they were doing at the time. As far as they were concerned, it was the only way to create the kind of book they wanted.

An obscure first-time author finally catapulted into international stardom, Alexander regularly lectures at UC Berkeley and Stanford, and delivers keynote speeches at major companies around the world, including an upcoming appearance at IMD. He even found energy to build a startup that helps organizations transform their business models and strategies through a Web App and online learning.

“I have to practice what I preach,” he says.

Alexander Osterwalder will be a guest-speaker at IMD’s [Orchestrating Winning Performance \(OWP\)](#) in Lausanne from June 27th to July 1st 2016.

[Howard Yu](#) is Professor of Strategic Management and Innovation at IMD, where he teaches on the following programs: the [EMBA](#), [Advanced Strategic Management \(ASM\)](#), [Building on Talent \(BOT\)](#), [Breakthrough Program for Senior Executives \(BPSE\)](#), [Strategic Marketing in Action \(SMA\)](#) and [Orchestrating Winning Performance \(OWP\)](#).

Related Programs



ADVANCED STRATEGIC MANAGEMENT - <http://www.imd.org/asm>

Driving sustainable business results
Program Director Albrecht Enders

- Broaden your understanding of the global business environment you operate in
- Sharpen your analytical skills and learn how to structure your thinking
- Strengthen your leadership and communication skills
- Get challenged by Faculty and peers on how to best address your strategic business challenge
- Develop a strategy to address your business challenge and a solid action-plan for execution



ORCHESTRATING WINNING PERFORMANCE - <http://www.imd.org/owp>

The global business program for individuals and teams
Program Directors Michael Wade and Dominique Turpin

- Get exposed to the latest management thinking and to practical and innovative solutions for your business
- Anticipate global business trends
- Boost your performance, broaden your perspectives and expand your global network
- Design the program that suits you and your team
- Become a complete executive through activities that develop your mental, physical, and emotional health