



Panelists:

- Jason Aiken, Business Development & Marketing Manager, 99designs.com
- Jody Turner, Founder CultureofFuture.com
- Christopher Simmons, Principal/Creative Director, MINE™ Adjunct Professor, CCA

Moderator/Host:

- Josh Levine, Director of Strategy Great Monday

Crowdsourcing

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Overview: AIGA National's Position on Spec Work

AIGA, the professional association for design, believes that professional designers should be compensated fairly for the value of their work and should negotiate the ownership or use rights of their intellectual and creative property through an engagement with clients.

AIGA acknowledges that speculative work—that is, work done prior to engagement with a client in anticipation of being paid—occurs among clients and designers. Instead of working speculatively, AIGA strongly encourages designers to enter into projects with full engagement to continue to show the value of their creative endeavor. Designers and clients should be aware of all potential risks before entering into speculative work.

AIGA is committed to informing designers, students, educators, clients and the general public on the risks of compromising the design process through information, materials and services that can help in forging a healthy working relationship between designers and their clients.

Uncompensated design is not the same as spec work

Speculative work—work done without compensation in the hope of being compensated, for the client's speculation—takes a number of forms in communication design. There are five general situations in which some designers may work, by choice, without compensation:

- *Speculative or "spec" work*: work done for free, in hopes of getting paid for it
- *Competitions*: work done in the hopes of winning a prize—in whatever form that might take
- *Volunteer work*: work done as a favor or for the experience, without the expectation of being paid
- *Internships*: a form of volunteer work that involves educational gain
- *Pro bono work*: volunteer work done "for the public good"

For students and professionals, there may be a different line drawn on which of these constitute unacceptable practices. In each case,

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Is Crowdsourcing Evil?

The Design Community Weighs In

By Jeff P. Howe

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Crowdsourcing, by its very name, encourages a comparison to outsourcing. But when Wired first published the article that entered the term into the popular lexicon, it was far from clear whether the phenomenon would realize its disruptive potential.

Three years later, it seems increasingly obvious that it will. Aided by a new generation of sophisticated startups, ever cheaper creative tools and — most of all — a recession that is forcing cost-saving measures on businesses, crowdsourcing is rapidly migrating from the fringe to the mainstream.

Witness the upheaval afflicting the design industry, sparked by the rise of so-called “spec design” sites like crowdSpring and 99designs. Customers post creative briefs directly to the community, which then competes to create a design that best fits the clients’ needs. A typical “assignment” will draw dozens of submissions. The winner receives a nominal fee (as little as \$200), and the client receives a logo or website design at a fraction of what a professional agency might charge. The losers get zip, which goes a long way to explaining why working on spec (“on speculation,” or without guarantee of payment) has always been considered the work of last resort for writers, designers and other creative professionals.

So one might expect crowdSpring and 99designs to wither away like so many other seemingly ill-conceived Web 2.0 startups. Instead, they seem to be flourishing. 99designs says it has paid out over \$4 million to its community of 30,000 artists, and crowdSpring expects to be profitable by next year. The success of crowdsourced design has sparked a vibrant, highly emotional debate within the design industry. (The brouhaha will go live at SXSW next week, where I will moderate a panel on the subject of spec work in design.)*

Alarmed by the popularity of the spec model, a group of designers formed a protest group called No!Spec to persuade their colleagues (and prospective clients) to just say no to design contests. Their effort has not been in vain. The trade group AIGA, with around 22,000 designer members, has gone so far as to stake out an official position on spec work: “AIGA strongly discourages the practice of requesting that design work be produced and submitted on a speculative basis in order to be considered for acceptance on a project.”

The controversy shifted into high gear last month after Forbes published an airy, one-sided look at crowdSpring. In more than 100 comments to the article one could read persuasive, articulate variations on a single theme:

“Fuck you and crowdSpring too.” Several prominent design blogs posted their own jeremiads lambasting crowdSpring. “Spec work has become a major force in devaluing the perception of graphic design in the business world,” writes eyeCinq. And: “The folks that run these outfits have managed to figure out a way to get thousands of people — some skilled enough to earn a decent living — to work for them gratis. It’s an amazing sleight-of-hand,” writes The Logo Factor.

It would seem that the squabble has ignited the design community against the barbarians at their gate. And that would seem to bode ill for the future health of the spec sites, right?

Don’t count on it. A similar debate was taking place in the stock photography world when we published “The Rise of Crowdsourcing” in that bygone era of June 2006. The fact this debate has been largely settled — in favor of the barbarians — speaks volumes about where graphic design, and, for better or worse, most other creative fields, are heading.

I made this explicit comparison on my blog last August. The demand for low-end design has ballooned in recent years alongside the profusion of start-ups and small businesses.

Conveniently enough, so has the supply of what we might call “low-end designers” (amateurs, recent grads and the like). According to Forbes, there are 80,000 freelance designers in the United States alone. Most of these are, proverbially speaking, waiting tables. When someone matches demand and supply, well that’s kismet!

IStockphoto and other so-called “microstock” agencies capitalized on a similar disparity. The result was the total disruption of the \$2

billion stock photo industry. IStock is now the third-largest purveyor of stock images, and 96 percent of its “workforce” is comprised of amateurs. In my book on crowdsourcing, I posed the question of whether stock photography was an isolated case, or just the canary in the coal mine. It was an open question as of April 2008 when I submitted the final changes to my galleys. Now it ain’t. The canary is prone, lying motionless on a bed of its own droppings. It looks like it’s time to find another mine.

* Two of my co-panelists have written their own distinctive takes on the debate. Please check out Threadless.com’s Jeffrey Kalmikoff on the spec debate, as well as Forrester analyst Jeremiah Owyang’s advice to designers. <http://www.wired.com/epicenter/2009/03/is-crowdsourcin/>

D.Talks Schedule for 2010

March 18, 2010 - Perfecting Your Portfolio II

May 20, 2010 - Design Entrepreneur

July 15, 2010 - Art of the Pitch

September 16, 2010 - Pricing Your Work

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however, the designer and client make the decision and must accept the relevant risks. Most designers would consider the first two types to be unacceptable.

In certain design disciplines, such as architecture, advertising and broadcast design, business practices differ and professionals have been expected to participate in speculative work. This usually occurs in fields where the initial design is not the final product, but is followed by extended financial engagement to refine or execute a design.

In communications design, this is often not the case. The design submitted “on spec” is all that the client is seeking.

Spec work presents risks to both the client and the designer

Clients and designers knowingly engaged in spec work share an equal responsibility to understand the potential risks and rewards:

- **Clients risk compromised quality** as little time, energy and thought can go into speculative work, which precludes the most important element of most design projects—the research, thoughtful consideration of alternatives, and development and testing of prototype designs.
- **Designers risk being taken advantage of** as some clients may see this as a way to get free work; it also diminishes the true economic value of the contribution designers make toward client’s objectives.
- **There are legal risks for both parties** should aspects of intellectual

property, trademark and trade-dress infringements become a factor.

History of restrictions and policy

The historic prohibitions on speculative work by graphic designers appear to have emerged from the guilds of Europe. The reasons to avoid situations that call for speculative work are sound—and professionals and educational institutions have promoted these restrictions as ethical standards.

Yet, in the 1990s, the Federal Trade Commission declared that AIGA could not make a prohibition of work for free as part of its statement of ethics for it was a restraint of trade (or price fixing)—in other words, it prevented designers from being free to charge whatever they wanted, including nothing, for their work. In some ways, that ruling anticipated the issues raised in this era of liberalization of the market place through technical innovation.

Sample letter for designers and firms on aiga.org (rev. May 2009)

Clients may, at times, request that you or your firm compete for an engagement on the basis of spec work. While it is up to each designer to make the choice of whether to engage on this level, this sample letter is intended to serve as a resource if you choose to communicate with these clients to explain why speculative proposals compromise the profession and the resultant work. You should modify it based on the needs of your particular situation.