**IT:** Time To Take the Lead in Creating Business Value with Enterprise Social Networks

With the right technology and a well-crafted plan for deploying and encouraging the use of enterprise social networks, CIOs can bring to their organizations a collaborative environment in which knowledge can be captured and shared, and workflows streamlined, providing real-time business benefits.

**Executive Summary:**

**HOW BUSINESSES CAN BEST HARNESS THE POWER** of social networks has been widely debated over the last couple of years. Not all of the proposed solutions provide the collaborative environment and cohesive experience needed for effective enterprise use. The right solutions have platform extensibility and the tools and expertise to implement and maintain a vigorous community.

Absent these, adoption can lag and communities can remain fragmented as users try to communicate and collaborate in piecemeal fashion. When present, extensibility, tools and leadership are key drivers of social networking success. The benefits of that success include real-time access to, and a repository for corporate knowledge; accelerated R&D innovations, improved decision-making; and even increased employee morale.

As the CIO’s charter evolves to focus more closely on business optimization and process improvement, IT has the opportunity to lead the organization’s enterprise social network (ESN) initiatives. It is up to the CIO to create a roadmap for how the business will use this technology to its advantage. The business benefits of having a central space where people, data and applications are interacting in real-time are many.
While it is critical that IT leaders choose the right framework and manage it effectively, they must also forge partnerships with line-of-business owners and executive enterprise social network (ESN) sponsors so that the potential value of ESN solutions is realized. Managers who model behaviors and engage employees can change behaviors and drive ESN adoption.

Setting the Stage

AN ENTERPRISE SOCIAL NETWORK differs from consumer platforms such as Facebook in that it creates secure online communities for collaboration among employees and business partners. The messages, updates, progress reports, questions and answers that users post (sometimes with links or attachments) or that systems generate, become part of real-time activity streams that provide a continuous view of what is going on at the company now. These activity streams can also be archived, so that the knowledge exchanged and generated can be filtered and searched in the future.

IT leaders are charged with making it possible to capture and syndicate data, actions, and activities, whether user- or system-generated, across the entire business. This enables a smarter, more collaborative, and more productive working environment. It’s equally critical for CIOs to support the user’s main computing environment, whether that’s at the office on a corporate desktop or remotely on a mobile device. Secure access to activity streams, updates and comments must be assured.

With business today moving at an accelerated pace, the need for enterprise social networking is greater than ever. Current enterprise software (e.g. SharePoint, Outlook), and ERP, CRM and supply chain systems don’t support the collaboration required to speed critical processes along. For example, an online retail system may be able to generate emails to employees that inventory is getting low, but isn’t likely to provide that information within context of the business process itself.

One big stumbling block to collaboration: the forms-dominated workspaces of business applications break down when processes—or the people engaging in them—don’t follow the rules. If exceptions occur, workers must start a parallel process to resolve them. While email provides a forum for collaboration, it isn’t real-time, and discussions—especially among multiple parties—can get messy fast.

Enterprise social networking provides a welcome change. With it, users never have to switch context; they can seek help to address their issues from within known environments—and others can respond in kind. That’s important given that key processes often cross applications and lines of business. It’s a much more efficient way to handle major process exceptions, as well as minor issues. For example, if a critical question arises when a salesperson is closing a deal, he or she could post it within a CRM application for a quick, crowd-sourced answer, rather than trying to reach an individual colleague by phone.

ESN: Poised to Break Out

WITH SUCH POSSIBILITIES ON TAP, it’s not surprising that ESN investing is at the tipping point. According to the Forrester Research report Social Business: Delivering Critical Business Value; slightly more than half the organizations surveyed say they will invest in ESN solutions in 2012. Those who won’t invest may share some of the survey respondents’ concerns: half of them name lack of integration with workflows and business applications as a major or fairly serious roadblock to implementation.

However, when social and back office systems integration is present, respondents realize a number of benefits:

- Better decision-making by tapping broad and collective sources (66 percent);
- Heightened knowledge sharing utilizing expertise and content location features of existing systems (56 percent);
- Adding collaboration to existing applications (50 percent);
- Access to social information on incumbent adopted devices (44 percent);
- Time savings from application-switching reductions (24 percent).

One company that can speak to the advantages of being able to communicate across departmental lines is Royal Philips Electronics of the Netherlands, which employs over 100,000
people in more than 60 countries. In 2010, the company created an enterprise social network using technology from Socialcast by VMware. Today the 37,000-plus workers using it get on average three answers to each question they post to the community. More than a quarter of those answers come from a different sector of the company, and nearly 40 percent come from a different job function. “That right there tells us that this is a true helpline for the community,” says former Philips’ senior global internal communications officer Cameron Batten.

Aligning Enterprise Social Networking to Business Goals

Gartner predicted that more than 70 percent of IT-dominated social media initiatives would fail through 2012, blaming the tendency of IT organizations to focus on providing a technology platform rather than delivering a social solution that targets specific business value. This is an excellent argument in favor of CIOs engaging closely with line-of-business leaders to understand how to build an ESN platform employees will actually use.

Conversations with line-of-business leaders should focus on how their teams are using applications like SharePoint, CRM, and ERP. In many cases, what CIOs will hear from their business peers is that an ESN solution must foster deep integration between business applications and the people who use them.

Meeting the Challenges

Succeeding Where Others May Fail, requires assurance that the technology behind the ESN platform fits the value the business wants to derive from going social. To that end, it’s important that the platform delivers extensible integrations agnostic of the business system — from SharePoint to customer management tools to mobile apps.

For example, Socialcast’s Reach technology lets users “drop” collaboration and communication into any HTML/JavaScript-compatible system. Embedding Socialcast into Sharepoint brings static content to life. It facilitates cross-departmental conversations between teams, enriches static user profiles, and incorporates activity streams from anyone, anywhere in the enterprise onto a team site.

Success takes more than simply choosing the right technology. Enabling line-of-business leaders to drive ESN adoption within their teams is also crucial. Encouraging employees to use the ESN community platform as their primary form of team communication is one way to do this.

Executives at Humana, a health benefits company, communicate with employees using the Socialcast community. Prior to launching Socialcast, management provided messaging and education on how and when to use the tool to connect with other employees. “They can share information, make connections with people, and understand different departments. In a company this size, it’s easy to become fragmented,” says Greg Matthews, Humana’s director of consumer innovation.

Getting an enterprise social network off to a smart start takes a vendor partner that’s well versed in driving enterprise implementations. In most instances it’s a good idea to get the tool incubated in one department before deploying it throughout the enterprise.

IT leaders may find more success if their ESN vendor has frameworks in place to help them understand their corporate culture and modes of communication. Based on those insights, the vendor can assist in creating a customized launch plan that walks the business through the deployment; promotes and incentivizes use of the tool; and trains the workforce on it. Socialcast’s customer success team has developed a methodology and programs that cover all these facets.

Secure and Manageable: Keys to the ESN Kingdom

Undoubtedly, enterprises may have concerns about whether increasing collaboration—especially with external parties—could jeopardize the security of information assets. 3M, for example, wanted to improve the flow of information across all its labs around the globe to fast-forward innovation, but security is a huge concern. “The fact that we discuss proprietary information online makes information security one of, if not the top concern,” John Woodworth, 3M’s tech forum chair-elect and head of lab collaboration, notes. Socialcast met 3M’s rigorous security requirements to keep proprietary information safe; it now powers “Spark,” a collaboration system for workers at 35 labs across 65 countries.
“Sharing information” is a key to employees who are “thriving,” as opposed to merely “satisfied.” And employees who are “thriving” perform 16 percent better and burn out 125 percent less than their peers; are 32 percent more committed to the organization; and 46 percent more satisfied with their jobs.

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With access control through Active Directory and Single Sign-On supported as technology integrations in Socialcast, IT can keep the network secure with automated account provisioning and permission-based access to Socialcast. For additional security, CIOs can opt to deploy Socialcast on-premise rather than in the cloud.

Socialcast allows companies to reap the benefits of real-time collaboration with partners and contractors—without compromising the security of internal data. It does this by limiting third-party interactions to the specific groups they are invited to rather than providing unfettered access to the entire community.

Measuring Success

ENTERPRISE SOCIAL NETWORKS can prove successful in many different organizations. Given that they likely have high populations of youthful digital "natives," startups are a good fit for ESNs. But an ESN can also be ideal for mature businesses that see it as a tool to change the game internally before they are disrupted externally. It can be the rallying point and stabilizing factor in turbulent times, letting employees connect, recognize their commonality, and appreciate why they are there.

Such value can’t always be directly measured, but impact can be assessed in other ways. For example, a national retail chain has seen employee attrition decrease by nearly 17 percent since launching a Socialcast community to improve employee culture and rapidly disseminate information. Retaining the existing workforce in a highly fluctuating retail industry helps control bottom-line costs. According to the 2012 Global Workforce Study from global professional services firm Towers Watson, companies whose employees exhibit high sustainable engagement have operating margins almost three times those of organizations with a largely disengaged workforce.

When it comes to measuring the overall value of an Enterprise Social Network deployment, metrics should consider the effects of seemingly "soft" benefits. For example, Socialcast includes a way to recognize people for their contributions with its “Thanks” feature. It seems a small thing to say thanks, but public acknowledgement of someone’s work drastically increases productivity – even more so than financial incentives.

In a 2012 Harvard Business Review article, researchers said “sharing information” is a key to employees who are “thriving,” as opposed to merely “satisfied.” And employees who are “thriving” perform 16 percent better and burn out 125 percent less than their peers; are 32 percent more committed to the organization; and 46 percent more satisfied with their jobs.

Research from a June 2009 McKinsey Quarterly survey shows that praise and commendation from a direct manager and attention from leaders are “extremely” or “very effective” motivators for 67 percent and 63 percent, respectively, of workers. Performance-based cash bonuses or an increase in base pay are “extremely” or “very effective” motivators for 60 and 52 percent of workers, respectively, while stock or stock options influence a mere 35 percent.

Eighty-one percent of the employees surveyed in Globoforce’s Workforce Mood Tracker™ Spring 2012 report say recognition makes them more satisfied with their work and/or position in the company, up from 73 percent in fall 2011. The fluid and easy conduit to a pat on the back that Socialcast provides can be a huge untapped driver of performance.

What will realizing this type of success cost an organization? Up to 50 users can explore the Socialcast platform. It is a no-cost way for a company to incubate the full ESN experience.

Conclusion

CIOs have an opportunity to help the enterprise rethink how it does business today by letting social networking permeate business processes rather than exist in parallel with them. IT leaders who recognize that’s where the true value of enterprise social networking lies have an advantage. When they bring on technology that supports that vision, and forge a partnership with line-of-business leaders to bring ESN’s value to life, they can change the very fabric of the business itself. Increased productivity, greater employee satisfaction, accelerated innovation and more await those organizations that adopt enterprise social networks.