Social Business: Delivering Critical Business Value

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Introduction

Social media is incredibly powerful for driving faster access to information and expertise as well as driving collective action. . . It has been instrumental in driving change so profound that even government structures are not immune. If there is proven power in faster access to potentially better information and expertise as well as the ability to drive collective action, then can these dynamics be applied to business? The answer is clearly yes. When enterprise social solutions provided by vendors have a strict business focus, the results can be dramatic. The dynamics we've observed in broad public settings, when applied to the enterprise, can lead to faster and better decisions that can drive new product innovation, higher sales, improved customer service, and streamlined processes, just to name a few. Social business holds the promise to break down organizational and geographic boundaries that currently stop the free flow of information, access to expertise, and collective action that could provide an organization with significant competitive advantage. The market stands at a critical point, with about half of enterprises embracing enterprise social and half still on the sidelines. As some of the early movers begin to realize significant business value, those waiting face the risk of being left behind.

Our research demonstrates that organizations find the promise of social business compelling. Investment is robust, and expectations are high. According to a survey commissioned by VMware for this paper, the No. 1 goal associated with social business investments could not be more strategic, with a full two-thirds identifying "better decision-making" as a primary driver. Many early adopters rushed in and found limited success with enterprise social. Adoption lags behind investment, as business users are not convinced of the business value of social initiatives. Lacking prescribed business goals and guidance to define and drive that value, many users are unsure of how to proceed. It turns out that social business is not a destination, but a journey. And the path to success is defined by the integration of social business with the goals of the organization. When asked what would improve adoption of social tools, the top two responses were clear and unambiguous: 1) a better understanding of the business value, and 2) integration with existing back-end systems. In other words, don't change my business to make it social; social should enable my business.
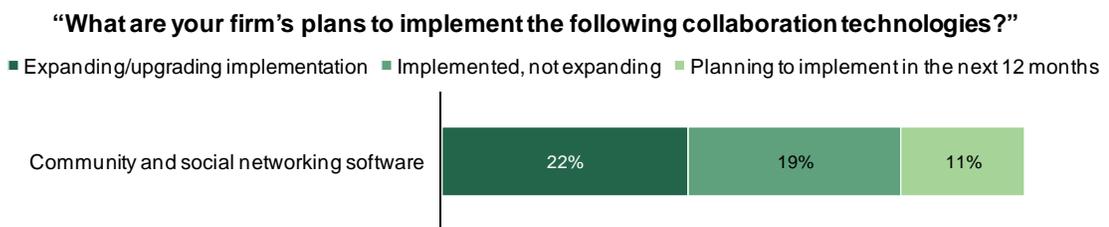
Investment In Social Business Is Robust

Investment in enterprise social solutions is not yet pervasive, but the trend is right at the tipping point. According to Forrester Research, just more than 50% of organizations surveyed will have made investments in 2012 (see Figure 1). Clearly, many are making a big bet on social business, while others are waiting to be convinced of the value. The key is that the roughly half of companies are waiting for more validation of value as well as hoping to learn best practices for success from the half that are moving ahead. Meanwhile, the first movers are looking for sustained competitive advantage from moving more aggressively into social business.

Figure 1

Enterprise Spend Adoption

"What are your firm's plans to implement the following collaboration technologies?"

■ Expanding/upgrading implementation ■ Implemented, not expanding ■ Planning to implement in the next 12 months

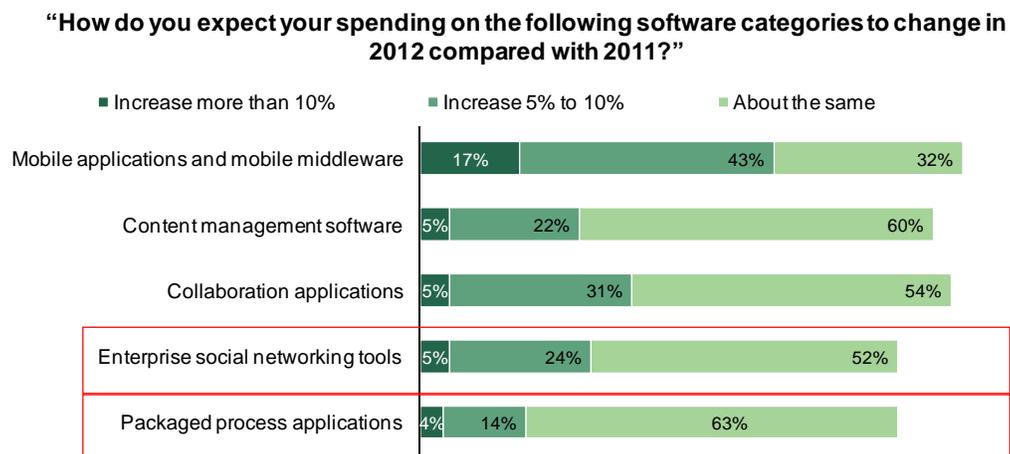|		
Community and social networking software	22%	19%	11%

Base: 338 North American IT managers

Source: Forrsights Software Survey, Q4 2011, Forrester Research, Inc.

Not only do we see significant investment in social business technology, but also increases in spending are on par with other critical investments like mobile, content management, and collaboration. Of particular interest is increased investment in social business and packaged process applications like customer relationship management, supply chain management, and enterprise resource management systems (see Figure 2). This is critical because Forrester believes that social and packaged process application investment are not separate but should be part of an overall strategy that drives toward packaged applications that are extended through social enablement.

Figure 2

Increased Investment In Social Is In Line With Packaged Process Applications

"How do you expect your spending on the following software categories to change in 2012 compared with 2011?"

■ Increase more than 10%   ■ Increase 5% to 10%   ■ About the same

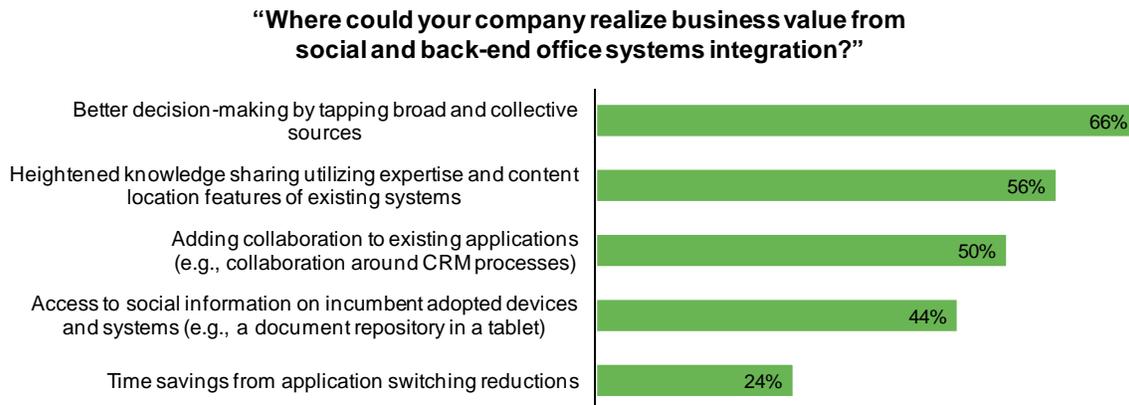|			
Mobile applications and mobile middleware	17%	43%	32%
Content management software	5%	22%	60%
Collaboration applications	5%	31%	54%
Enterprise social networking tools	5%	24%	52%
Packaged process applications	4%	14%	63%

Investments Are Strategic

In April 2012, VMware commissioned Forrester Consulting to do a survey of IT leaders on the topic of social business, and two-thirds of respondents to this survey said that "better decision-making" was a primary driver of business value from social and back-end systems integration (see Figure 3). Clearly, the prospect of extending critical line-of-business applications to provide greater integration with social business holds the promise of business value. The integration of these two currently disparate environments will drive two critical outcomes: 1) It will allow critical business information that is currently locked in business systems to be easily disseminated to knowledge workers through the development of a social layer, and 2) it will allow that information to be acted on collectively.

A potential scenario that illustrates this type of integration could involve a salesperson reacting to an opportunity. As information comes into an activity stream from a customer relationship management (CRM) system, it can be critical to activities to drive an opportunity. A high-severity incident with a current client could change the approach to a sales opportunity. A social business layer that is connected to a CRM system could be a perfect mechanism for providing the information to the salesperson in time to drive the right decisions regarding the approach. Additionally, the approach and response to the incident could be refined by collective input from the broader community. Another example would be adding social capabilities to a document-centric collaboration system to allow collective input to content creation and management.

Figure 3

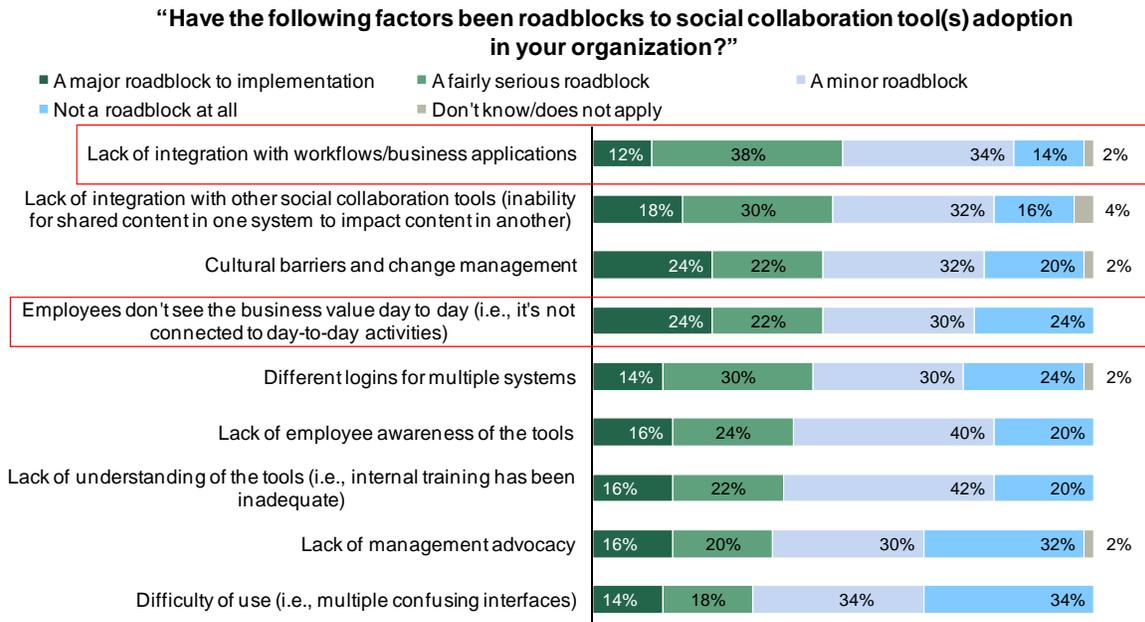Investment Drivers Are Strategic And Business Critical

"Where could your company realize business value from social and back-end office systems integration?"

Better decision-making by tapping broad and collective sources	66%
Heightened knowledge sharing utilizing expertise and content location features of existing systems	56%
Adding collaboration to existing applications (e.g., collaboration around CRM processes)	50%
Access to social information on incumbent adopted devices and systems (e.g., a document repository in a tablet)	44%
Time savings from application switching reductions	24%

To Reach Strategic Goals, Better Adoption Is Critical

Of course, all of the proposed benefits of social business are lost if users do not adopt the solutions. In environments where social business solutions have been deployed and there have been issues with adoption, survey

data demonstrates perceived lack of business value (46%) and lack of integration with workflow and business applications (50%) as critical roadblocks (see Figure 4).

Figure 4

Barriers To Adoption Are Clear

"Have the following factors been roadblocks to social collaboration tool(s) adoption in your organization?"
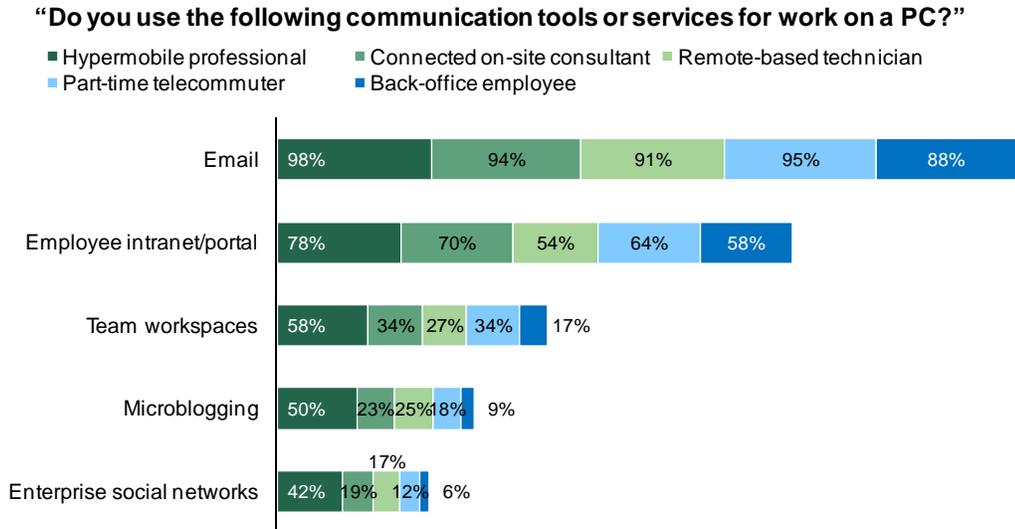
Base: 50 North American IT managers

Source: A commissioned study conducted by Forrester Consulting on behalf of VMware, April 2012

Nowhere is the value of social business more evident than with those that are adopting in high numbers. While popular wisdom states that younger workers will drive early adoption, the actual numbers indicate that business need is the strongest driver. As a group, highly mobile professionals use enterprise social networks at a rate of 42% and microblogging at a rate of 50% (see Figure 5). Highly mobile professionals, who include mobile salespeople, are more likely to embrace social business because better access to information, expertise, and collective action can drive higher sales. Hence, the mapping to business value drives higher adoption. These individuals represent the pointy edge of the sword, with the expectation that broad adoption will follow.

Figure 5

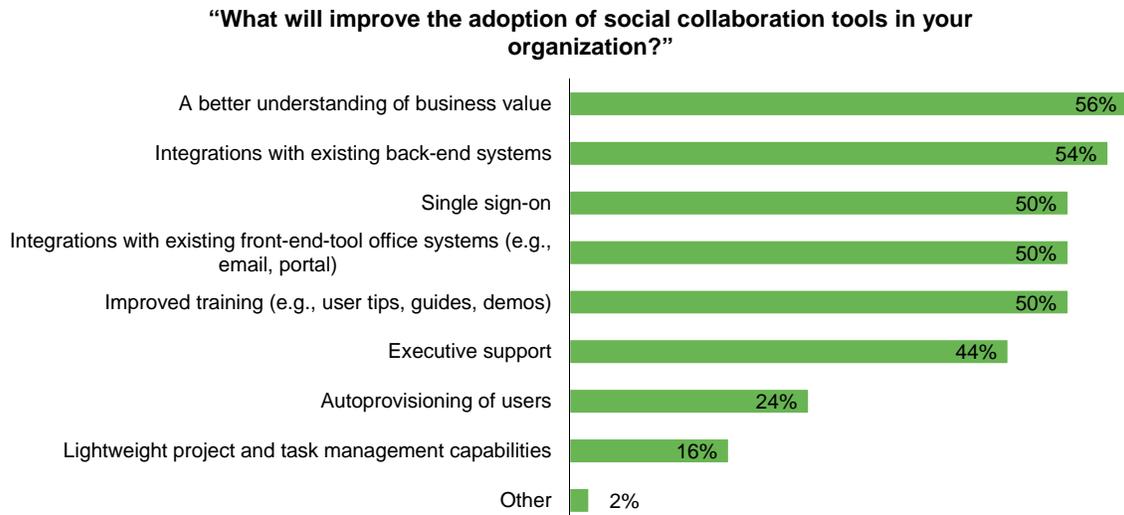Hypermobile Professionals Demonstrate That Business Value Trumps Resistance

"Do you use the following communication tools or services for work on a PC?"

■ Hypermobile professional   ■ Connected on-site consultant   ■ Remote-based technician
■ Part-time telecommuter   ■ Back-office employee

Email	98%	94%	91%	95%	88%
Employee intranet/portal	78%	70%	54%	64%	58%
Team workspaces	58%	34%	27%	34%	17%
Microblogging	50%	23%	25%	18%	9%
Enterprise social networks	42%	19%	17% / 12%	6%	

Base: 1,283 global enterprise information workers;

Source: Forrsights Workforce Employee Survey, Q4 2011, Forrester Research, Inc.

The Path Forward

Not surprising, when asked what will improve adoption of social business solutions, the response is clear: 56% believe that the answer lies with better understanding on the part of users of the business value of social, while 54% point to better integration with existing back-end systems (see Figure 6). The key to business value is clearly defined as mapping the potential of social to existing business processes. Better decision-making associated with existing processes offer the opportunity to remove human latency and drive better outcomes.

Figure 6

Adoption Of Social Is Driven By Business Value And Integration

"What will improve the adoption of social collaboration tools in your organization?"

A better understanding of business value	56%
Integrations with existing back-end systems	54%
Single sign-on	50%
Integrations with existing front-end-tool office systems (e.g., email, portal)	50%
Improved training (e.g., user tips, guides, demos)	50%
Executive support	44%
Autoprovisioning of users	24%
Lightweight project and task management capabilities	16%
Other	2%

Base: 50 North American IT managers

Source: A commissioned study conducted by Forrester Consulting on behalf of VMware, April 2012

Social Business Is Ultimately Business

Social business continues on a course to become mainstream enterprise software. The path to the mainstream will require social to move from its current role of a rogue application that comes in through the back door and sits outside of current business processes to a first-class software citizen ready to prove business value to skeptical users. This will require integration with current business processes and the applications that drive them. The data supporting this paper reveals that:

- **Investments in social are reaching a tipping point.** Just more than half of enterprises will be invested in social business software in 2012. Those that are investing are looking to drive competitive advantage by providing knowledge workers with better access to information, expertise, and collective action.

- **Expectations are high.** Two-thirds of those surveyed look to the integration of social and business applications to drive better decision-making. The expectations for social are to drive business value by linking existing business processes to collective intelligence to drive better results.

- **Patterns of business value are emerging.** Initial patterns support the contention that business value drives adoption. Highly mobile professionals adopt social software and microblogging at rates in the 50% range. The pattern suggests that the role of social software in providing better access to information and expertise provides definable business value to highly mobile professionals.

- **Integration with business processes and systems represent the path to adoption and value.** When asked about barriers to adoption and the potential for breaking through those barriers, the prospect of integration of social business capabilities into existing business systems represents significant potential. More than 50% of respondents report that a better understanding of business value and integration with back-end systems will improve adoption of social technologies.