

THE WIKI BUSINESS PLAN

GRANT ROBERTSON

MEDIA REPORTER

Published Monday, May 26 2008, 12:00 AM EDT

Last updated Friday, Mar. 13 2009, 12:00 PM EDT



Sue Gardner was watching CNN the day Luciano Pavarotti died. As news of his death crawled across her television screen at the **Wikimedia Foundation** last September, she instinctively turned to **Wikipedia** to update the web page devoted to the Italian tenor.

Ms. Gardner, executive director of the non-profit organization that operates Wikipedia, was too late. Someone had already altered the online encyclopedia - 17 minutes earlier.

It was a telling moment for Ms. Gardner, who left her job running CBC's web operation a year ago to join the foundation. Wikipedia users had not only beaten her to the punch, they had apparently scooped the big cable networks.

In many ways, that example captures the internal struggle going on at Wikipedia these days. The "free encyclopedia that anyone can edit" is in the midst of an identity crisis. Having evolved far beyond its original, modest vision of collaborative knowledge and free information, it needs to decide what it is, and what to do next.

Although Wikipedia has studiously avoided bowing to commercial interests such as advertising, Ms. Gardner knows the site could easily get rich if it began acting more like a big media company. That is, if it began selling its audience to advertisers. That's 57 million unique users in the U.S. alone last month.

Once an unassuming little website, it is now an Internet powerhouse.

"We hear it all the time: you're leaving billions on the table," she said. "It's hard for people to understand."

Such a change could make Wikipedia worth billions, and make the recent \$1.8-billion (U.S.) purchase of online news pioneer CNet by CBS Corp. look like chump change.

But advertising is out of the question, since the site is backed by a charity. So the problem for Ms. Gardner is how to harness Wikipedia's potential in order to sustain the foundation's growing costs - new servers, more staff, new technology - without straying from the notion of Wikipedia as a not-for-profit. The organization needs less than \$6-million a year, with most coming from fans who donate between \$25 and \$500,000 - but it wants to grow.

Having moved from its original cramped quarters in St. Petersburg, Fla., the Wikimedia Foundation now stretches its legs inside a modest office in San Francisco. Its Silicon Valley neighbours salivate over the thought of the riches that could be had from Wikipedia, speculating whether it may ever soften its stance on being a full-fledged charity.

With more than nine million user-generated articles in 250 languages, Wikipedia is now one of the world's top 10 websites since its launch in 2001.

"The math is different for us," said Ms. Gardner, who was born in Barbados, raised in Port Hope, Ont., and spent much of the past 17 years at the CBC. "We're never going to be Google, we're never going to be Facebook."

But there is a plan for growth. When Ms. Gardner arrived last year, the foundation had just nine employees in St. Petersburg, where founder Jimmy Wales started the operation.

"The first thing that I realized was that we clearly had to staff up. It's great to be an efficient lean charity with low overhead, but we were way too far down that road," Ms. Gardner said. "We were not sustainable, we couldn't keep the thing afloat. For an organization like Wikipedia, a lawyer is essential. There was also no fundraising staff, which is unheard of for a non-profit." Now Wikipedia has 15 staff and plans to add a dozen more. It is glacial growth for a web company.

Perhaps her most significant move is hiring Kul Wadhwa, a former economic analyst at RAND Corp. who recently oversaw business partnerships at Stanford University. As head of business development, his job will be to find new financial opportunities for Wikipedia. Most likely, those ventures will resemble a deal struck with German publisher **Bertelsmann AG**, which is releasing a Wikipedia book in that country in a few months. The books will sell for about €20 (\$31 Canadian), with €1 going to the foundation.

Longer term, Mr. Wadhwa expects Wikipedia will adapt itself for mobile platforms through partnerships with wireless firms, since cellphones are more prevalent in South America and Africa.

Until then, his job involves fielding calls from an endless line of tech giants, startups and private equity players looking to partner in the hopes of tapping Wikipedia's massive audience. The cold calls range from people wanting to use Wikipedia's logo on T-shirts to revenue sharing ideas and the inevitable advertising requests, which are abruptly turned away. The foundation sees Wikipedia's next frontier in schools, and executives know teachers would be more skeptical if advertising came attached.

"A lot of things have been discussed like board games and TV shows. And I'm not ruling that out," Mr. Wadhwa said. "But what we'd really like to do is focus on things that are more directly associated with our mission."

While the debate between business interests and non-profit independence is often black and white for Wikipedia, the Bertelsmann deal, struck before Mr. Wadhwa arrived, is an example of an acceptable venture that exists in the grey area between those two categories, he said. That's the message Mr. Wadhwa is taking to companies. "We're actually open to suggestions that can be bounced back and forth."

Wikipedia is allowing others to help write its strategy - a familiar approach. "Our business plan is like a wiki. That's a good way of putting it," Mr. Wadhwa said.

By the numbers

8,000

The percentage amount

by which Web traffic has

grown in the past five years.

11.2 million

The number of unique visitors

in Canada in March, ranking it

6th in traffic with half that

of top-ranked Google.

17 minutes, 51 seconds

The average time spent by U.S. visitors to the site in April

Source: Nielsen Co.,

comScore.com

Home

- News
- Commentary
- Business
- Investing
- Sports
- Life
- Arts
- Technology
- Drive
- Site Map

More Sections

- Appointments
- Art Store
- Births & Announcements
- Careers
- Globe Campus
- Classifieds
- Classroom Edition
- Deaths
- Newspaper Ads
- Real Estate
- Special Reports
- Globe sustainability

Globe Plus

Subscribe

Globe Recognition

Recognition card

Advertise

- Advertise with us
- Newspaper
- Magazine
- Online
- Marketing Solutions Group
- Media Central
- Classifieds

Online

- Help
- Contact Us

Newspaper

- About Our Newspaper
- Customer Care
- Contact Us
- Staff
- Corrections
- Home Delivery
- Vacation Stops
- Change Address

Privacy Policy

- Accessibility Policy
- Terms & Conditions
- Disclaimer

© Copyright 2012 The Globe and Mail Inc. All Rights Reserved.

444 Front St. W., Toronto, ON Canada M5V 2S9
Phillip Crawley, Publisher