

Social Business

Understanding How The Social Web Is
Causing Business To Change

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AJEEP

Social Business
Understanding How The Social Web Is
Causing Business To Change

Course Description

In this course, students will get a better understanding of how the changing landscape of media is giving the social customer a megaphone to express his/her opinions about the products and services they love and hate. They will also learn how business today is investing in tools and technologies (i.e. Social Business Command Center) to get a better understanding of how to engage with customers more authentically. Students will also get first hand experience in learning about social business planning deliverables and the process it takes to change the organization.

Course Content Learning Outcomes

Upon successful completion of this course, students will be able to:

- Identify the traits of today's changing landscape of media
- Understand the process of social business and the amount of planning and change management it takes to change behaviors in the organization
- Learn what is expected when delivering social business planning initiatives
- Learn, specifically, how to create a Social Business Command Centers (similar to Dell and Gatorade)
- Demonstrate proficiency in the process it takes to implement social business planning
- Learn what other companies are doing with social business planning

Required Texts/Readings

Textbook

NA

Other Readings

- Becoming a Social Business: The IBM Story (PDF)
- A Strategy For Managing Social Media Proliferation (PDF)
- Social Business Readiness: How Advanced Companies Prepare Internally (PDF)
- Making the Case For Enterprise Social Networks (PDF)

Other Equipment / Material Requirements (Optional)

- Skype and/or other online collaboration/video conferencing equipment
- Internet Connection

Assignments

- Weekly Quiz – Weekly quizzes will be based on the previous weeks discussion, slide review and assigned reading.
- Weekly Blog Posts – Blog posts are required every week and the topic must be relevant to the previous week’s discussion and assigned reading
- Final Exam – The final exam will be based on the learning outcomes and cover all class discussions and assigned reading

Grading Policy

25% CLASS PARTICIPATION, DISCUSSION AND QUIZ Class discussions are crucial to this class. All students are expected daily to know the latest social media news, and be able to tie it back to classroom discussion. Deadlines must always be met when writing blog posts before each class. No extensions or make-ups. Quizzes will be done each week based on the previous week’s discussion and reading.

25% BLOG WRITING Each student must write one well-thought out blog post between each class. The topic is one or two key takeaways from the previous class discussion. Students will be evaluated on content i.e. linking to sources, strategic titles, keywords and using other forms of media.

50% FINAL EXAM The final exam will be based on class reading and discussion.

Social CRM
**Harnessing Social Media for Maximum
 Customer Satisfaction & Experience**

Class	Date	Topics, Readings, Assignments, Deadlines
1		<ul style="list-style-type: none"> • Course Syllabus and discussion of class expectations • Session 1: The Changing Landscape of Media • Assignment: Read “Becoming a Social Business: The IBM Story (PDF)”
2		<ul style="list-style-type: none"> • Session 2: Understanding Social Business Planning • Discuss last week’s reading, blog posts • Assignment: Read “A Strategy For Managing Social Media Proliferation (PDF)”
3		<ul style="list-style-type: none"> • Session 3: Examples Of Social Business Planning Deliverables • Discuss last week’s reading, blog posts • Assignment: Read “IBM’s From Social Media To Social CRM Part 1”
4		<ul style="list-style-type: none"> • Session 4: The Evolution of Social CRM • Discuss last week’s reading, blog posts • Assignment: Read “Social Business Readiness: How Advanced Companies Prepare Internally (PDF)” • Discuss final exam
5		<ul style="list-style-type: none"> • Session 5: The Path To Becoming A Social Business • Session 6: Case Studies • Discuss last week’s reading, blog posts • Assignment: Read “Making the Case For Enterprise Social Networks (PDF)”
6		<ul style="list-style-type: none"> • Final Exam

Session Narrative & Class Outline

Social Business: Understanding How The Social Web Is Causing Business To Change

Definition of Business:

Social business planning is the blueprint for the transformation of an organization—bridging the external with internal, resulting in amore connected way of doing business and shared value for all stakeholders.

Additional Resources:

- <http://www.dachisgroup.com/2012/06/the-definition-of-social-business/>
- <http://www.mackcollier.com/what-the-hell-is-a-social-business-and-why-should-you-care/>
- <http://www.pammmarketingnut.com/2012/01/the-definition-of-social-business/>
- <http://www.business2community.com/social-media/what-is-social-business-a-clear-definition-0157881>

Class Key points:

- Social business is not the same thing as social media
- Social media is about marketing, growing communities and companies strived to be a social brand in order to engage with the growing influence of the social customer
- Companies became a social brand without much planning; and this has caused several business challenges as a result
- A social business looks at the internal dynamics of an organization in an effort to enable better marketing, better measurement, deeper relationships with customers and collaboration across the internet
- A social business is an evolution; and at times, there are set back as new leadership and management filter in and out of the organization
- Social business is rooted in change management and built upon process and technology

The following graphic illustrates the evolution of social business. The dates can certainly be argued but it's meant to show the progression from the growing influence of the social customer to the brands response of using social media to engage with them; and then to companies optimizing their business processes to better scale their social media programs internally first.

Here is a good overview that explains a) the social customer b) the social brand and c) the social business - <http://www.britopian.com/2012/02/17/the-social-customer-the-social-brand-the-social-business/>

THE EVOLUTION OF SOCIAL BUSINESS

2008 to present

SOCIAL BUSINESS

2003 to present

SOCIAL MEDIA

1995 to present

SOCIAL CUSTOMER

- Technology Innovation gives customers a voice
- They are influential
- Amplified voice across the social web
- Google indexing critical conversations about companies
- Social Customers are trusted amongst their peers as influence grows

- Companies and brands join Twitter, Facebook and create corporate blogs
- Engage with the social customer in various channels
- Social Media teams are forming slowly
- Small budgets are allocated on a project basis to social media engagement and community building

- Organizations begin humanizing business operations
- Organizational models are formed to include social media
- Organizational silos are torn down between internal teams
- Governance models and social media policies are created
- Social becomes an essential attribute of organizational culture

Vocabulary

Social Business Planning: Social business planning is the blueprint for the transformation of an organization—bridging the external with internal, resulting in a more connected way of doing business and shared value for all stakeholders.

Social Brand: Any company, politician, consultant, non-profit organization that uses social technologies to communicate with their constituencies.

Social Customer: Customers who use the social web to communicate with others and talk about the brands/products and services that they like, love or dislike.

Online Monitoring (also known as Social Listening): The method of listening to online conversations about a specific topic using a technology application (Radian6, Social Radar, Sysomos)

Community Manager: The community manager role is a growing and developing profession. People in this position work to build, grow and manage communities around a brand or cause. They are content creators, the number one cheerleaders, customer service agents, business developers, social media managers, keepers of the peace, feedback collectors, digital conversationalists, professional meeting goers, hype builders, news reporters, advocates for the end user, targets for all criticism, receivers of praise and about a thousand other things that change on a daily (or hourly) basis.

Social Media Command Center: Social Media Engagement Center or Command Center is a physical space where companies coordinate to listen and engage their market in social channels to achieve business use cases in marketing engagement, customer care, risk management, or operational efficiency of coordination and contact center deflection.

Social Business Center of Excellence: This is a team usually reporting into corporate marketing and is responsible for social business planning and operationalizing social media internally.

Session 1 Overview:

Session 1 is focused on the changing landscape of media. The premise of this session is that media is changing, there are no barriers to entry for customers to create and post content, and information and data is at our fingertips. And, because of this, companies rushed to create social media channels, which have caused several internal challenges.

Key points:

- Media is changing fast
- Consumption of media is at all time high
- Mobile devices make it easier for anyone to access content, create and publish content
- Companies were too busy looking for that “bright and shiny object” called social media and didn’t plan properly, thus resulting in several business challenges

Slide 5: This is an intro slide – 4 truths that shape today’s business environment

Slide 6: Truth #1 is that communication travels really fast. Recent uprisings in Egypt, Iran and Africa show how social media can travel much faster and that news breaks fast in this channel – much than in the traditional media.

Slide 7: Truth #2 is that everyone is influential. This slide is essentially a very condensed version of the social CRM class.

Slide 8: Truth #3 is that there is an overflow of media, data and information everywhere, Twitter, Facebook, RSS feeds, traditional advertising, emails, text messages, etc. The average person is subjected to thousands upon thousand of messages everyday.

Slide 9: Truth #4 is that regardless of what happens in the external ecosystem, business objectives will remain the same i.e. revenue, market share, decrease costs, etc.

Slide 10: The impact of the external landscape is now forcing business to rethink their operations, culture, processes, marketing strategies and business requirements:

Internal:

- Manage more efficient and effective information management processes
- Innovate at FASTER speeds
- Empower employees

External:

- Engage in a multi-stakeholder conversation
- Humanize the brand
- Embrace the rise of the individual

Slide 11: This slide highlights the specific challenges that companies are going through because they didn't plan properly

SOCIAL BUSINESS

Understanding How The Social Web Is Causing
Business To Change

PRESENTED BY
MICHAEL BRITO
ADJUNCT PROFESOR
SAN JOSE STATE UNIVERSITY

COURSE AGENDA

SESSION

1

The Changing Landscape of Media

SESSION

2

Understanding Social Business Planning

SESSION

3

Examples of Social Business Deliverables

SESSION

4

Building An Social Business Command Center

SESSION

5

The Path To Becoming A Social Business

SESSION

6

Case Studies

Social business planning is the blueprint for the transformation of an organization—bridging the external with internal, resulting in a more connected way of doing business and shared value for all stakeholders.

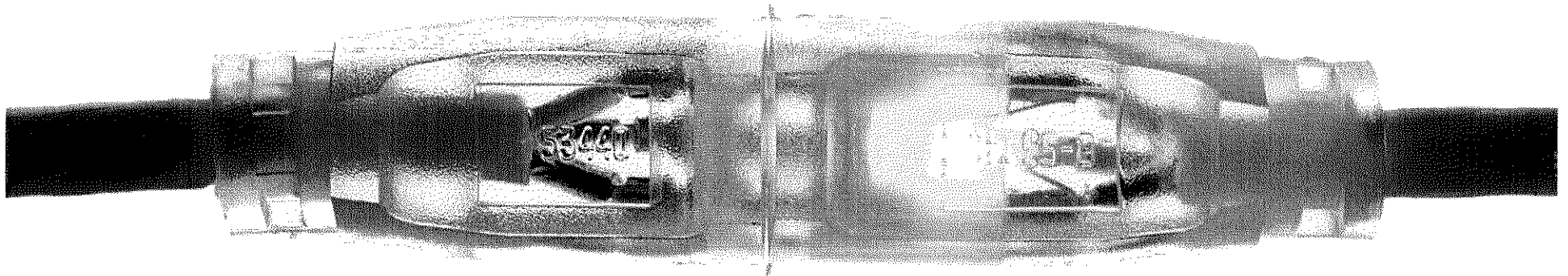
SESSION 1

The Changing Landscape Of Media

SOCIAL BUSINESS RESTS UPON

FOUR TRUTHS

**THAT SHAPE TODAY'S BUSINESS
ENVIRONMENT**



TRUTH #1

Communication continues to reach further faster.

A black and white photograph of a woman wearing a hijab, looking through a megaphone. She has a surprised or excited expression, with her hand near her mouth. The background is blurred, suggesting an indoor setting. The image has a halftone or dithered texture.

TRUTH #2

Everyone has a voice and is influential online.

SESSION 1: The Changing Landscape of Media

The background of the slide is a dark, textured surface with a pattern of fine, parallel diagonal lines. A horizontal band of lighter, semi-transparent material runs across the middle of the slide, containing the main text. The overall aesthetic is modern and digital.

TRUTH #3

The increasingly connected world generates an overflow of information.



Core business objectives will always remain constant.

THESE FOUR TRUTHS HAVE SHAPED A NEW BUSINESS REALITY

Based on the four truths, new internal and external requirements exist for all organizations.

TODAY'S NEW ENVIRONMENT REQUIREMENTS	INTERNAL		EXTERNAL	
	MANAGE MORE EFFICIENT AND EFFECTIVE INFORMATION MANAGEMENT PROCESSES	<i>Harness the massive amount of available content and data to rethink and re-equip business operations.</i>	ENGAGE IN A MULTI-STAKEHOLDER CONVERSATION	<i>Use new mediums to communicate with a wider, multi-faced set of stakeholders</i>
	INNOVATE AT FASTER SPEEDS	<i>Focus business efforts on innovation rather than continued improvement in order to stay relevant</i>	HUMANIZE YOUR BRAND	<i>In a world where marketing is driven by data and content, brands must learn to communicate with emotion</i>
	EMPOWER EMPLOYEES	<i>Equip employees with the right data at the right time in order to increase brand impact</i>	EMBRACE THE RISE OF THE INDIVIDUAL	<i>Whether you are a B2B or B2C company it's important to remember "people buy from people." It's vital to sync the internal with the external</i>

THIS NEW REALITY GIVES BIRTH TO INTERNAL BUSINESS CHALLENGES

EMPLOYEES

Inappropriate use of social media



EXPANDING

Social media programs globally



INTERNAL

Confusion of roles & responsibilities



NON-EXISTENT

Governance models & Policies



INCONSISTENT

Social media measurement practices



DISJOINTED

Content Marketing Practices



OUTDATED

Crisis communications models



TECHNOLOGY

Selection and adoption within the org



Session 2 Overview:

Session 2 goes into the rise of the social customer, the social brand and the social business. In this session, there are several frameworks that are meant to illustrate how social business is deployed, how it delivers value and how it's built.

Key points:

- While social business is complex, it is built using traditional models
- In order for social business to succeed, value must be delivered to all stakeholders – customers, partners, and employees
- Social business does more than just help collaborate; it touches every part of the organization – communications, customer support, sales, product development, human resources and vendors up and down the supply chain

Slide 13: This slide illustrates the evolution of social business. The dates can certainly be argued but it's meant to show the progression from the growing influence of the social customer to the brands response of using social media to engage with them; and then to companies optimizing their business processes to better scale their social media programs internally first.

Here is a good overview that explains a) the social customer b) the social brand and c) the social business - <http://www.britopian.com/2012/02/17/the-social-customer-the-social-brand-the-social-business/>

Slide 14: A social brand is any company, product, individual, politician that uses social technologies to communicate with the social customer, partners and constituencies or the general public. It doesn't matter whether they are good at it or not; as long as they are attempting to engage with customers using social technologies, they are a social brand.

Slide 15: This is the official definition of social business.

Slide 16: Like most traditional consulting and project management models, social business is built upon 3 pillars – People, Process and Technology. It's important to remember that the path to social business requires a significant change in culture and behaviors.

Slide 17: This slide is meant to illustrate the difference between social media (or a social brand) and social business. In the blue area, these are marketing and communication related initiatives. The gray areas are internal social business initiatives. A true social business will integrate internal/external initiatives and produce viable business value.

Slide 18: Social business gives companies the opportunity to build a collaborative community both internally and externally. This slide is meant to illustrate 3 different scenarios (1) Internal – Internal community for employees to collaborate and share best practices (2) Internal – External community for enabled employees to engage directly

with their customers and (3) External – External community for customers to interact with each other and solve support issues collectively.

Slide 19: Social business planning is the blueprint for the transformation of an organization—bridging the external with internal, resulting in a more connected way of doing business and shared value for all stakeholders.

Keyword here – shared value for all stakeholders.

As much as social business planning can help solve a multitude of business challenges, it must also provide shared value for the entire organizations. This slide illustrates the social business value creation model.

(1) Certainly there is business value when customers and partners purchase your products or services. An increase in sales, revenue and market share are good for business. There is also value when they indirectly sell your products through customer advocacy. And lastly, customers love to give feedback, even when it doesn't always make business sense. So, here we have a one-way value exchange (customer to brand). If your company makes good products or services and customers are buying from you, there is value obviously.

(2) In order to complete the value exchange externally, brands must build engagement with their customers. Several studies and research reports support this and it's also an intuitive way of acting just as it is with any relationship. Brands do this by providing meaningful content, either by solving specific customer issues, helping customers make smarter purchase decisions and even just saying thank you. The two-way value exchange is completed when there is an authentic conversation happening between a brand and its customers. This is what's referred to as a social brand. Most companies are social brands. They are using social technologies to build community and add value to the overall conversation. Some brands certainly do it better than others. The real benefit of a social business, however, is that it can drive value internally. And, if done right, it can enable better marketing, better customer relationships, employee innovation, employee advocacy and much more.

(3) Usually a Social Business Center of Excellence will be responsible for driving the execution of internal social business initiatives. In this case, they will deliver value to employees and partners in the supply chain (and marketing/support teams) by building collaborative workflows and processes that will result in knowledge sharing; and social enablement i.e. equipping teams with training, best practices, technology that will allow them to better communicate both internally and externally. This completes one half of the internal value chain, which is focused on employee and partner enablement.

(4) In return, and the natural result of enablement and empowerment, are the great ideas that are sparked by employee and partner collaboration. Whether it's improving or revamping a new process or product innovation (Amazon Prime was an employee idea), there is value delivered back to the organization. Employees are more productive, morale

is improved and workplace happiness will reign. Lastly, when employees are enabled to engage externally with customers, there is conversation value since “employees of a company” are seen as trusted and credible sources (via Edelman Trust Barometer). A social business not only solves complex business problems. It can also deliver maximum business value to the entire stakeholder eco-system.

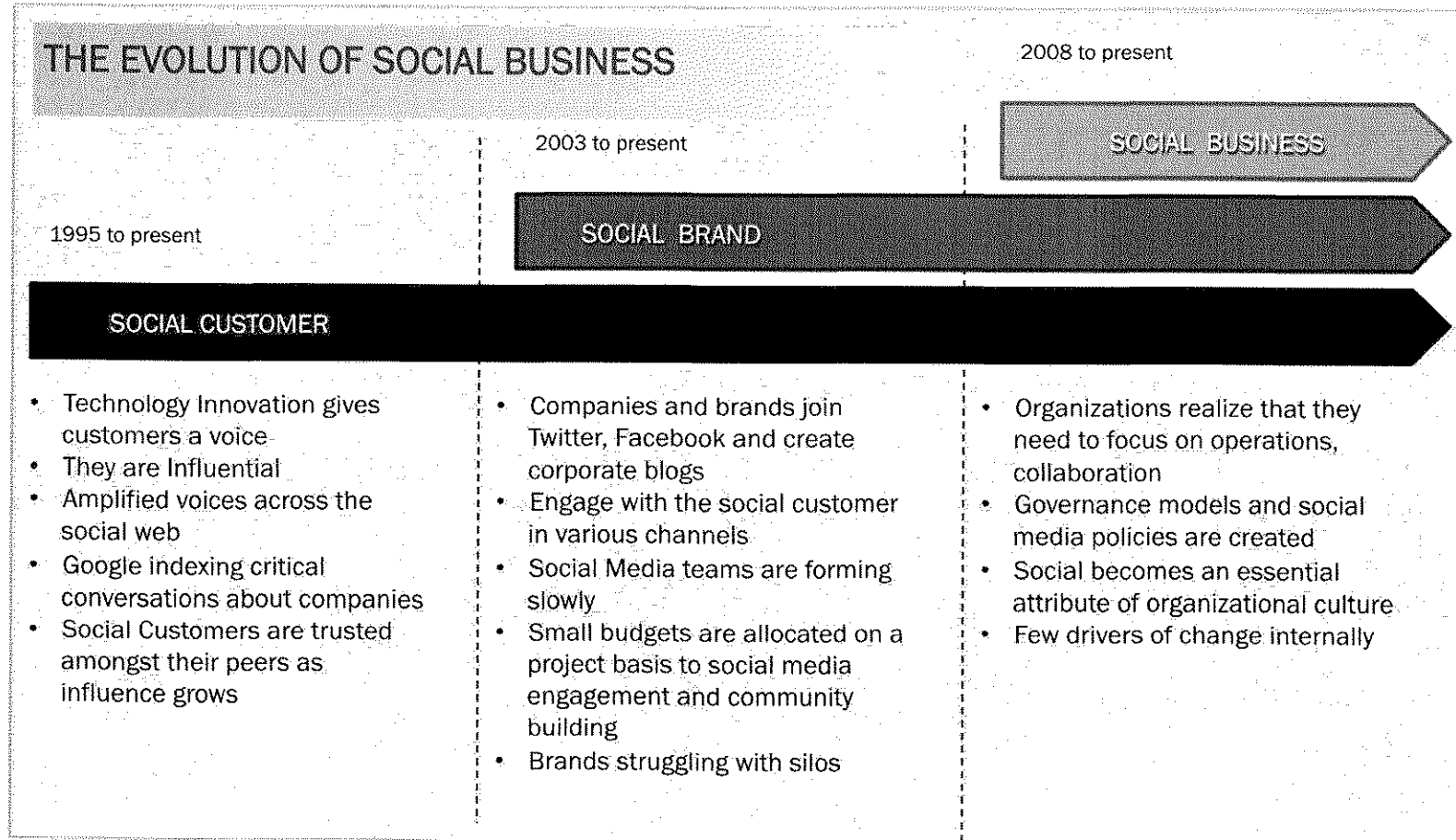
Slide 20: This slide shows that social business planning affects more than just marketing – Customer Service, Sales, Product Development, Human Resources, Supply Chain

SESSION 2

Understanding Social Business Planning

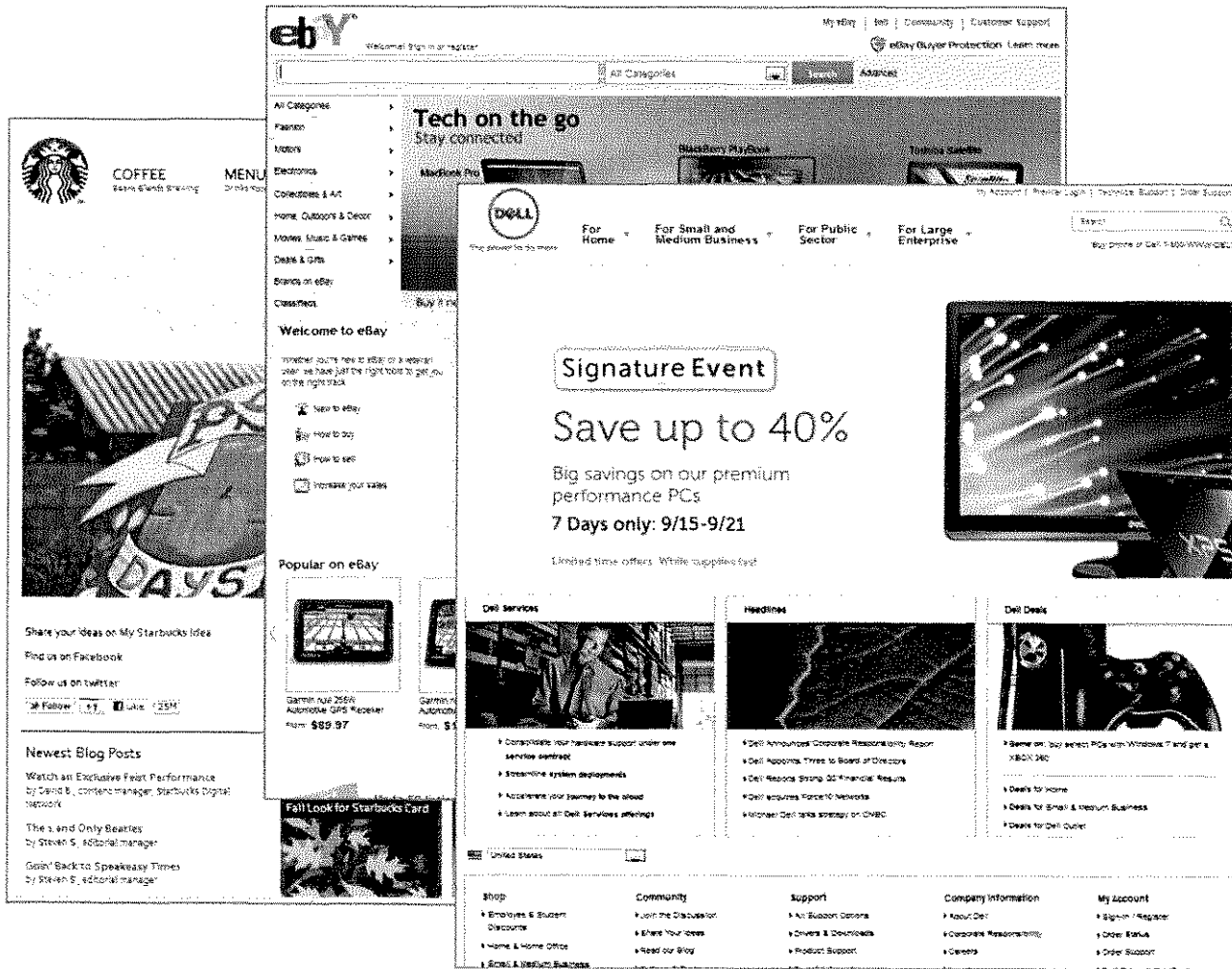
IN RESPONSE TO THE SOCIAL CUSTOMER: SOCIAL BUSINESS

Companies jumped right into the mix without planning internally



DEFINING THE SOCIAL BRAND AND THE EVOLUTION OF SOCIAL BUSINESS

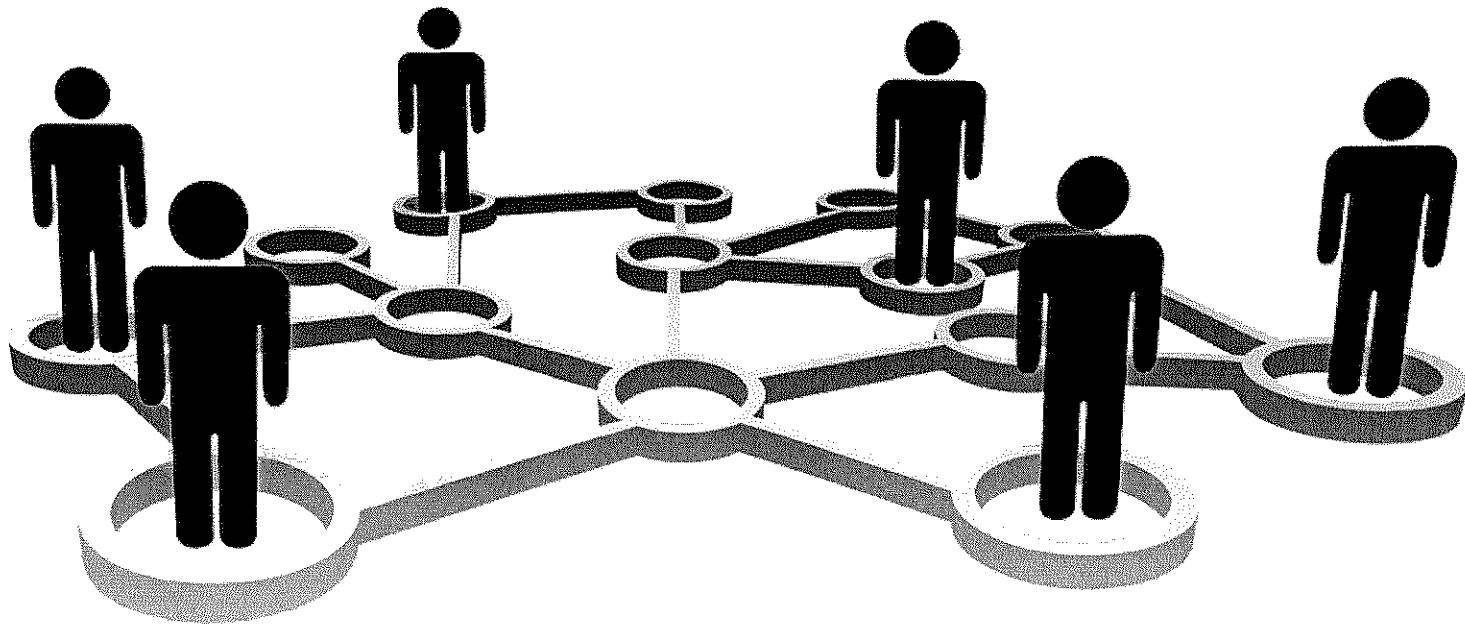
Companies that use social technologies to communicate and engage with customers.



“ A social brand is any company, product, individual, politician that uses social technologies to communicate with the social customer, partners and constituencies or the general public. ”

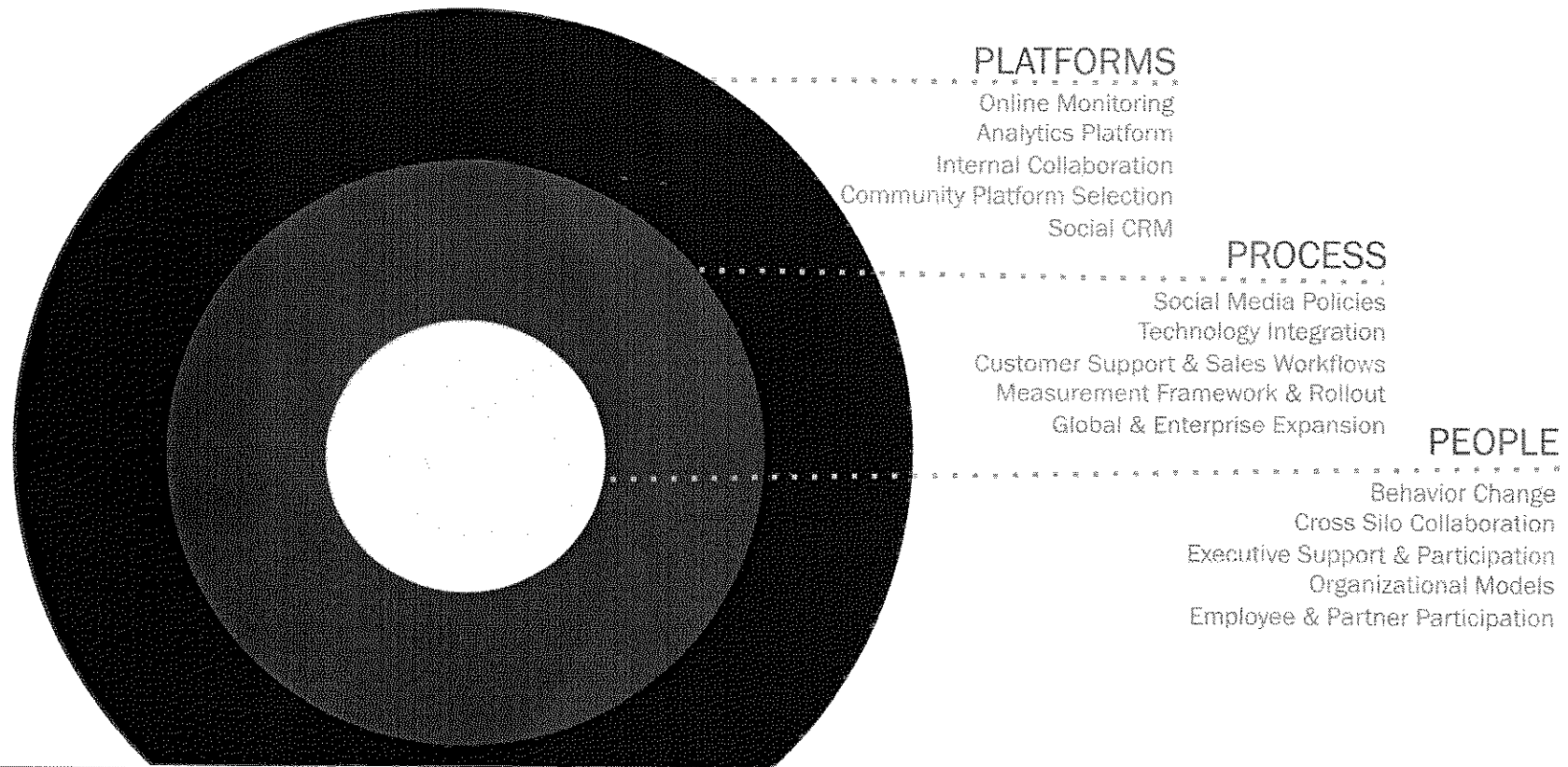
A MORE CONNTECTED WAY OF DOING BUSINESS

“**Social business planning** is the blueprint for the transformation of an organization—BRIDGING THE EXTERNAL WITH INTERNAL, resulting in a more connected way of doing business and shared value for all stakeholders.”



THE THREE CHARACTERISTICS THAT ENCOMPASS A SOCIAL BUSINESS

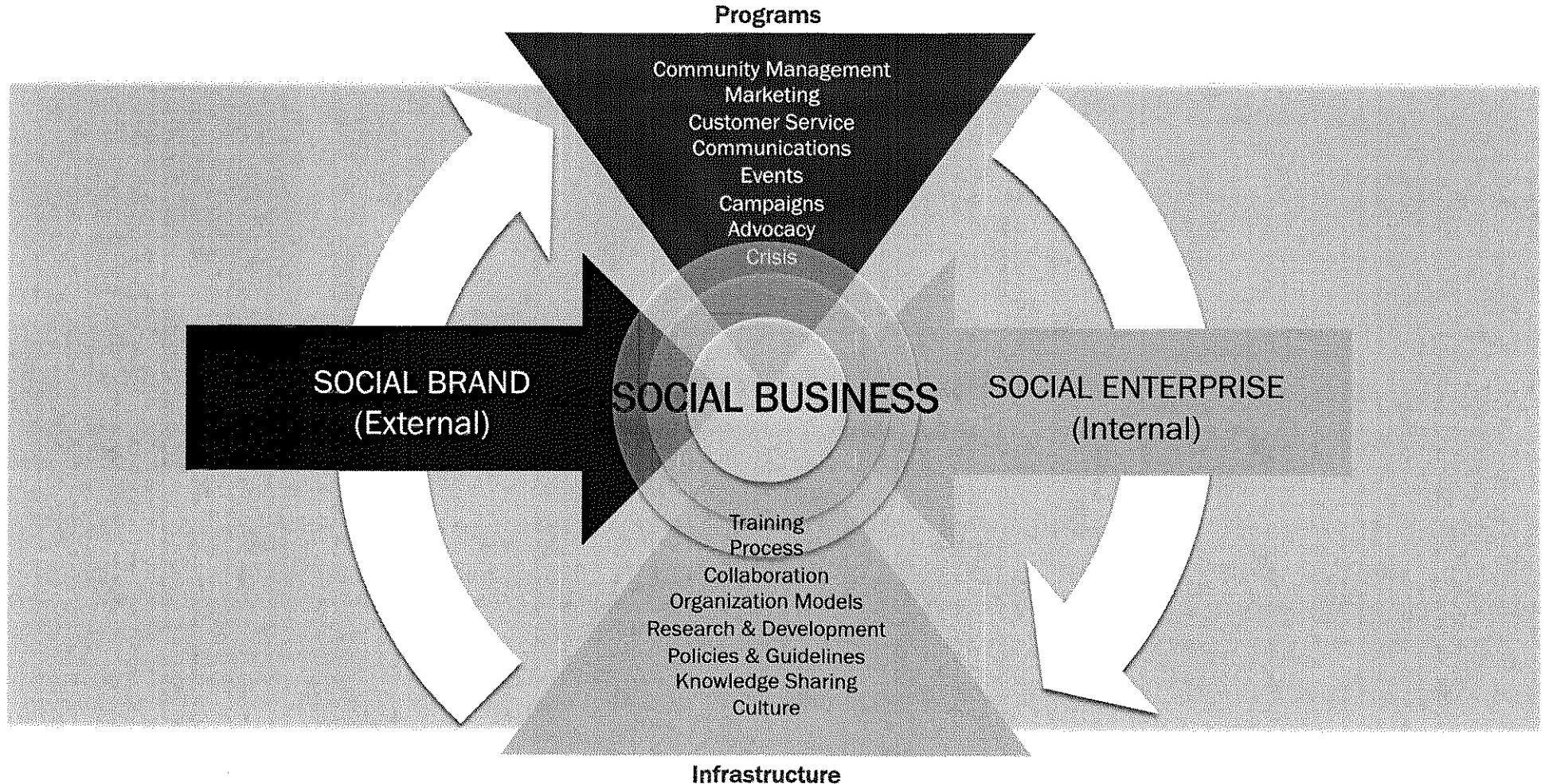
People, Process and Platforms are the foundation of social business planning and initiatives.



THE PATH TO SOCIAL BUSINESS REQUIRES ADAPTATION IN PEOPLE, PROCESS AND TECHNOLOGY

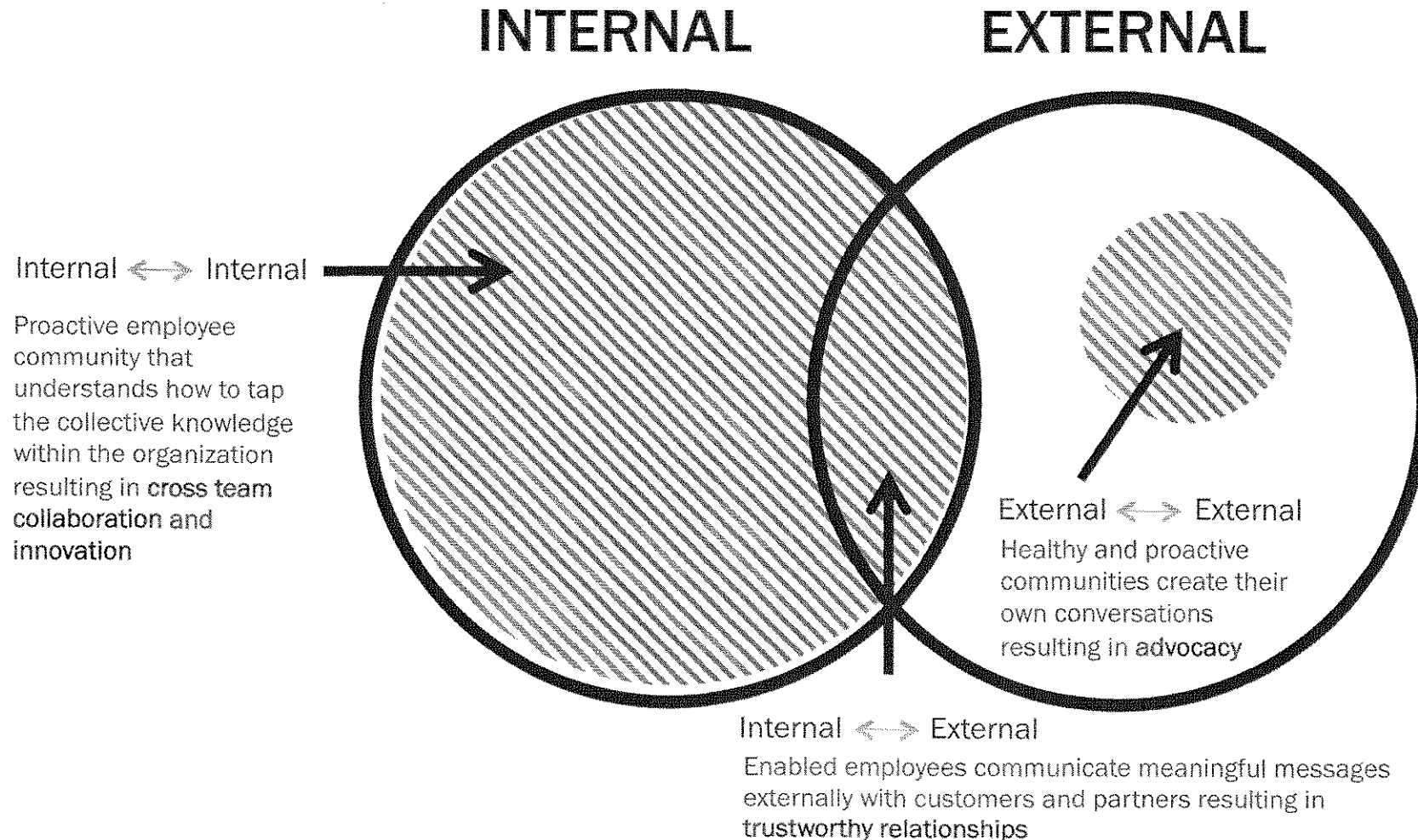
INTERNAL AND EXTERNAL ALIGNMENT IS CRITICAL FOR SUCCESS

Collaboration, communication and process development are critical to ensure measureable outcomes.



A SOCIAL BUSINESS CREATES AN ENTERPRISE WIDE COLLABORATIVE COMMUNITY

Both internal and external communities must provide shared value across the stakeholder ecosystem.



THE SOCIAL BUSINESS VALUE CREATION FOR A STAKEHOLDER ECOSYSTEM

Value is created by stakeholder engagement, process improvement, and product innovation.

STAKEHOLDER VALUE

COLLABORATION
KNOWLEDGE SHARING
SOCIAL ENABLEMENT

ENGAGEMENT
CUSTOMER/SALES SUPPORT
CUSTOMER SATISFACTION



PLATFORM/PROCESS INNOVATION
INCREASE IN MORALE
EMPLOYEE ADVOCACY

REVENUE
ADVOCACY
PRODUCT FEEDBACK

BUSINESS VALUE

SOCIAL BUSINESS AFFECTS MORE THAN JUST THE WAY A BRAND COMMUNICATES

Social business spans across the entire organization from HR to Marketing and everything in between.

COMMUNICATIONS

Deeper levels of engagement with the social customer through consistent and relevant content; ability to scale operations globally.

CUSTOMER SERVICE

The ability to solve customer problems quickly and efficiently.

SALES

Increased collaboration between sales professionals in the industry; robust social CRM platform and analytics

PRODUCT DEVELOPMENT

Product and process innovation using the collective intellect of the community

HUMAN RESOURCES

Staffing & recruiting, employee engagement and empowerment

SUPPLY CHAIN

Bring products to market faster through increased collaboration with partners in the supply chain

Session 3 Overview:

Session 3 goes into specific detail on what social business deliverables can look like. Keep in mind that all organizations are different so certain processes, job functions and project owners may be different. These are just examples that can be built from.

Key points:

- Companies will rarely say “We want to be a social business, or help us be a social business!”
- Usually, social business are project based
- Marketing and corporate communications organizations are usually the groups that are trying to drive social business adoption

Slide 22: An audit is simply a round of interviews and information gathering. There are internal audits, usually facilitated by in person meetings. External audits are typically done using focus groups, research and technology platforms like Sysomos.

Slide 23: A social business Center of Excellence is a team dedicated to making the organization itself more social. Often times, the team consists of employees from a broad array of job functions – marketing, IT, support, etc. Read more about the Center Of Excellence here: <http://www.web-strategist.com/blog/2011/04/04/program-plan-the-social-media-center-of-excellence/> and here: <http://www.britopian.com/2012/03/25/4-considerations-for-the-social-business-center-of-excellence/>

Slide 24: Making organizational recommendations are common. Usually the deliverable is an organizational chart that outlines roles & responsibilities for each job function. The slide is just one example.

Slide 25: This is an example flow chart / decision tree that outlines when employees or marketing teams want to create a new social media channel.

Slide 26: This is an example of how several marketing teams can work together collaboratively and integrate social into paid media programs.

Slide 27: This is a process created for marketing teams who wish to expand their social media programs globally.

Slide 28: This is an example social media training curriculum. In this example, training is created for various levels of participation with content creator being high involvement/high risk and listener being low involvement/low risk.

Slide 29: This is an example crisis communication escalation plan. Every organization will have a different flow chart and the process will vary.

Slide 30: This is a fancy slide that is really just meant to communicate that a social business deliverable is setting collaborative systems (meetings) with several stakeholders across the organization.

Slide 31: A social media command center (as discussed in the Social CRM class) is a real time listening center using technology and process. Watch this video to get more information: <http://www.youtube.com/watch?v=w4ooKojHMkA>

Slide 32: This is a Social Media Measurement Framework. What's just as important as data, math and actual measurement is that everyone organizations actively involved in social must measure social media the same way.

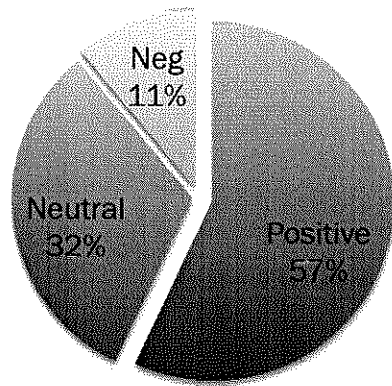
SESSION 3

Examples Of Social Business Deliverables

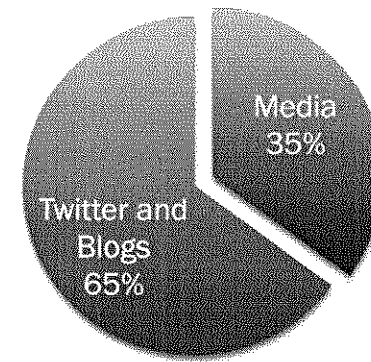
PERFORM MULTI STAKEHOLDER AUDITS

Audits provide valuable insights and help determine stakeholder sentiment and brand share of voice.

General Sentiment



Overall Distribution of Conversation



Internal

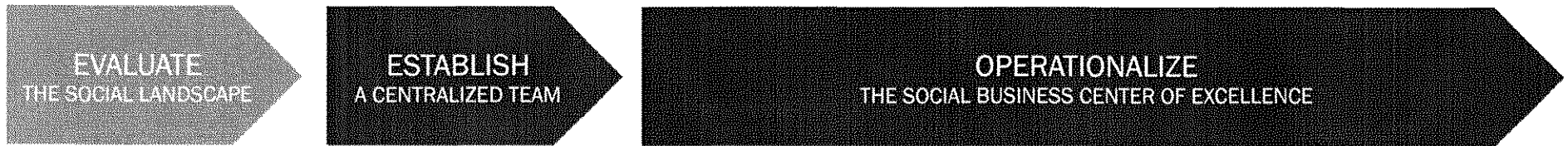
- Conversation and sentiment analysis
- Surveys, polls and stakeholder interviews
- Data mining from internal communities
- Intelligence gathering

External

- Conversation and sentiment analysis
- Content and communication planning
- Intelligence gathering
- Influencer and advocate identification

ESTABLISH A SOCIAL BUSINESS CENTER OF EXCELLENCE

The Center of Excellence will drive governance, collaboration, training and process across the organization



- Conversation and sentiment analysis
- Surveys, polls and stakeholder interviews
- Data mining from internal communities
- Intelligence gathering

- Identify the right teams, stakeholders and employees
- Establish roles & responsibilities
- Achieve buy-in from senior leadership
- Establish a measurement framework

LISTEN

- Identify social listening and social CRM software
- Establish a social media listening center
- Determine internal & external topics

PLAN

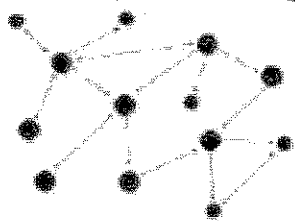
- Create plan for employee training
- Process and collaboration design
- Crisis coms and customers support escalation tree

ENGAGE

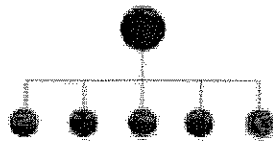
- Launch programs, events and campaigns
- Manage internal collaboration and communication projects
- Expand teams and channels globally

*Organization structure models from Altimeter Group

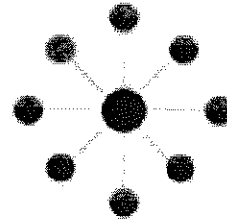
* Examples of Organizational Structures



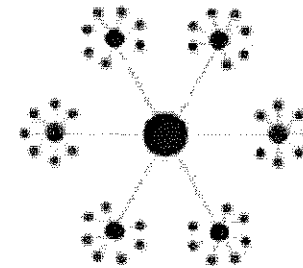
Decentralized



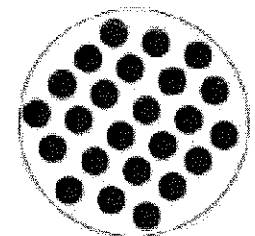
Centralized



Hub and Spoke



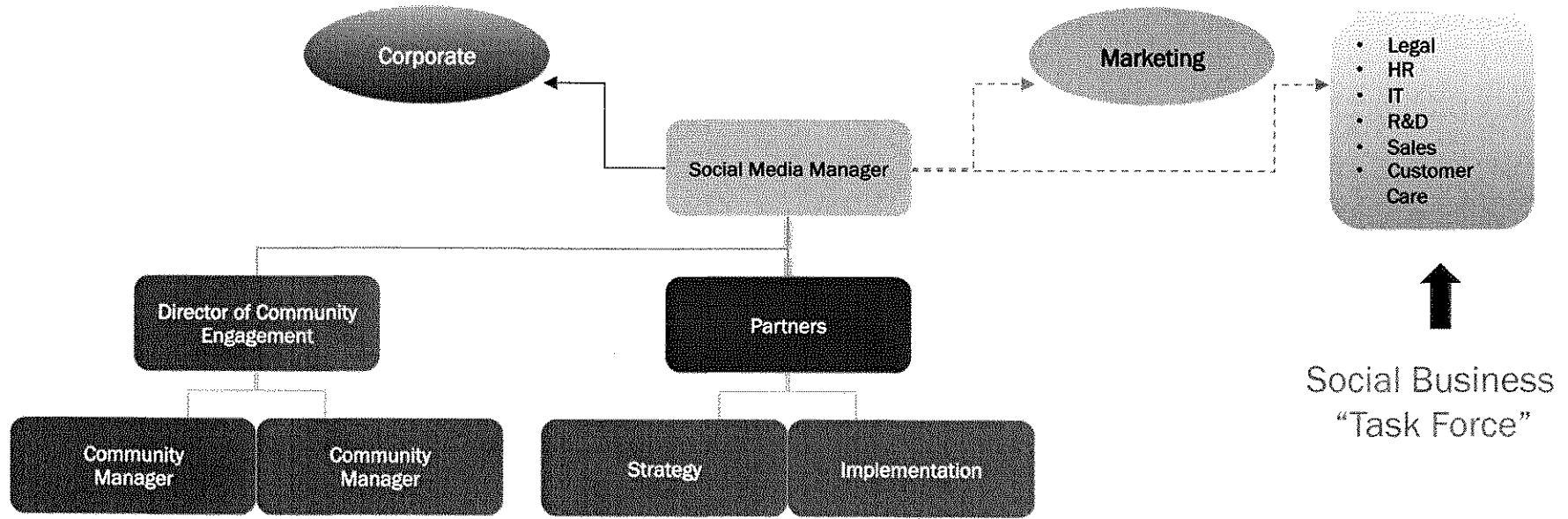
Multiple



Holistic

ORGANIZE FOR SOCIAL INTEGRATION

Combine specialized roles with cross-discipline teams for both scale and integration

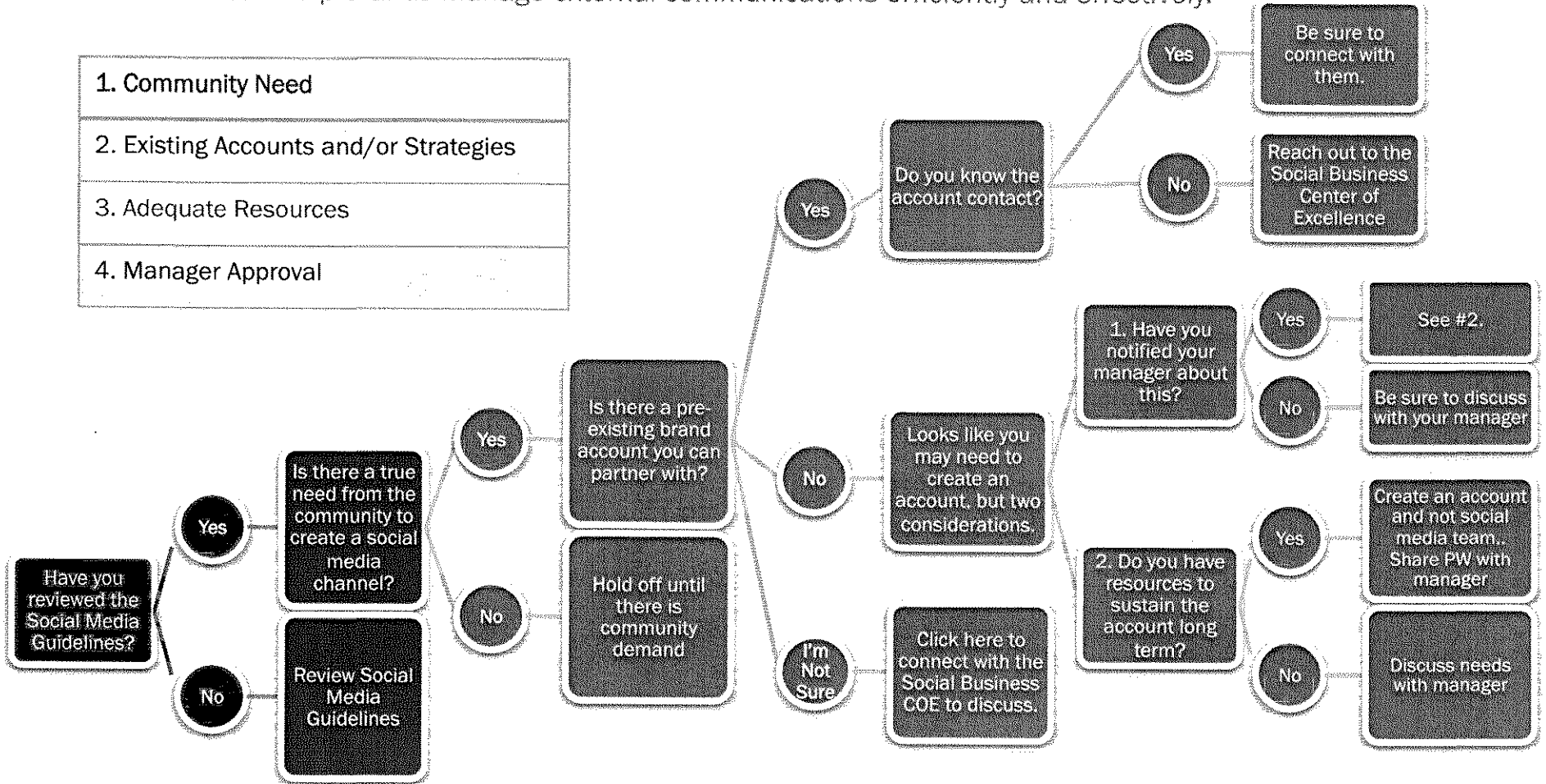


- Staffing and reporting infrastructure
- Role description and integration
- Hiring and re-organization process
- Employee communications

DESIGN PROCESSES FOR NEW SOCIAL ACCOUNTS/PROPERTIES

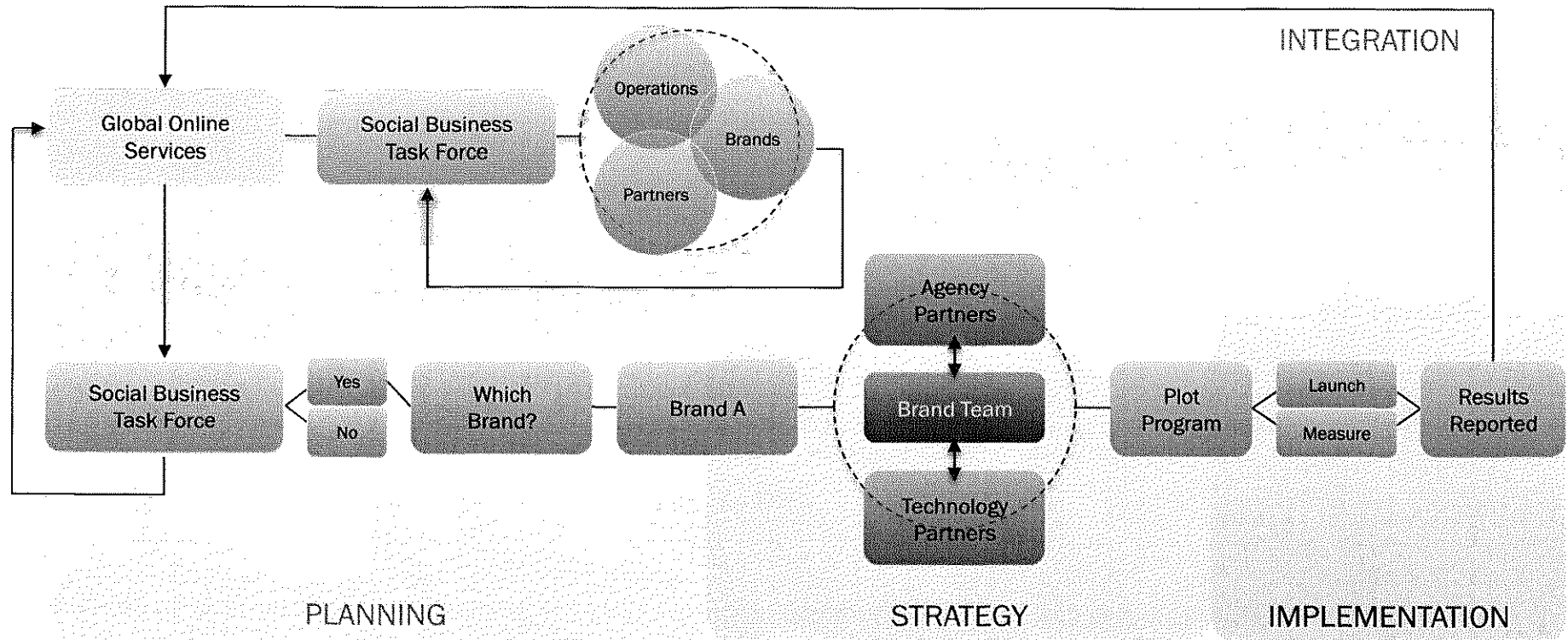
Guidelines can help brands manage external communications efficiently and effectively.

- | |
|--|
| 1. Community Need |
| 2. Existing Accounts and/or Strategies |
| 3. Adequate Resources |
| 4. Manager Approval |



FORMALIZE GOVERNANCE PROCESS

Governance can help scale social media channels more efficiently and prevent multiple, disjointed communities.

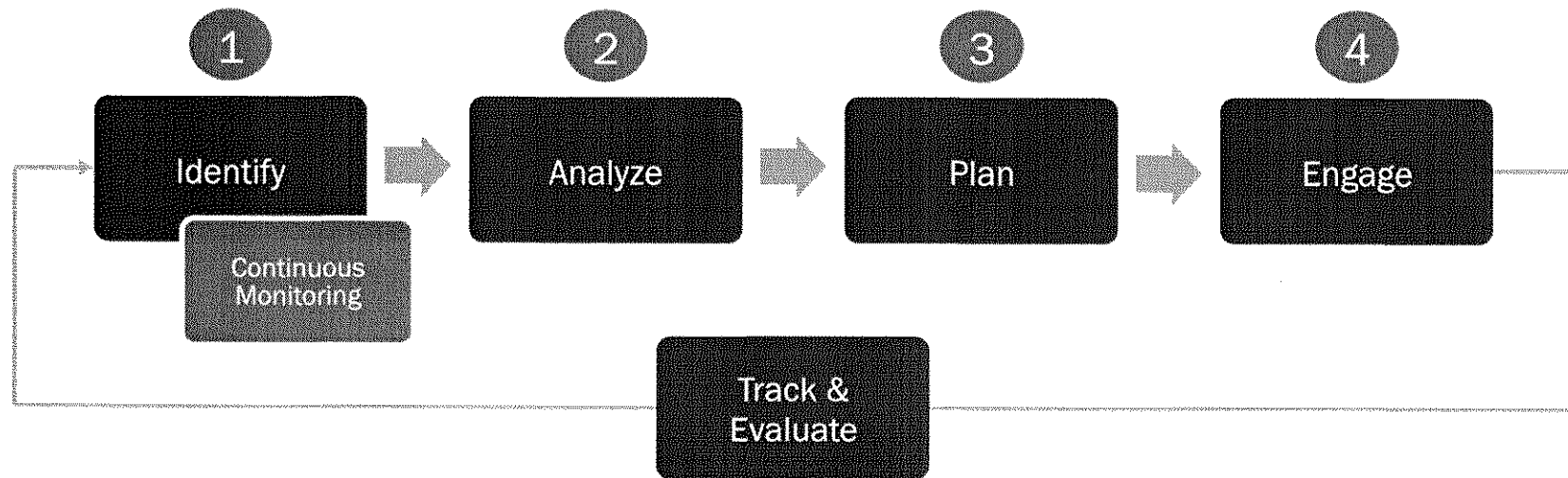


- Policy development and coordination
- Governance architecture

- Internal communications and distribution process
- Process design

EXPAND SOCIAL MEDIA MANAGEMENT AND CAMPAIGNS GLOBALLY

Content, process, creative platforms and measurement play a critical role in global expansion.



1. **Identify:** Determine the appropriate regions for expansion and determine if there is an opportunity to engage effectively
2. **Analyze:** Conduct a conversation audit and determine if the business has the appropriate resources to scale operations (i.e. content, community manager, creative)
3. **Plan:** Create a crisis communications and workflow plan. Determine creative strategy and make technology decisions. Create content
4. **Engage:** Launch programs while maintaining general community engagement on social media channels
5. **Track & Measure:** Establish reporting frequency and determine the best measures of success

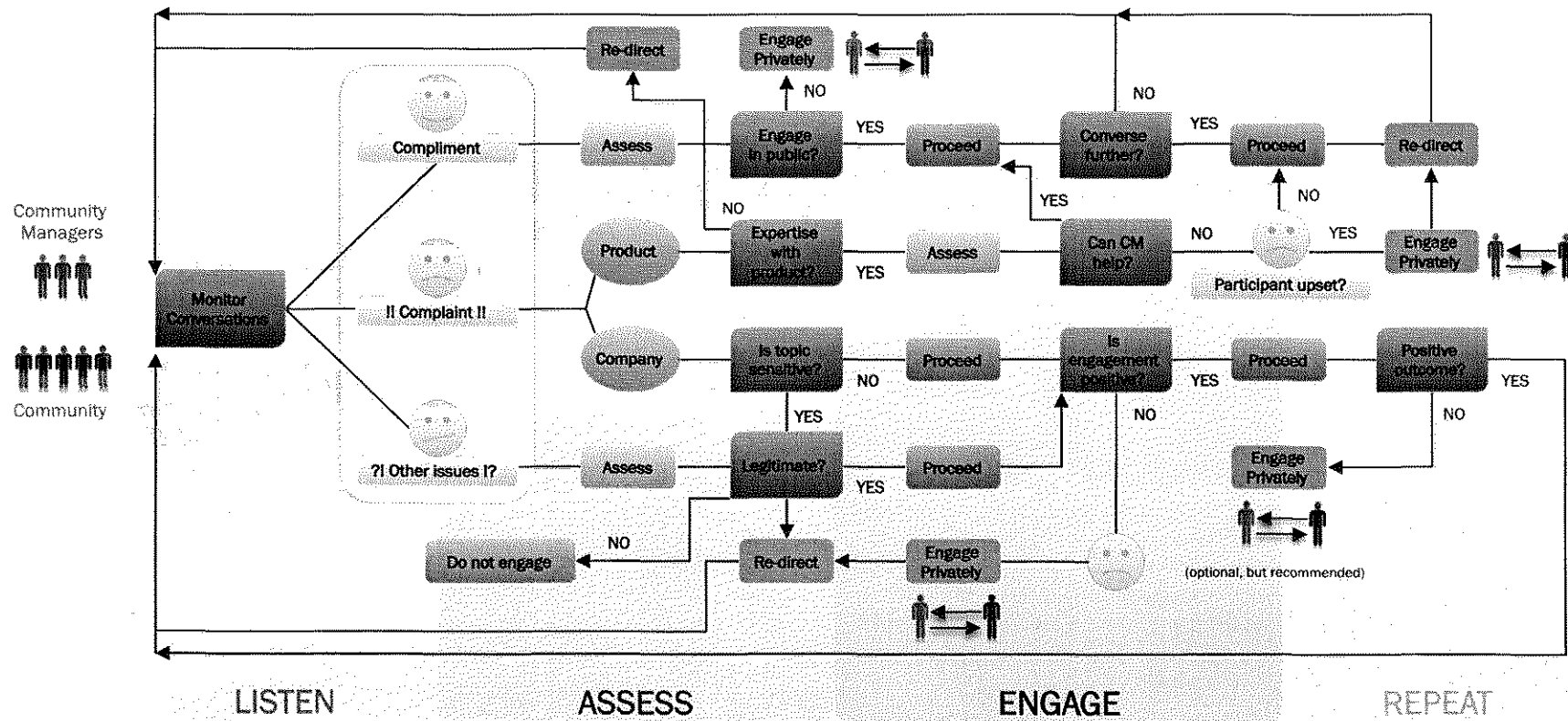
ESTABLISH SOCIAL MEDIA LEVELS OF PARTICIPATION FOR EMPLOYEES

Provide multiple ways for employees to use social media, regardless of proficiency level or experience.

	Proficiency Level	Activity	Engagement Behaviors	Tools/Technologies
CONTENT CREATOR	Advanced	Video	Record, upload video; live streaming, Google Hangouts	Vimeo, YouTube, Twitvid, Qik, Livestream, Ustream, Google+
		Photos	Upload and Tag images from events	Instagram, Picplz, Hipstamatic, Flickr, Picasa
		Blogs	Write and publish blog content	Wordpress, Tumblr, Posterous, internal and external blogs
	Proficiency Level	Activity	Engagement Behaviors	Tools/Technologies
CONVERSATIONALIST	Intermediate	Micro Blogging	Share product related news, announcements within micro blogging, create influencer lists	Twitter, Friendfeed, Quora
		General conversation	Engage in two-way dialogue about industry issues	Facebook, Orkut, Quora, Google+
		Commenting	Respond to comments in 3 rd party blogs	N/A
	Proficiency Level	Activity	Engagement Behaviors	Tools/Technologies/Networks
LISTENER	Basic	Listen, practice	Subscribe to Google Alerts, monitor Twitter and company blog	Google, Twitter, internal networks
		Follow	Follow the brand on Facebook, Twitter and LinkedIn, subscribe to the blog's community RSS feeds	Facebook, Twitter, LinkedIn
		Optimize	Add "what you do" section to online profiles, specifically LinkedIn; disclose company affiliation	LinkedIn, Twitter, other

ESTABLISH COMMUNICATIONS AND ESCALATION PROTOCOL

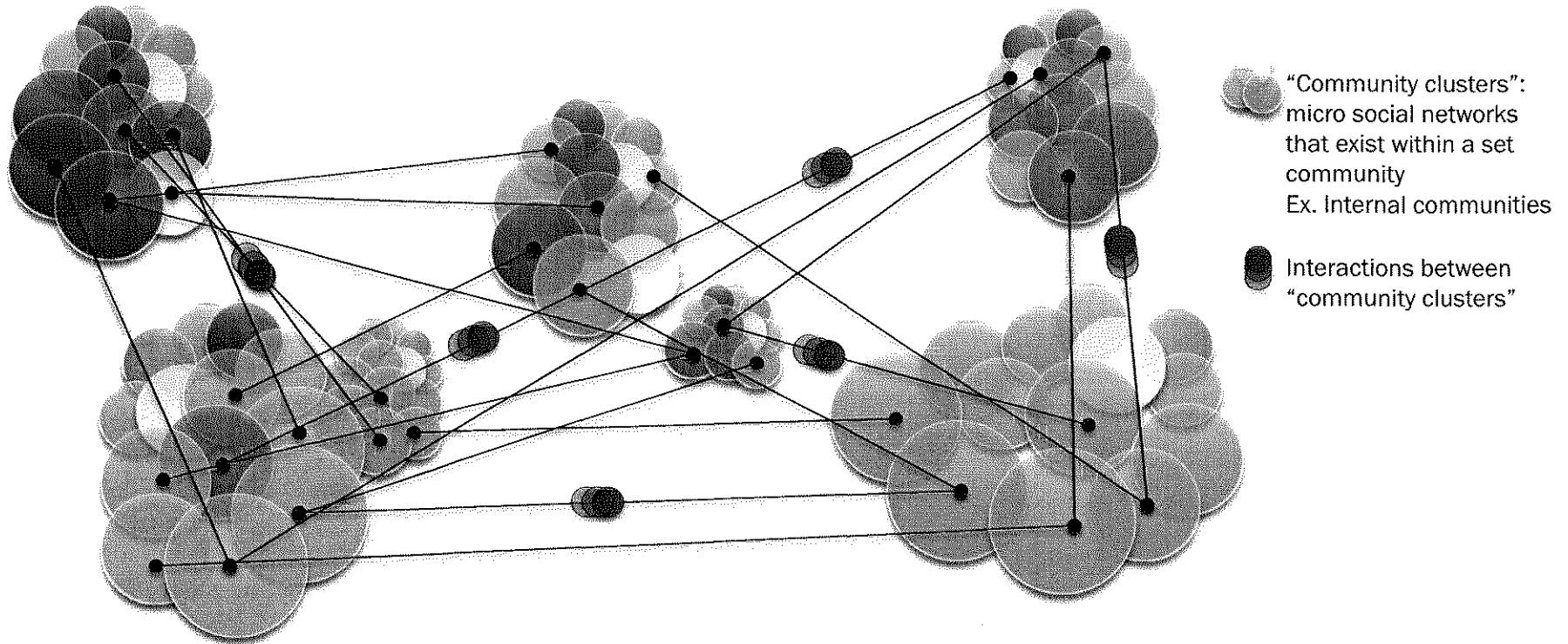
Establishing a decision tree is imperative in order to communicate quickly and effectively in real time.



- Scenario mapping and planning
- Communications protocol
- Technology recommendations
- Engagement guidelines
- Training planning and course development

COLLABORATE IN REAL TIME

Identify communication gaps and collaboration challenges that hinder social business transformation.



- Sharing cultural readiness
- Assessment of process
- Business silo assessment
- Internal communication plan
- Platform audit and recommendations
- Project management




LAUNCH A SOCIAL COMMAND CENTER

Creating a real time listening center can help monitor support, crisis and sales opportunities.



ESTABLISH A MEASUREMENT FRAMEWORK

Ensuring that the entire organization is measuring social consistently is just as important as the math itself.

COLLECTION AND MEASUREMENT	ATTENTION	ENGAGEMENT	AUTHORITY	INFLUENCE	SENTIMENT
FACEBOOK 	<ul style="list-style-type: none"> • Unique Users • Page Views • Media Consumption 	<ul style="list-style-type: none"> • Total Interactions – Wall Posts, Likes, Comments • Fan Photos/Videos • Post Quality 	<ul style="list-style-type: none"> • External Links to Content and Discussion 	<ul style="list-style-type: none"> • Total Fans • Subscribed Fans • Audience Profile as a Reflection of Target 	<ul style="list-style-type: none"> • On-Message • Positive/Negative/Neutral • Change Over Time or Program • Reviews
YOUTUBE 	<ul style="list-style-type: none"> • Total Followers • Channel Views • Video Views 	<ul style="list-style-type: none"> • Comments • Video Responses and Shares • Amount of Video “Favorites” 	<ul style="list-style-type: none"> • External Links • Embeds 	<ul style="list-style-type: none"> • Channel Subscribers • Video Honors • Audience Profile as a Reflection Target 	<ul style="list-style-type: none"> • On-Message • Positive/Negative/Neutral • Change Over Time or Program • Ratings
TWITTER 	<ul style="list-style-type: none"> • Total Followers 	<ul style="list-style-type: none"> • RTs • DMs • Tweets to Shared Content and External Hubs 	<ul style="list-style-type: none"> • Inbound Links • External Coverage 	<ul style="list-style-type: none"> • Extended network and Relative Influence of Followers • Follower Profile as a Reflection of Target 	<ul style="list-style-type: none"> • On-Message • Positive/Negative/Neutral • Change Over Time or Program
OVERALL	<ul style="list-style-type: none"> • Total Media Consumption 	<ul style="list-style-type: none"> • Total Interactions 	<ul style="list-style-type: none"> • Total Trackbacks and Coverage of Activities 	<ul style="list-style-type: none"> • Total Ongoing, Engaged Subscribers to Content and Community • Community Crossover 	<ul style="list-style-type: none"> • Overall Sentiment • Total Shift in Sentiment

- Establish Global KPI's and Benchmarks
- Standardize methodologies
- Identify and document metrics
- Construct a ROI model

Session 4 Overview:

Session 4 goes into specific detail on how to create a social media command center. Like most IT deployments, much of the process requires collaboration across the entire organization, specifically marketing, customer and especially IT.

Key points:

- A Social Media Command Center requires collaboration with several stakeholders
- A command center is used to monitor real time branded and un-branded conversations on the social web
- In some cases, command centers are manned 24/7 by employees
- A command center is useless if the company does not react, engage or begin to change their business models based on community feedback

Slide 34: The slide gives reasoning as to why having a command center is important for any organization, large or small.

Slide 35: This is the actual approach to building a command center all of which will be explained in the next slides – Discovery, Planning, Implementation, Measurement and Kaizen (or constant improvement).

Slide 36: Step 1 is Discovery and is all about information gathering and collecting.


Slide 37: Step 2 is Planning is focused on deciding which technology vendor to use and which keywords should be monitored (brand, product, misspellings, competitive and industry keywords like computer or cloud computing); and how it will be measured.

Slide 38: Step 3 is Implementation and that's when the command center goes into full operation mode and the company begins to monitor the conversation and engage/interact with customers, influencers and the general public.

Slide 39: Step 4 is Measurement and focuses on gathering data and then sharing best practices with other teams and geographies.

Slide 40: Step 5 is Kaizen (Constant Improvement) and basically means that the industry will change, customers will change and technology will change. Companies must be prepared to go in different directions if required to do so in order to improve the command center operation.

Slide 41: Here is an example of Starbucks and how they created the Starbucks Splash Stick, which was a customer recommendation. Case study here:
http://www.crmxchange.com/customer_focus/july08.asp



Slide 42: Using the free Google tool (<https://adwords.google.com/o/KeywordTool>) companies can understand search behavior (what people are searching for) and create content that matches search terms.



SESSION 4

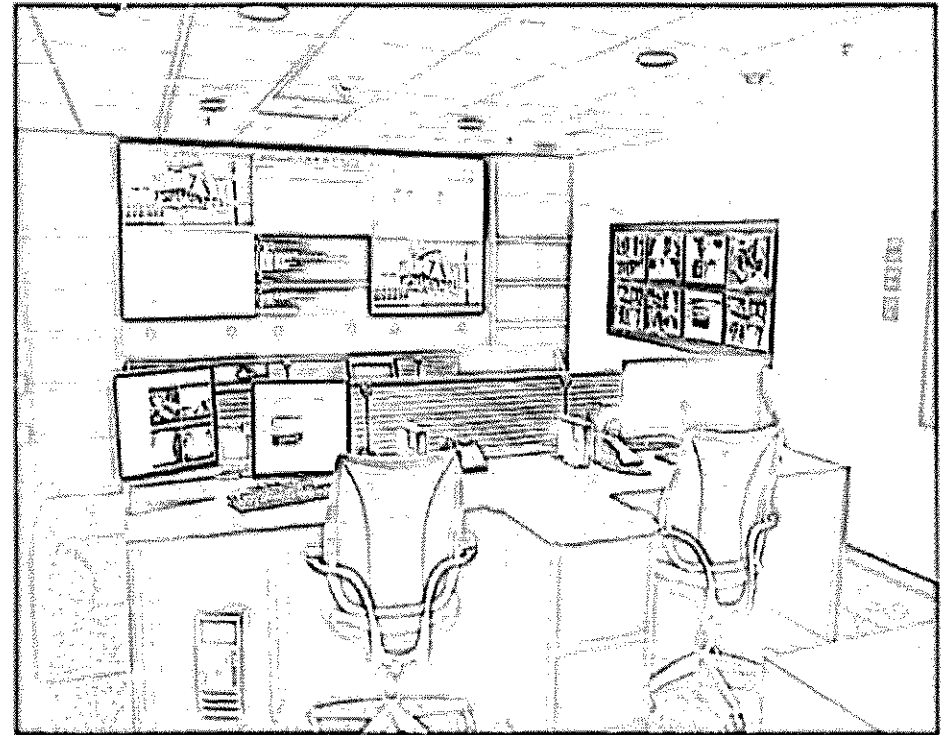
Building A Social Business Command Center

THE NEED FOR A COMMAND CENTER IS BECOMING AN OBJECTIVE

Organizations listening for potential crisis issues, proactive engagement

Why A Command Center?

- Respond to and resolve issues/concerns quickly
- Understand the motivations for sharing experiences in order to identify opportunities to promote increased
- Document the demographics and psychographics of those looking to share information, idea, and experiences as they engage within online platforms
- Incorporate conversation details and findings into existing programs and engagement platforms for proactive outreach
- With this information, there is the opportunity to shift and leverage behaviors online to provide a personalized engagement experience



THE 5 STEP APPROACH FOR BUILDING A SOCIAL BUSINESS COMMAND CENTER

Constant and consistent learning



STEP 1 - DISCOVERY

Understanding the Who, What, Where, and Why?

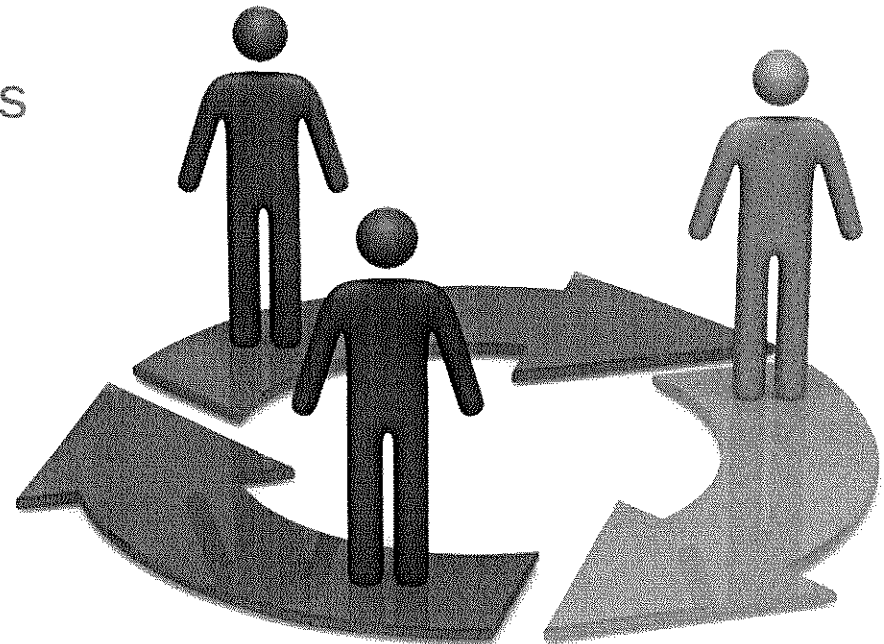
- Internal & External Audits
 - Identify The Key Internal Stakeholders
 - What Is The General Conversation Among Customers Externally
- Investigate Current IT Platforms, Challenges, Security Risks, Contractual Obligations
- Understand Current Business Challenges (Marketing, Operational, Competitive)
- Document Business Goals
- Understand Ownership Of Key Roles & Responsibilities



STEP 2 - PLANNING

Develop Frameworks, Processes, Response Protocols, Measurement

- Define Technology Vendor(s)
- Identify Taxonomy Of Brand, Industry And Competitive Terms For Monitoring
- Establish Agreement On Measurement Plan
- Create Processes For Internal Teams:
 - Training Protocols
 - Crisis Management & Response
- Define New Roles & Responsibilities



STEP 3 - IMPLEMENTATION

Launch Command Center, Engage, Solve Problems, Escalate

- Launch Command Center
- Engage With The Community & Begin To Solve Customer Problems
- Escalate Conversations To Customer Support, Product Teams And Sales Teams
- Begin To Document Any Challenges And Best Practices



STEP 4 – MEASUREMENT

Ensuring that the entire organizations is on board and bought in to the framework

- Iterate Reporting Schedule
- Share Successes And Challenges Across The Organization



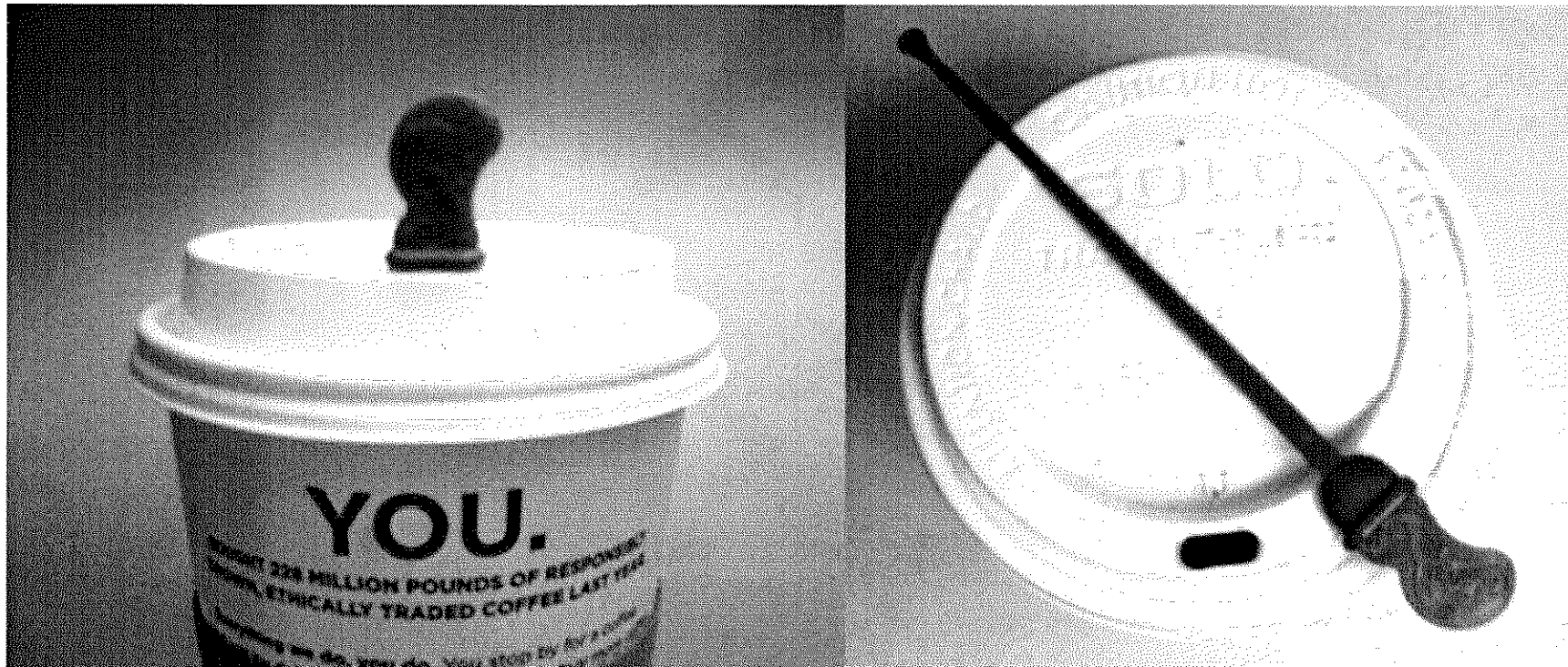
STEP 5 – CONSTANT IMPROVEMENT

Be Prepared To Change Process, Content Approach, Metrics

改善

USE CONVERSATIONAL INSIGHTS TO CHANGE THE ORGANIZATION

Co-Create Products, Process With The Community



USE SEARCH INSIGHTS TO CREATE RELEVANT AND MEANINGFUL CONTENT

Relevant Content Increases Engagement, Clicks, Conversions

Google AdWords English (United States) US Dollar (USD \$) Report an issue Help Sign in

Home External tools

Tools
 Keyword Tool
 Traffic Estimator

Find keywords
 Based on one or more of the following:
 Word or phrase (one per line) Website
 photographer in Charlotte
 Only show ideas closely related to my search terms
 Advanced Options and Filters Locations: United States Languages: English
 Search
 Sign in with your AdWords login information to see the full set of ideas for

Include terms
Exclude terms
Categories
 All Categories
 Computers & Consumer Electronics
 Hobbies & Leisure
 Occasions & Gifts
 Show all categories
Match Types
 Broad
 [Exact]
 "Phrase"

Help
 What new features does the updated Keyword Tool offer?
 How do I use the Keyword Tool to get keyword ideas?
 How do I get additional keyword ideas using categories or related

Keyword	Competition	Global Monthly Searches	Global Monthly Impressions
photographer in charlotte	Low	6,600	6,600
wedding photographers charlotte nc	Low	18,100	14,800
photographer charlotte	Low	18,100	14,800
charlotte wedding photographer	Low	4,400	4,400
wedding photographer charlotte nc	Low	1,600	1,600
photographers in charlotte nc	Low	6,600	6,600
charlotte wedding photography	Low	4,400	4,400
charlotte wedding photography	Low	4,400	4,400
charlotte photographer	Low	18,100	14,800
charlotte wedding photographers	Low	3,600	3,600
charlotte photographers	Low	12,100	12,100
charlotte nc wedding photographers	Low	1,600	1,600
wedding photographers charlotte	Low	3,600	3,600
wedding photographer charlotte	Low	4,400	4,400
photographers in greensboro nc	Low	1,900	1,900
photographers charlotte nc	Low	6,600	6,600
photographer charlotte nc	Low	6,600	6,600
photographer in charlotte nc	Low	6,600	6,600
family photographers in charlotte nc	Low	210	210
photographers in charlotte	Low	12,100	12,100
charlotte baby photographer	Low	720	720
photography in charlotte	Low	33,100	22,200
photographers charlotte	Low	12,100	12,100
wedding photographers in charlotte nc	Low	1,600	1,600
charlotte commercial photographer	Low	170	170
charlotte nc photographers	Low	6,600	6,600
photographers	Low	7,480,000	3,350,000

Session 5 & 6 Overview:

Session 5 gives students a framework on what to do in order to get started. It's very similar to any traditional consulting model. Here is some follow up reading that outlines the social business consulting process: <http://www.britopian.com/2012/04/09/5-step-approach-to-social-business-consulting/>

Session 6 highlight real social business case studies.

SESSION 5

The Path To Becoming A Social Business

STEP 1: “KNOWING” AND IDENTIFYING THE CHALLENGES IS HALF THE BATTLE

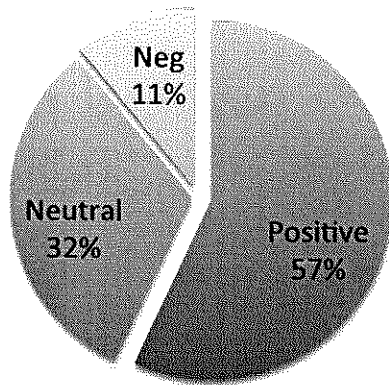
Overcoming denial and pushback to change is the other half.



STEP 2: INTERNAL AND EXTERNAL STAKEHOLDER CONVERSATION AUDITS

Audits provide valuable insights, identify collaboration gaps, broken workflows and stakeholder sentiment.

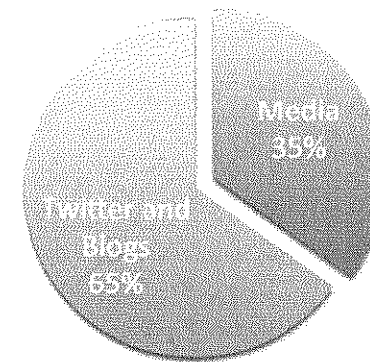
General Sentiment



Internal

- Conversation and sentiment analysis
- Surveys, polls and stakeholder interviews
- Data mining from internal communities
- Intelligence gathering

Overall Distribution of Conversation

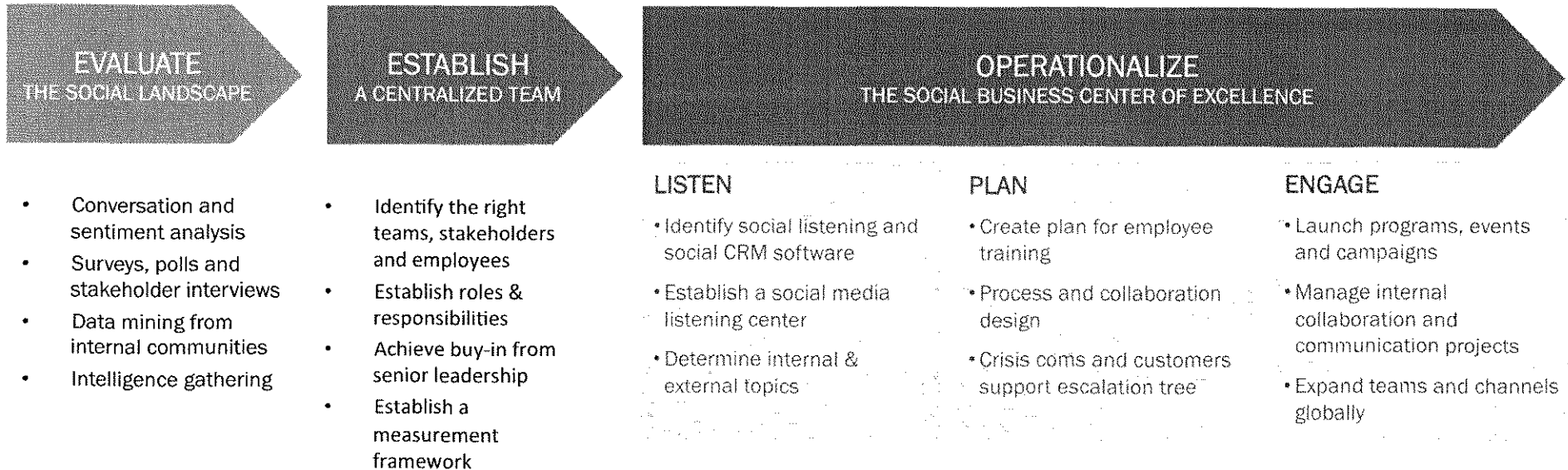


External

- Conversation and sentiment analysis
- Content and communication planning
- Intelligence gathering
- Influencer and advocate identification

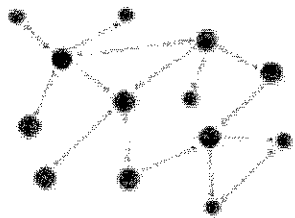
STEP 3: ESTABLISH A SOCIAL BUSINESS CENTER OF EXCELLENCE

The Center of Excellence will drive governance, collaboration, training and process across the organization.

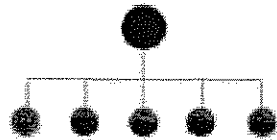


Organization structure models from Altimeter Group

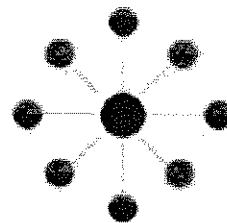
Examples of Organizational Structures



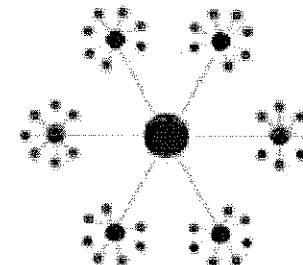
Decentralized



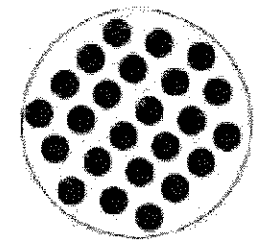
Centralized



Hub and Spoke



Multiple



Holistic

STEP 4: TAKING A LONG TERM VIEW OF SOCIAL BUSINESS PLANNING

Establish short term wins; learn, iterate and build on what is working.



SESSION 6

Case Studies

SOCIAL BUSINESS CASE STUDY: WASTE MANAGEMENT

OBJECTIVES

- To help a highly geographically and operationally diversified organization centralize their social media presence and strategy. Edelman identified social media as a challenge throughout WM, and recognized the need for a centralized process and set of protocols for managing an effective, integrated social media plan.

STRATEGIES

- Established process and protocols for online monitoring and social engagement, including a social media policy for all internal WM teams
- Trained social media practitioners to represent the WM brand online using best practices and establishing the proper professional tone
- Streamlined regional WM teams and separate operational teams to maintain centralized, consistent brand messaging across social platforms
- Recruited social media experts within WM to elevate the level of social expertise and involvement within WM
- Created a WM Social Media Committee comprised of members from the communications, marketing, IT, customer service and HR teams to facilitate incorporation of social media into all WM business functions

RESULTS

- Working in coordination with the client for more than four years, Edelman was intrinsic in building an internal structure to make WM a highly “social” company
- As a result, WM hired a social media director and developed a committee comprised of corporate communications, customer service, HR, IT, marketing, to make strategic decisions as a group with Edelman as a leader
- WM has transformed from a “responder” online, to a leader of discussion; even utilizing social platforms to better engage a highly-mobile employee base

SOCIAL BUSINESS CASE STUDY: MICROSOFT EMPLOYEE ENGAGEMENT

OBJECTIVES

- Increase engagement of Microsoft employees specifically around consumer products by managing the Be What's Next handle on an internal collaboration platform and encourage them to share product related information externally within their micro-communities

STRATEGIES

- Create compelling Microsoft product-related content and initiatives and make it convenient for employees to share externally.
- Engaged in real time with Microsoft employees; and are now the “go to” internal resource for all consumer product related information
- Created community management workflows and processes as it relates to content moderation, content creation, crisis management and measurement approach
- Created and managed compelling events such as live chats and contests for internal employees to increase engagement

RESULTS

- Increased number of followers of the Be What's Next handle by 22% since taking over in August
- Increased average replies per post by 82% since August
- Increased number of clicks per post by 200% since September
- Increased number of posts from three per week August-November to five per week in December, resulting in a 399% increase in total interactions (likes and replies)



SOCIAL BUSINESS CASE STUDY: JUNIPER SOCIAL BUSINESS

OBJECTIVES

- Help scale this company's social footprint internally and globally
- Optimize its enterprise social media efforts and strategy across global regions
- Incorporate and empower the community to elevate Juniper's voice as a brand

STRATEGIES

- Design and implement Digital Executive Program to scale social media efforts; incorporate training and programmatic approach to equip senior executives to participate, build relationships with key influencers and grow personal social profiles
- Develop Ambassador Program to nurture active and highly engaged Juniper community members; build out infrastructure that facilitates conversation, encourages members to share with content with one another and provides exclusive, streamlined access to key content, executives, event invites and more
- Train internal marketing and communications' team to engage digitally in thoughtful industry conversation. Help build out individual social profiles; identify key influencers per business unit and provide engagement tactics.
- Support integrated marketing campaigns with insight, research and historical data to guide marketing decisions, particularly as it pertains to community and social

RESULTS

- Developed comprehensive infrastructure for Juniper's Digital Executive Program with an active bench of executives eager to engage in organic conversation with key influencers
- Established new norms of behavior contributing to a cultural shift toward social throughout the organization
- Created a more dynamic, socially enabled and empowered voice for the brand across business units and at varying levels
- Executed a fully integrated marketing push delivering some of the best communications results the company has seen
- Increased reach of Juniper content and strengthened share of voice around key topical areas to assist with penetration in defined market verticals

SOCIAL BUSINESS CASE STUDY: B2B & B2C MEASUREMENT

OBJECTIVES

- Create measurement frameworks that could scale and be adopted globally and across multiple business units with multiple stakeholders and requirements.

STRATEGIES FOR JUNIPER

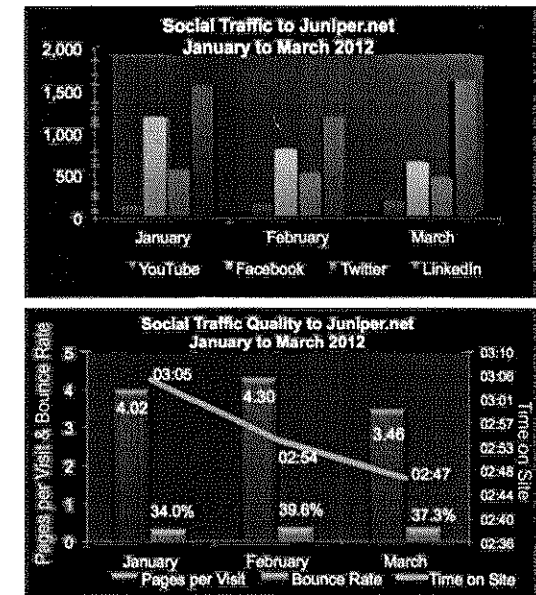
- Identified the right technology requirements and vendors to pull and report on social media data
- Created processes (reporting structure, frequency, and actual measurement framework) for global expansion
- Trained global teams on how to use the measurement tools and how to follow the appropriate protocols
- Integrating the regional reports into one global report that goes to stakeholders, and a summary to the executives

STRATEGIES FOR ADOBE

- Adobe was in need of a consistent measurement strategy that could be scaled across multiple business units
- Collaborated with Adobe stakeholders to develop a specific set of KPIs that would be relevant for all business units
- Developed reporting templates, processed, and measurement framework and then socialized them across the organization

RESULTS

- Launched the measurement program in North America, and rolled it out to all the regions which is currently being implemented in North America, EMEA and APAC, with the Latin America (Juniper)
- Achieved cross collaboration buy in and support to standardize the social media measurement framework across all Adobe's business units (Adobe)



SOCIAL BUSINESS CASE STUDY: SOCIAL BUSINESS PLAN

OBJECTIVES

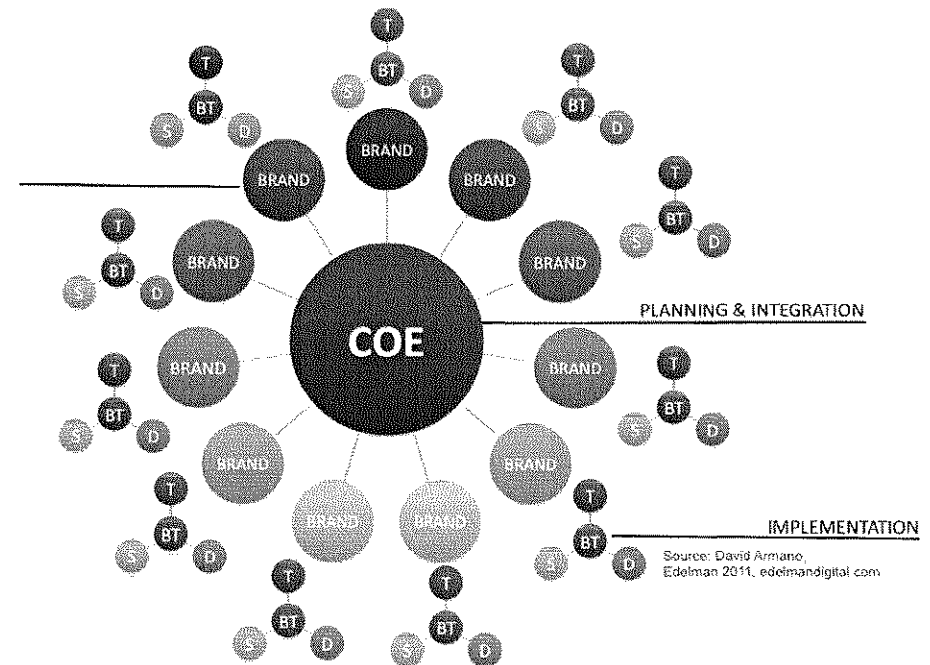
- Establish and build centralized social media function inside the eBay, Inc. organization.

STRATEGIES

- Development of social media council to drive compliance and adoption with key stakeholders representing all eBay, Inc. companies
- Development of social business plan and playbook to establish roadmap, strategy and plan to guide the team moving forward
- Development of social media maven summit, including curriculum and execution of a one-day training session for 40 eBay, Inc. (eBay, StubHub and PayPal) social media team leads, to establish a baseline understanding of concepts and best practices for engagement
- Delivered one-on-one social media coaching sessions to company leadership

RESULTS

- Completed setup of social media council and implemented four social media council sessions
- Successfully executed Social Media Mavens training session for 40 members of the eBay, Inc. social media team, with excellent ratings based on survey responses
- Delivery of social business plan and playbook to guide senior leadership on social business planning and execution



SOCIAL BUSINESS CASE STUDY: EMPLOYEE ACTIVATION

OBJECTIVES

- Leverage Meltwater employees who are active in the social media space to create and deliver Google optimized content

STRATEGIES

- Find, train and activate a select few Meltwater employees
- Develop training calendar and materials to activate employees to engage.
- Assist in optimizing their personal and/or professional social media and social networking profiles
- Develop linking strategy and create a library of “anchor text” and corresponding URLs
- Provide strategic direction and support for content creations and linking opportunities

RESULTS

- Identified over 170 employees active on Facebook, Twitter, Google+ and blogs
- Working in coordination with the client, Edelman developed content strategies specific to employee strengths
- Ranked influence of active employees by Klout and Tweet Level scores and continued to monitor influence throughout program
- Identified top 22 employees with the highest average score, company loyalty, and growth potential for advanced social media activation

The image shows three overlapping screenshots of Twitter profiles. The top profile is for Dan Purvis (@DanPurvis), who follows the user. His bio includes 'Meltwater Group PR Director' and 'Love of all things #comms #socialmedia & #PR'. The middle profile is for Rachel Goalby (@RachelGoalby), who also follows the user. Her bio includes 'Managing Director Meltwater Buzz' and 'tweets are my own'. The bottom profile is for Jason Arican (@jasonarican), who follows the user. His bio includes 'Managing Director of Client Relations for @meltwaterbuzz' and 'Former Improviser, current (...) Serious 20% or less Boston, USA'. Each profile shows a 'Following' button and various statistics like tweets, followers, and following counts.



Social Business Readiness: How Advanced Companies Prepare Internally

**Social media crises are on rise, yet many
can be avoided through preparation.**

August 31, 2011

By Jeremiah Owyang
with Andrew Jones, Christine Tran, and Andrew Nguyen

Includes input from 63 ecosystem contributors, survey data from 144 social business program managers, and analysis of 50 social media crises



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Executive Summary

Social media crises on the rise – yet most companies are ill-prepared. Companies are quick to deploy the latest social media technology, yet most have not prepared for the threat of social media crises, or long-term effects on business. While the incidence of social media crises is on the rise, we found that more than three-fourths (76%) could have been diminished or averted had companies invested internally.

Advanced companies invest in four social business requirements – but are still deficient. We interviewed and surveyed some of the world's most advanced companies in social business, and found most invest in four social business requirements. Advanced companies establish governance, define real-time processes, foster a culture of learning, and organize into a scalable formation. However, despite these investments, even Advanced companies have yet to tie customer data to the product roadmap and into support systems. Furthermore, they continue to struggle with a fragmented technology set and lack standard measurement frameworks.

To become advanced, companies must climb the Social Business Hierarchy of Needs. Learn from where others have succeeded and failed – companies should follow the Social Business Hierarchy of Needs. First, develop business objectives and establish governance, then get organized by establishing a team and a process to deal with crises. Next, connect business units to increase coordination and reduce duplication. Finally, weave real-time market response into business processes and planning.

Hypothesis

We conducted research to test the following hypothesis: "Companies advanced in social business prepare internally and yield long-term benefits."

Methodology

To test this hypothesis, we conducted both quantitative and qualitative analyses, using a combination of an online survey, interviews, briefings, and research on existing social business programs. Specifically, we conducted:

- An online survey of 144 social business program managers at corporations with more than 1,000 employees, which we define as enterprise-class. The survey was fielded through several sources, including professional organizations such as MarketingProfs, GSMI, WOMMA, *Social Media Examiner*, Ragan Communications, and social strategists identified in *Web Strategy's* "List of Corporate Social Strategists for 2011 (Buyer/Brand Side)." See: <http://www.web-strategist.com/blog/2011/01/07/list-of-corporate-social-strategists-for-2011>.
- 63 interviews or briefings with corporate practitioners and social business software, service, and solutions providers. In some cases, we worked closely with companies during client engagements, providing deeper insight.
- Analysis of over 50 social media crises from 2001 to present, which received mainstream media coverage. For the full list, see *Web Strategy's* "A Chronology of Brands that Got Punk'd by Social Media: <http://www.web-strategist.com/blog/2008/05/02/a-chronology-of-brands-that-got-punkd-by-social-media>.

Ecosystem Input

This report includes input from market influencers and solution vendors who were interviewed or briefed by Altimeter Group during the course of this research. Input into this document does not represent a complete endorsement of the report by the individuals or companies listed below.

Corporate Practitioners (18)

Shanee Ben-Zur, *Social Media Strategist and Manager, NVIDIA*
Jess Berlin, *Social Media Manager, American Eagle Outfitters*
Richard Binhammer, *Senior Manager, Corporate Affairs, Dell*
Rebecca Brown, *Director, Social Media Strategy, Intel*
Matt Cenicerros, *Director, Media Relations, Applied Materials*
Michael Donnelly, *Group Director, Global Communications, Coca-Cola*
Kimberley Gardiner, *Digital Marketing & Social Media Manager, Toyota Motor Sales, USA*
Justin Gardner, *Social Media Manager, AMC Theatres*
Scott Gulbransen, *Director of Social Media & Digital Content, Applebee's*
Ethan Holland, *Director of Online Marketing, American Eagle Outfitters*
Cindy Kim, *Director of Marketing and Social Media, JDA Software*

Bowen Payson, *Manager of Online and Digital Marketing, Virgin America*
 Michael Procopio, *Social Media Strategist, Hewlett-Packard*
 Devashish Saxena, *SVP, Global eCommerce and Social Marketing, Premier Farnell*
 Stephanie Schierholz, *Social Media Manager, NASA*
 Kim Snedekar, *Social Media Manager, AAA Mid-Atlantic*
 Ekaterina Walter, *Social Media Strategist, Intel*
 Angela Zener, *Sr. Director Global Social Media, LexisNexis*

Social Business Services and Solutions (13)

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 Bob Pearson, *Chief Technology & Media Officer, WCG*
 Aaron Strout, *Head of location based marketing, WCG*
 Kristie Wells, *President and Co-Founder at Social Media Club, Social Media Club*

Social Business Software (32)

Altimeter Group took briefings and conducted interviews with the following vendors over the past quarters influencing this report:

Allegiance Software	FohBoh	NewsGator
Awareness Inc.	Geneys, Alcatel-Lucent	Omniture
Bazaarvoice	Gigya	RightNow
Badgeville	IBM	Salesforce
Cisco, Cius	Janrain	SAS
Citrix, GoToMeeting	Jive Software	Seismic
Echo	Lithium	Spiceworks
Engage121	LiveWorld	Spredfast
EngageSciences	Microsoft	Telligent
Expion	Mixi	Wildfire Interactive
Facebook	Moxie Software	

Acknowledgements

With thanks to Zak Kirchner, Charlene Li, Esther Lim, Julie Viola, Alan Webber, and Gil Yehuda

Advanced Companies Prepare for Social Business Success in Four Ways

The complexities of social business are often ignored – while companies are quick to deploy Facebook fan pages or Twitter accounts, long-term success in social media requires adequate preparation. For the corporation, this involves a realignment of roles, policies, processes, and more – it's a transformation of the enterprise into a social business.

While most companies have yet to reach social business maturity – the average corporate social business program is only three years old¹ – some companies are already defining best practices. For this report, we interviewed dozens of industry experts and conducted an online survey of 144 enterprise-class social media program managers, to identify companies Advanced² in social business. Then, we asked these Advanced companies how and why they prepared the enterprise internally, and share our findings and analysis in this report.

Through our research, we found that the world's most Advanced companies prepared for social business with the following four internal requirements:

1. **Baseline Governance and Reinforcement:** Established and reinforced a corporate social media policy that allows employees to participate professionally
2. **Enterprise-Wide Response Processes:** Defined processes for rapid workflow and engagement with customers in social media
3. **Ongoing Education Program and Best Practice Sharing:** Fostered a culture of learning through ongoing social media education
4. **Leadership from a Dedicated and Shared Central Hub:** Organized in a scalable formation, with a cross-functional "Center of Excellence"

Finding 1: Baseline governance and reinforcement enables employees to participate safely and professionally.

Of the 144 companies we surveyed, all 18 Advanced companies allow rank-and-file employees to use social media professionally (Figure 1.2). However, Advanced companies also educate and provide guardrails so that employees know how to participate in a safe and consistent manner. We found that Advanced companies often have the following in place:

- **At a minimum, a social media policy that protects the company and employees.** A social media policy dictates acceptable employee behavior in social channels, safeguarding the company against legal risks raised when employees represent the brand in public. Typically, such a policy includes guidelines on disclosure and confidentiality, especially for personal usage of social media.

A majority of all 144 companies surveyed, 83%, have formalized an internal social media policy (Figure 1.1). Of Advanced companies, all 18 have such a policy in place (Figure 1.2). For example, Cisco instructs employees not to disclose any information that is “confidential or proprietary to the company,”³ while Ford reminds employees to “make it clear that the views expressed are yours.”⁴

- **A social media policy that not only protects the company, but also encourages employee ownership.** Advanced companies do not just dictate guidelines about disclosure or confidentiality – they empower employees to use social media professionally.

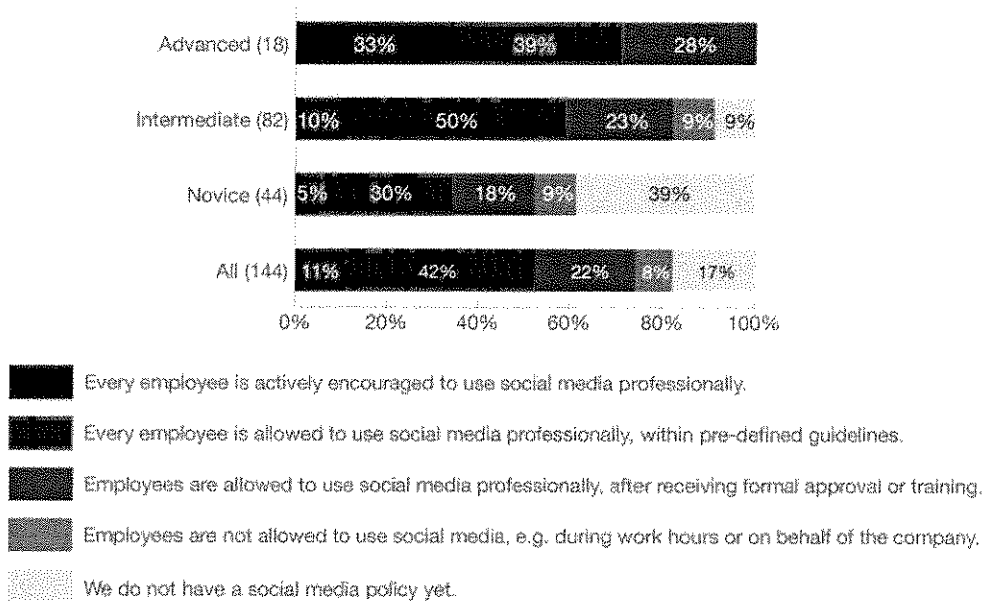
All 18 Advanced companies allow rank-and-file employees to *participate* in social media as a representative of the brand: five after formal approval, seven within pre-defined guidelines, and six *actively* encourage participation (Figure 1.2). For example, IBM “made a strategic decision to embrace the blogosphere and to encourage IBMers to participate” back in 2003.⁵ Coca-Cola allows employees to represent the brand after completing its Social Media Certification Program.⁶

Of all 144 companies surveyed, only 8% have a policy that specifically *prohibits* use of social media professionally (Figure 1.1).

- **A baseline process to reinforce the policy among rank-and-file employees:** A written policy is not sufficient on its own – companies must establish a baseline process to reinforce and update the policy, as well as train incoming hires. Of Advanced companies, 13 out of 18 have such a process in place; meanwhile, 74% of all companies do not (Figure 1.3).

For example, Intel’s Digital IQ program is often cited as a benchmark social media corporate training program. Initially, the program was used to raise awareness of Intel’s social media policy, and has since evolved into a certification program with over 60 online courses. To date, more than 6,000 employees have completed 20,000 courses, according to Rebecca Brown, Director of Social Media Strategy at Intel.

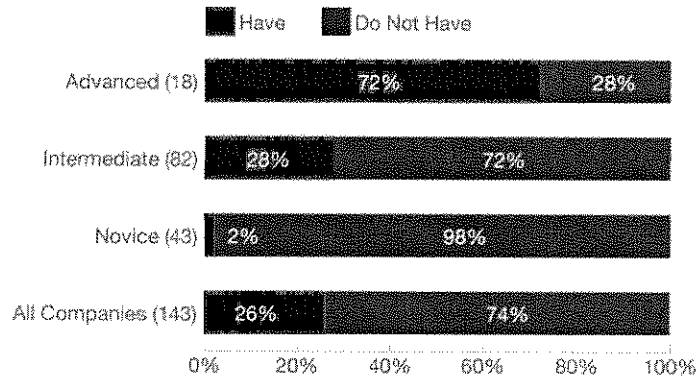
Figure 1.1. "Which of the Following Statements Best Describes Your Company's Social Media Policy for Rank-and-File Employees?" (By Social Business Maturity Level)



Base: 144 Global Corporate Social Media Program Managers (June 2011)

Source: Altimeter Group

Figure 1.2. Percentage of Companies with an Ongoing Baseline Process to Reinforce Social Media Policy and Education for Rank-and-File Employees (By Social Business Maturity Level)



Base: 143 Global Corporate Social Media Program Managers (June 2011)

Source: Altimeter Group

Finding 2: Enterprise-wide response processes enables rapid customer engagement.

Companies are struggling to keep up with a growing volume of conversations – we found that enterprise-class corporations already average 178 corporate-owned social media accounts.⁷ As workflow across the enterprise becomes more complicated, consistency and efficiency decrease, while risks increase. To ensure rapid response that is safe and coordinated, most Advanced companies established these enterprise-wide processes:

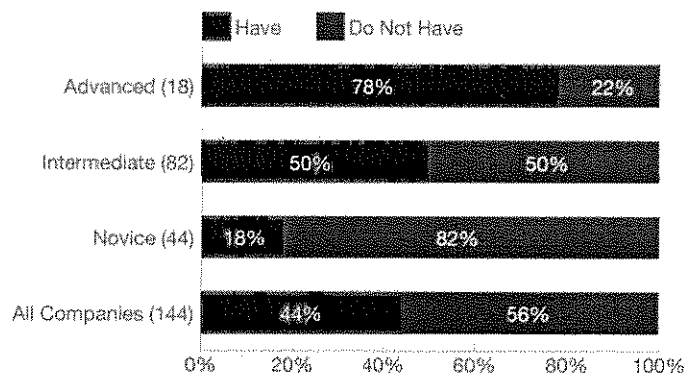
- **A social media triage and workflow process distributed across the company.** We found that 14 out of 18 Advanced companies have a social media triage process to help reduce ambiguity and increase consistency in day-to-day customer engagement. Meanwhile, 56% of all companies have not defined this process (Figure 2.1).

For example, a formalized social media response process at H&R Block guides associates through a needs assessment (“Compliment, Complaint, Tax Question, or Other Issues”)⁸ then provides the appropriate course of engagement. With such a process outlined, social media practitioners across the enterprise know *when* and *how* to respond to customers in social media.

- **A social media crisis response plan.** In our ongoing analysis of social media crises, we found that the annual occurrence of social media is on the rise (see Focus: Social Media Crises Are on the Rise – Yet Many Can Be Diminished or Averted with Internal Preparation). We define a *social media crisis* as a *crises issue that arises in or is amplified by social media, and results in negative mainstream media coverage, a change in business process, or financial loss.*

To prepare for the worst-case scenario, 13 out of 18 Advanced companies prepare with a social media crisis response plan that outlines roles, responsibilities, and possible actions (Figure 2.2). Yet 56% of all companies lack such a process, even though more than ¾ of crises could have been diminished or potentially averted (Figure 5.6)

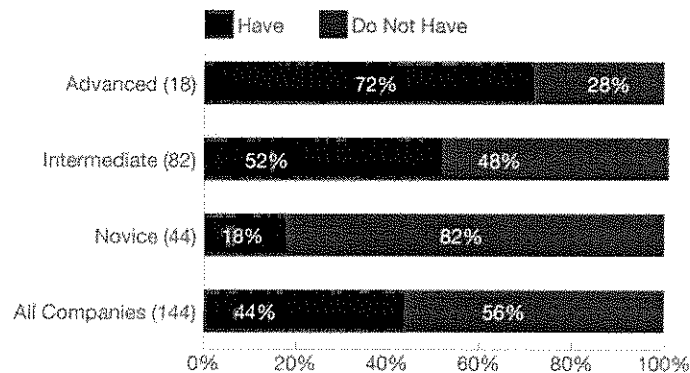
Figure 2.1. Percentage of Companies with a Formalized Social Media Triage Process (By Social Business Maturity Level)



Base: 144 Global Corporate Social Media Program Managers (June 2011)

Source: Altimeter Group

Figure 2.2. Percentage of Companies with a Formalized Social Media Crises Escalation Plan (By Social Business Maturity Level)



Base: 144 Global Corporate Social Media Program Managers (June 2011)

Source: Altimeter Group

Finding 3: Ongoing education program and best practice sharing fosters continued learning.

Those who manage or deploy social media programs require a constant refresh to their skills, as the landscape changes rapidly. To maintain a competitive advantage in social business, we found that Advanced companies foster a culture of learning through ongoing education for social media practitioners:

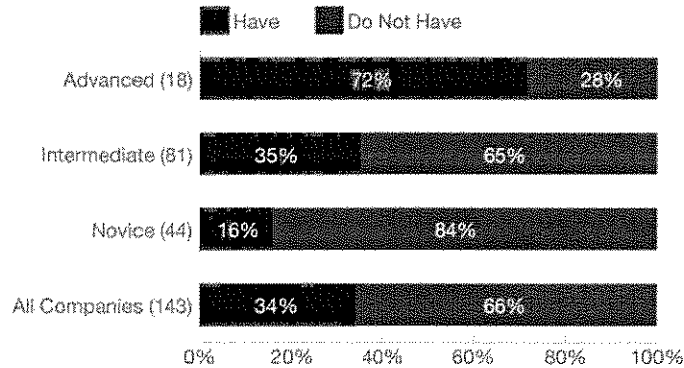
- **An ongoing education program for everyday social media practitioners:** Even seasoned practitioners require continuous social media training. In our interviews, we found that Advanced companies organize ongoing brown bag lunches, speaker series, or internal conferences, covering topics such as program management, tools, and measurement. In our survey, 13 out of 18 Advanced companies have an ongoing education program for social media practitioners. However, across all companies only one-third (34%) have such a program in place (Figure 3.1).

For example, Dell is widely known for its internal social media education program, called Social Media and Communities (SMaC) Talk. The “unconference” format allows members to help drive agenda, as well as teach and learn from each other. Over 5000 Dell social media practitioners have participated worldwide,⁹ and the company hosted its first SMaC Talks in China and India within the past year.¹⁰

- **An ongoing communication program to share best practices:** Between face-to-face events, Advanced companies supplement social media education by facilitating best practice sharing among practitioners. Only 35% of companies overall have formalized such a program, yet 13 of 18 Advanced companies have this in place (Figure 3.2).

For example, Cisco consolidates social media resources in a self-serve social media intranet portal.¹¹ Meanwhile, Intel publishes a monthly newsletter, dubbed *The Buzz: Social Media Newsletter*, with program updates, best practices, and accomplishments from certified “Social Media Professionals.”

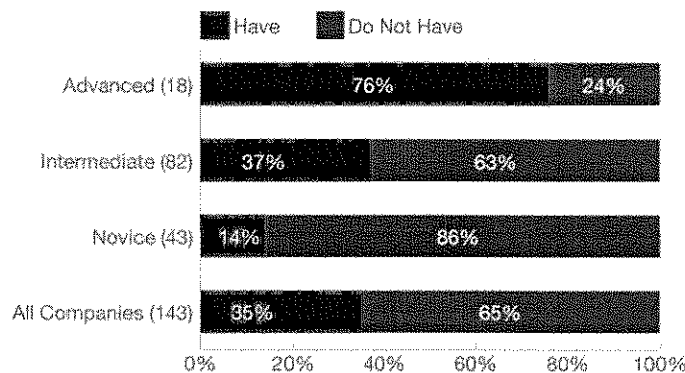
Figure 3.1. Percentage of Companies with an Ongoing Social Media Education Program (By Social Business Maturity Level)



Base: 143 Global Corporate Social Media Program Managers (June 2011)

Source: Altimeter Group

Figure 3.2. Percentage of Companies with an Ongoing Communication Program for Social Media Best Practice Sharing (By Social Business Maturity Level)



Base: 143 Global Corporate Social Media Program Managers (June 2011)

Source: Altimeter Group

Finding 4: A dedicated and shared central hub, often named the “Center of Excellence,” provides leadership.

Increased consumer adoption and low technological barriers encourage corporate stakeholders to deploy social media on their own, with or without formal approval. In our survey, we found that as many as 13 different business units across the enterprise engage in customer-facing social media efforts (Figure 4.1).

Without proper coordination, this widespread adoption can result in a fragmented customer experience, duplication of resources, and increased costs. However, Advanced companies get ahead of the demands and address these inefficiencies by providing corporate-wide leadership. We found that Advanced companies do this by establishing the following:

- **A scalable formation: Hub and Spoke.** In previous research, we found that Novice companies were most likely to organize in a Centralized formation (37%), in which a single group leads strategy and deploys efforts on behalf of the entire company. While this model allows for consistency and control, it does not enable scale.

As companies mature, a Hub and Spoke model becomes more prevalent, at 67% for Intermediate and 63% for Advanced companies. The hub at the center of this model empowers business units with leadership and shared resources, allowing for enterprise-wide coordination. (To view the 5 Ways Companies Organize for Social Media, go to: <http://www.web-strategist.com/blog/2010/04/15/framework-and-matrix-the-five-ways-companies-organize-for-social-business>).

For example, eBay's central hub coordinates across corporate functions, like Corporate Communications and HR/Recruiting; across eBay properties, like eBay Classifieds and PayPal; and across geographies, like US and the EU.¹²

- **A corporate social media team, or "Center of Excellence," at the Hub.** We also found that 16 out of 18 Advanced companies have assembled a dedicated, cross-functional group at the corporate or division level, often called the Center of Excellence. This team is typically responsible for coordinating social business efforts across the enterprise, including high-level strategy, governance, training and education programs, research, measurement frameworks, and vendor selection.

The figure below (Figure 4.2) shows that this cross-functional team is led by a social strategist, with support from roles such as community manager or social analyst. Often, this team reports to Marketing or Corporate Communications. However, "it can be led by IT, Marketing, Corp Communications, etc.," says Peter Kim, Chief Strategy Officer at Dachis Group. More importantly, it is "a cross-functional team with forward-thinking people. This is absolutely required for success, whether it's called a Center of Excellence, digital taskforce, social taskforce, etc."

As an example, Adobe assembled a Social Media Center of Excellence in 2009, after a company-wide audit found that the company lacked knowledge sharing, standard metrics, common policies, and an overarching strategy. The company adopted the Hub and Spoke model, then launched its cross-functional Center of Excellence, which supports and coordinates between corporate functions and product-based business units.¹³

Figure 4.1. "Which Groups Deploy Formalized Customer-Facing Social Media Efforts? (Select all that apply.)"

Note: While business units can deploy social using SaaS tools, we assume IT is involved in a majority of these deployments.



Base: 142 Global Corporate Social Media Program Managers (June 2011)

Source: Altimeter Group

Figure 4.2. Average Composition of a Corporate Social Media Team (“How many full-time or full-time equivalent employees make up this dedicated social media team?”)

We asked respondents to report on full-time or full-time equivalent positions, and cleansed the data accordingly. However, it’s important to note that, in some instances, respondents commented that a full-time equivalent position actually assumed multiple roles, for example a corporate social strategist who also served as community manager, social analyst, education manager, etc. In other cases, the team was cross-functional, with some team members providing dedicated assistance but reporting directly to another business unit.

Role	Description	Quantity
Corporate Social Strategist	The program leader for social business, the strategist is responsible for overall vision and accountability towards investments. The strategist is primarily internally-facing, rallying business units. To learn more about this role, read our previous report “Career Path of the Corporate Social Strategist.” ¹⁴	1.5
Social Media Manager	This role coordinates with business units to launch social media initiatives. The social media manager may straddle internal and external communications, direct resources, and formulate program plans.	2
Community Manager	Primarily outbound and customer-facing, this role is a trusted member of the community, serving as a liaison between the community and the brand. The community manager spends more time with the community, rather than within stakeholders.	3
Social Analyst	Using brand monitoring, social analytics, web analytics, and traditional marketing tools, the social analyst is responsible for measurement and reporting across the entire program and for individual business units.	1
Web Developer	The web developer typically already exists at the company, yet provides dedicated assistance to help plan, brand, configure, and integrate social technologies as stand-alone efforts, or into existing systems.	1.5
Education Manager	This often part-time role is designed to serve multiple business units and rank-and-file employees in planning and organizing social media education, including best practices, policies, and resources.	.5
Business Unit Liaison	As an interface inside of larger corporations, this role serves as an internal conduit to coordinate efforts with other business units, in order to provide them with resources, as well as ensure consistency.	1.5
Average Total Size of Corporate Social Media Team*		11

Note: This team may include cross-functional members who provide dedicated assistance but report to a different business unit.

Source: Altimeter Group

Base: 89 Global Corporate Social Media Program Managers (June 2011)



Focus: Anatomy of a Social Media “Center of Excellence” Program

We looked at Advanced companies like Adobe, Cisco, eBay, HP, and Intel, and found that the social media “Center of Excellence” (CoE) is a cross-functional team serving the enterprise as a shared corporate resource, providing social media governance, education and training, research, measurement frameworks, and/or vendor selection. Some CoEs provide leadership and strategy, while others serve as a coordination body or a center of “competency.”

While the term “Center of Excellence” is dominant in the early adopter technology industry, names in other verticals include “Social Media Resource Center” or “Social Media Council.” Regardless of nomenclature, we found the following common attributes across many:

Duty	Description	Emerging Practices
Charter	A document clarifying the purpose of the Center of Excellence	Define risks, as well as what success looks like. Indicate that this is a long-term program that eventually spans the enterprise.
Governance	Internal and external social media policies, including roles and process to update and enforce policies	Set up clear expectations between the Hub and Spokes, as there is a give and take required by both. Distribute and update internal policies in a centralized location and in HR handbooks; and publish external policies on all social media accounts.
Roadmap	Short- and long-term roadmap that outlines how social business will cascade to all parts of the business	Most companies are unable to plan beyond 18 months. Instead of focusing on technologies that change rapidly, focus on how relationships with customers and employees will change.
Education	Social business has profound impacts across the entire company – requiring change management through ongoing education programs	Don’t rely only on large-scale classes. Encourage practitioners to teach each other using internal collaboration tools, and self-educate with help from member associations like MarketingProfs and WOMMA. Scale governance education through e-learning programs.
Research	Competitive and customer intelligence, as well as other research initiatives with third party research firms	Integrate questions about social channels and behaviors into regular survey instruments, and tap research firms for guidance. Distribute data to business units regularly, and create a calendar to renew and update this data.
Vendor Selection	To reduce the number of vendor evaluations in a very crowded market, identify and deploy technology on behalf of business units	Conduct a needs assessment for each class of technology within the “Social Business Stack.” Look for vendors that offer services and integration, and have a seasoned enterprise software team.
Measurement	Ensure consistent measurement data with a company-wide measurement strategy	Start with business objectives to define success metrics. Know that beyond technology, substantial investments in internal roles and processes are required to roll out a strategy.

Companies Prepared for Social Business Increased Efficiency and Reduced Risk

Investing in internal social readiness requires significant resources. Yet, Advanced companies that made the investments outlined above were more likely to realize the following long-term benefits:

- **Vision and leadership drive accountability towards business goals.** Social business is nascent, and the landscape will continue to change rapidly. Companies with a dedicated and shared social media team are in the best position to navigate these uncertain waters – 73% of those that have such a team report having clear leadership on social strategy, compared with 31% of those without one. Furthermore, while many companies struggle to measure business success, 17 out of 18 Advanced companies say their social media efforts meet business objectives, a key indicator of success.
- **Trained employees reduce potential risk.** As more employees use social media, either professionally or personally, the opportunities for risk increase. Companies with a social media policy, and program to update and reinforce this policy, mitigate the risks by educating employees *in advance*, on acceptable and unacceptable behavior in social media. Companies with a policy in place are more likely to have employees who know how to safely represent the brand in social media: 62% compared to 23% of companies that did not.
- **Increased preparedness for social media crises.** As the frequency of social media crises rise, companies must prepare to respond rapidly and in a coordinated manner. Of companies with a formalized crisis response plan in place, 96% feel prepared for a social media crisis; of those without a plan, only 22% indicate preparedness. Furthermore, most Advanced companies (13 out of 18) believe that their teams and employees are prepared and know what to do in the event of a social media crisis.
- **A consistent brand experience for customers.** Companies with a central hub that provides guidance, ongoing education, and communication benefit from increased coordination and consistency in deployments. To illustrate, 53% of companies with a dedicated social media team report benefiting from a coordinated approach to social media, compared to just 21% of companies that do not have this team. This results in a more consistent brand experience for customers – no matter which business unit deploys.
- **Enablement increases ability to scale.** Companies that empower employees or business units to use social media on behalf of the brand increase opportunities to scale. For example, Best Buy's Twelpforce consists of thousands of retail employees who provide customer service and product recommendations through Twitter. Dell, on the other hand, is developing a "Social Radio," a proprietary desktop and mobile application that will allow its business units to "tune in" to and engage in relevant conversations in social media.

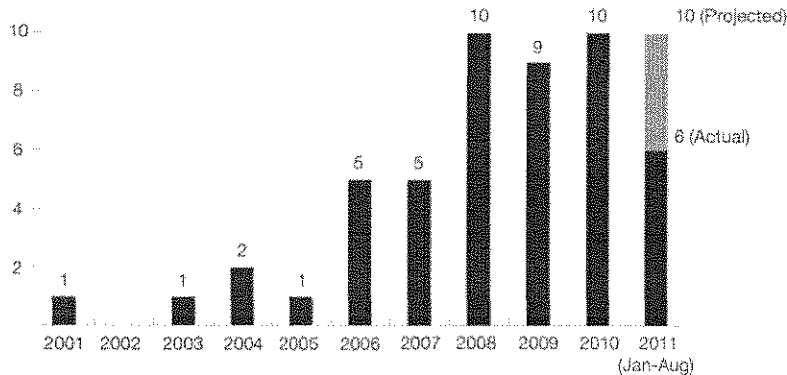


Focus: Social Media Crises Are on the Rise – Yet Many Can Be Diminished or Averted with Internal Preparation

Definition: A social media crisis is a crisis issue that arises in or is amplified by social media, and results in negative mainstream media coverage, a change in business process, or financial loss.

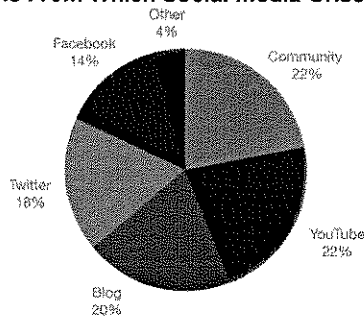
Between 2001-2011, we found that social media crises have risen steadily (Figure 5.1). We analyzed a total of 50 crises, assigning each a fallout category of Level 1-3 (Figure 5.5). We also found that up to three-fourths of social media crises could have been diminished or averted had companies prepared internally (Figure 5.6). For the full list of social media crises, refer to the *Web Strategy* blog.¹⁵

Figure 5.1. Annual Occurrence of Social Media Crises Reaching Mainstream Media between 2001-2011



The incidence of social media crises reaching mainstream media has increased steadily since 2001. During the first eight months of 2011, six crises have occurred.

Figure 5.2. Platforms From Which Social Media Crises Originate



Crises originate nearly evenly across five social media platforms: communities, YouTube, blogs, Twitter, and Facebook.

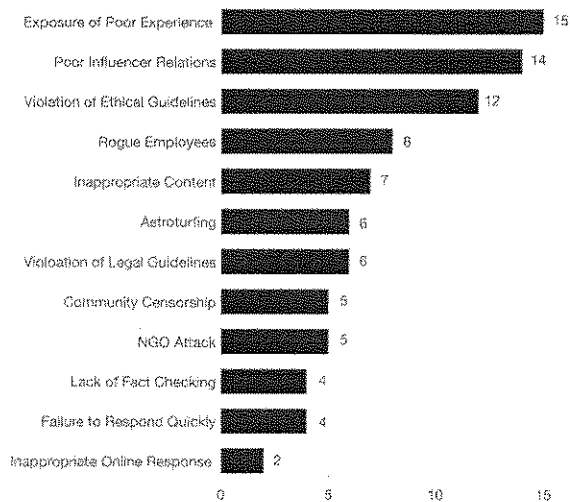
Figure 5.3 Industries Affected by Social Media Crises

Consumer Goods	6
Apparel & Fashion	5
Restaurant	5
Internet	4
Retail	4
Airline	3
Computer Hardware	3
Media	3
Automotive	2
Food & Beverages	2
Celebrity	1
Computer Games	1
Consumer Electronics	1
Dairy	1
Electrical/Electronic Manufacturing	1
Entertainment	1
Food Production	1
Information Technology	1
Oil & Energy	1
Real Estate	1
Religious	1
Supermarket	1
Telecommunications	1
Total	50



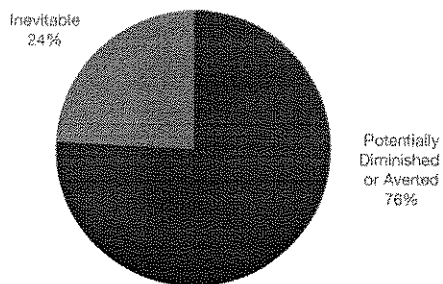
Focus: Social Media Crises Are on the Rise – Yet Many Can Be Diminished or Averted with Internal Preparation (Continued)

Figure 5.4 Causes of Social Media Crises (More Than One Cause May Apply)



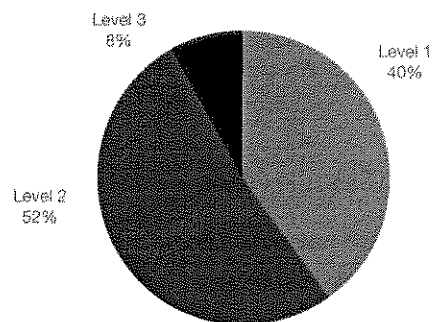
Social media crises primarily stem from the exposure of poor customer experiences, poor influencer relations, or violations of ethical guidelines.

Figure 5.6. Percentage of Social Media Crises That Were Inevitable vs. Potentially Diminished or Averted



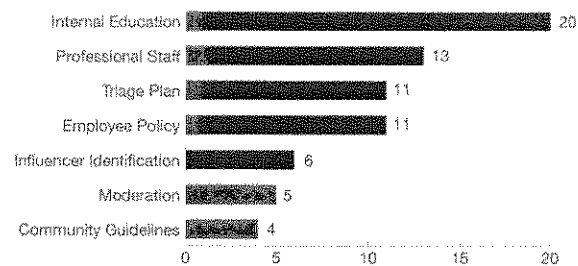
More than three-fourths of social media crises may have been diminished or averted.

Figure 5.5. Fallout Category of Social Media Crises



We categorized each crisis according to three severity levels: Level 1 is for crises that result in negative coverage in mainstream media; Level 2 is for crises that result in negative coverage in mainstream media, and a significant response or change by the company; and Level 3 is for crises that result in short-term financial impact.

Figure 5.7. Companies That Experienced Social Media Crises Lacked the Following Internal Requirements (More Than One Requirement May Apply)



Most companies that suffered a social media crisis lacked proper social media internal education for employees.

Advanced Companies Still Lack Key Processes, Measurements, and Standardized Tool Set

Advanced companies have laid much of the groundwork for social business preparedness, as outlined in the previous sections. However, even Advanced companies struggle to prepare the enterprise with internal resources needed for long-term social business success. We found that companies of all social business maturity levels currently suffer from the following:

- **Inability to tie social feedback to fix root problems, improving products and services.** Customers are talking about products and services in social channels, favorably and unfavorably. Forward-looking companies will define a process to intake customer insights; that is, collect and develop insights from customer sentiment and feedback in social channels, and refer this information to the appropriate product teams to act upon. Currently, 66% of all companies do not have a process for this; among Advanced companies, 12 out of 18 do not have this in place.
- **Inability to integrate social data into existing technology systems.** Companies struggle with how to incorporate customer data from social profiles and social interactions into existing business systems like CRM, support software, marketing automation, and email marketing. Three-quarters (74%) of all companies do not have a process in place to do this; among Advanced companies, 9 out of 18 have yet to formalize this process. In our interviews, we heard that companies struggle with fragmented data sources, lack of internal funding, and concerns over customer privacy.
- **Lack of a formalized measurement strategy to drive accountability.** Developing a social media measurement strategy was the most important internal objective cited by companies for 2011.¹⁶ Yet, so far only 25% of all 144 companies reported having measurement frameworks to help benchmark deployments across the company. As a result, companies fail to achieve an overarching view of customer and employee engagement in social media, make decisions based on data, or prove business value.
- **A fragmented and unwieldy set of immature technologies.** Previously, we identified 18 discrete classes of social business software and services, most of which do not interoperate with each other.¹⁷ We also previously found that Advanced companies spend an average of \$272,000 a year on custom technology development (the second highest spend on social technologies for Advanced companies), suggesting non-comprehensive tools and excessive configuration.¹⁸ Not surprising, only 29% of all companies have standardized internal tools, such as monitoring, analytics, or community platforms. Disparate tools and technology can be a challenge and there may be no perfect solution, but as Bob Pearson of WCG recommends: "Both for engagement and measurement, the organization needs to decide and go 'all-in' on a single tool."

Pragmatic Recommendations: Climb the Social Business Hierarchy of Needs

Don't reinvent the wheel – learn from the Advanced companies discussed in this report to reach social business maturity more quickly and safely. The following recommendations are organized by dependency – much like Maslow's Hierarchy of Needs, companies must first meet baseline needs at the bottom of the pyramid before moving on to the next set of requirements. Use Altimeter's Social Business Hierarchy of Needs as a roadmap to achieve social business readiness:

Figure 6. The Social Business Hierarchy of Needs



Source: Altimeter Group (August 2011)



Foundation: First, develop a business plan and put governance in place.

Every company must start by setting up a proper foundation for social business. Start by meeting these baseline needs:

- **Start with the end in mind – define clear business objectives.** Surprisingly, some companies fail to define business objectives for social media before deploying – and a third of companies (33%) report that their social media efforts do not yet meet business objectives. Sean O'Driscoll, CEO and Co-Founder of Ant's Eye View, said the number one requirement for any company approaching social business is to "set the appropriate goals. A listening command center is not a true objective, for example. It's only a strategy or tactic."

Thus, meet with executives to understand their business goals, and gain their support. Scott Gulbransen, Director Social Media & Digital Content at Applebee's, said, "Having executive support means a huge difference. I don't think I'd be a third of the way I am today without it." Also, when talking to executives, remember to focus on how relationships with customers will change, rather than specific tools or technologies.

- **Establish guardrails – have four policies in place.** While corporate policies traditionally protect the company, today's policies must extend to protect employees and customers too. In relation to social media, a policy set should incorporate the following:
 - *Social Media Policy:* This policy, intended for the corporation as a whole, should define how the corporation-at-large uses social media, as well as if and how employees can participate. For examples, refer to existing social media policies that are available online.¹⁹
 - *Disclosure/Ethics Policy:* Created specifically for rank-and-file employees, this policy addresses issues around disclosure and confidentiality. Even if employees are not formally approved to publish on corporate accounts, they can still publish on their personal accounts, and represent the brand. For example, IBM articulates the importance of disclosure in its Social Computing Guidelines, providing a sample disclaimer that social media users can copy and use on their own social accounts.²⁰
 - *Community Policy:* Intended for customers and prospects, this policy protects social media communities from abuse, and guides customers towards a common objective. When crafting a community policy, focus on desired behaviors rather than creating a long list of behaviors you don't want. This policy should be visible or linked to on all social media accounts.
 - *Privacy Policy:* Intended for customers who have privacy concerns, this policy defines how the company will use data gathered from social channels, and if and how it will be shared.
- **Provide baseline training and empower employees to use social media tools.** We found that some companies limit social media access, using tools like Websense or other firewall technologies. However, the risk remains largely unmitigated as employees can access social media on their mobile devices or at home. Thus, at a minimum companies must educate employees on governance, including the company's social media and disclosure/ethics policies outlined above.

Then, continue education for executives, social media practitioners, and business units – those who need more advanced training, for example, on business case, best practices, or success metrics. As an example, Intel has certified 2,500 Social Media Practitioners (SMPs) through its Social Media @ Intel program – a required 30-minute course for employees who engage with partners and customers on behalf of the company. (See the 30 minute course on YouTube at: <http://www.youtube.com/watch?v=6IPVfBz5FqE>.)

Safety: Then get organized by anointing a team and process to deal with crises.

With the above needs satisfied, companies can move on to Safety – preparing the company to safely and quickly respond in social media on a day-to-day basis, and during crises:

- **Put a team in place – even during off hours.** Even companies that do not actively engage in social media must monitor conversations and be prepared to respond in case of social media crises. Therefore, companies should: 1) Anoint a team that is on call and ready to respond during and off business hours, such as nights, weekends and holidays; 2) Involve communications or PR agencies, who serve as primary contacts for mainstream media in the event of a crisis; 3) Have rapid response tools ready, such as a corporate Twitter account, or corporate blog templates; and finally, 4) Seek executive blessing for this team, so that it has the authority to respond quickly, even during off hours.
- **Develop triage and workflow processes for day-to-day management.** Social media cascades across business units, yet customers expect real-time response and don't care what department they reach. As a result, companies must develop a triage and workflow process for normal day-to-day customer response that serves the entire enterprise. When creating a social media triage diagram, include the following: 1) A method to identify if the issue is critical; 2) If the individual is an influencer, and what actions may be taken if so; 3) To whom crisis issues should be escalated; and 4) How engagements will be recorded in existing customer systems, like CRM, support platforms, and e-mail databases.
- **Be prepared by conducting regular fire drills.** Building a crisis plan is not sufficient without proper training – companies must practice. Start with internal fire drills – identify potential scenarios ranging in severity level, and involve key stakeholders outside of Corporate Communications, such as Legal and HR. For example, Global PR firm Weber Shandwick helps clients prepare for crises through its "FireBell" offering, a three-hour drill that simulates the first five days of a social media crisis, using exact replicas of clients' social media accounts.²¹ Says David Krejci, Senior Vice President, Digital Communications at Weber Shandwick, representatives from Corporate Communications, HR, IT, and Legal get to "experience the paralysis" that often occurs between these business units when a social media crisis occurs.

Formation: Next, connect business units to increase coordination and reduce duplication.

After Foundation and Safety needs are met, companies can move onto Formation, by organizing social media deployments across the enterprise:

- **Take inventory of social assets across the entire enterprise.** Launching an enterprise-wide social media program is no easy feat – corporations commonly suffer from organizational silos. As a result, start by taking inventory of current assets, and asking business units to contribute to an ongoing list of initiatives. As an example, a

Fortune 100 brand created and asked business units to complete a spreadsheet that: 1) identified existing social accounts, and 2) collected data about each account in order to assign an overall health level, for example: Active, Abandoned, Fledgling, or Unknown.

- **Organize business units around opportunities to share and provide feedback.** In companies with extensive political sensitivities, we found that social strategists often have limited influence over other business units. However, savvy strategists will invite business units to share their best practices. For example, once the above social asset audit is complete, assemble business units to review findings, and ask for feedback on how to better centralize awareness and coordination.
- **Form a social media Center of Excellence, serving the whole company.** Companies need a dedicated team that serves the entire enterprise, or risk duplication of efforts, for instance, in education, measurement, and tool deployment. However, position the Center of Excellence as a shared corporate resource for business units, rather than as a governing body that issues mandates. A natural evolution towards a Center of Excellence follows this order of activities: 1) Form and distribute legal policies; 2) Interview stakeholders to help define enterprise-wide processes; and 3) Consolidate educational resources and facilitate best practice sharing. Once these activities have taken place, a Center of Excellence will emerge.

Enablement: Grow by letting them prosper – give business units the support and flexibility to reach goals.

Once baseline needs, processes, and a proper structure are in place, companies can focus on Enablement by helping business units deploy on their own:

- **Entrust business units to deploy on their own – within outlined parameters.** Now that a Center of Excellence or dedicated team is in place, actively support business units to deploy on their own. This team now moves from coordination to enablement of other hubs, transforming to a Multiple Hub and Spoke formation. As an example, larger corporations such as Intel and SAP have regional social strategists in Europe and Asia who can respond to specific needs of those markets. Or take a page from VP of Marketing, David Deal at iCrossing: "Empowering employees is the most exciting aspect of my job right now. Each day, I act as a hybrid coach and idea publisher by helping our people find their social voices."²²
- **Provide business units with consolidated resources, and teach them to learn from each other.** Companies set up educational programs to teach best practices, but scaling a program to reach all practitioners or business units is nearly impossible at large corporations. To supplement, set up an intranet portal or collaboration tool that allows practitioners to share their best practices. For example, Dell encourages employees across the enterprise to use Salesforce Chatter, an enterprise communication tool, to stay coordinated.²³
- **Aggregate measurement data across the whole company.** Expect that executives will ask to see return on their social business investment. To get ahead of these requests, it's key to standardize early and provide business units with enterprise-wide

measurement frameworks, reporting templates, and as much as possible, measurement formulas. Though, remember that each business unit will have different business goals, and therefore, different Key Performance Indicators (KPIs). For example, expect Support to focus on customer satisfaction and cost reduction, while Marketing focuses on engagement and lead generation. For more information on social analytics, read Altimeter's report: *A Framework for Social Analytics*.²⁴

Enlightenment: Finally, weave real-time market response into business processes and planning.

At the highest level in the Social Business Hierarchy of Needs, companies adjust business processes in real-time through social data and insights. We found few companies in this phase, and in many regards, it is an aspirational state. However, expect that Advanced companies will be first to:

- **Make decisions based on real-time business intelligence.** Companies can begin to integrate social data sources with business intelligence platforms like SAS, gleanng real-time insights. For example, Rubbermaid reacted quickly to customer ratings and reviews provided by Bazaarvoice, and made changes to products and packaging based on real-time data. Also, Best Buy's CMO, Barry Judge, once course-corrected a campaign gone awry, as he monitored tweets in real time.
- **Achieve real-time customer engagement by empowering employees through a "Holistic" model.** While many companies currently form in the Hub and Spoke model, a few companies such as Best Buy, Zappos, Dell, and Intel, have enabled thousands of employees to participate in a safe and coordinated manner. For example, Best Buy achieves near real-time responses to customer inquiries by empowering retail employees. To do this, make sure to involve HR, as expectations must be clearly articulated to employees, especially those who choose to participate during off hours.
- **Use social data to inform the product roadmap and enhance partner relationships.** Armed with real-time data from employees, customers, prospects, and partners, companies now have the potential for real-time decision-making across their entire ecosystems. However, with the opportunity comes the challenge of data overload. While most business intelligence software companies harvest social data, they so far lack the ability to connect unstructured data and make data actionable. As this fetters out, expect these systems to extend across the partner ecosystem into the supply chain.

Conclusion

While the list of social business requirements can be daunting, companies must invest in internal readiness for long-term health and success. Note that: "Organizational change takes years. It doesn't happen overnight," as Michael Brito, Senior Vice President, Social Business Planning at Edelman Digital, summarized. To reduce risks and launch these programs safely and rapidly, take cues from Advanced companies and build your program following the Social Business Hierarchy of Needs.

WHITE PAPER

Becoming a Social Business: The IBM Story

Sponsored by: IBM

Erin Traudt
January 2011

Richard Vancil

IDC OPINION

The rise in consumer-oriented social networking applications and platforms over recent years has drawn curiosity from enterprises both large and small. IDC believes that curiosity has turned into business opportunity as the lines between consumer and enterprise continue to blur. Unfortunately, adoption of social software in the enterprise has encountered some skepticism due to the hype surrounding the technology and the perception that it is the younger generations' means for socializing with friends. It has also been criticized as being a waste of time. Yet there is evidence to suggest that this doubt is shifting and that enterprise social software is becoming the next generation of collaboration tools to enhance organizational productivity.

In fact, social software deployed within enterprises of all sizes has started to gain momentum and move beyond the early adopter stage. According to IDC's *Social Business Survey* conducted in September 2010, 41% of respondents indicated that they have already implemented an enterprise social software solution and 35% of survey respondents believed that using social software made them more productive. When IDC asked how much time respondents saved by using social software as a productivity tool, the majority revealed that they experienced an 11–30% in time savings. Additionally, the fastest-growing segment of the collaborative applications market is the emerging social platforms category. The social platforms market achieved \$370 million in 2009 and will reach nearly \$2 billion by 2014, representing a compound annual growth rate (CAGR) of 38.2% over the forecast period.

Both survey results and market factors indicate that social software adoption is increasing, but it is also important to understand that implementing social software technology itself will not produce radical changes in the established collaboration practices of organizations. Instead, IDC views social software as an enabler to the cultural shift and business process changes that need to take place in order to transform a company into a social business. This journey toward becoming a social business is not without challenges and takes time, effort, and commitment. However, the positive outcomes can translate into a more open, efficient, and innovative organization that has deeper employee and customer relationships, quicker decision-making capabilities, and speed-to-market potential.

METHODOLOGY

To help illustrate the impact that social business transformation can have on an organization, indeed a very large organization, IDC partnered with IBM to help convey its evolution toward a more efficient and productive company. To understand the

varying elements of social business transformation, IDC interviewed nine leaders at IBM in various departments and roles to obtain a multidimensional view of the different business problems, justification, process, considerations, outcomes, as well as benefits and challenges associated with a large enterprise of 400,000 global employees undergoing this transition. The interviews IDC conducted included the following participants from IBM:

- ☒ Luis Suarez, BlueIQ Community Manager, IBM Software Group, IBM Spain
- ☒ Jeanne Murray, BlueIQ Consulting IT Program Manager, IBM Software Group
- ☒ Luis Benitez, Social Software Product Manager, IBM Software Group
- ☒ Darrel Rader, Services, IBM Rational
- ☒ Robert Flaherty, Software Group Architecture Board, IBM
- ☒ Alice Chou, Director, IBM developerWorks
- ☒ Rawn Shah, BlueIQ (Metrics and Measurement), IBM Software Group
- ☒ Barb Mathers, Program Director, Information Development Center, IBM
- ☒ Guy Pacitti, HR Director, IBM Collaboration Solutions

IN THIS WHITE PAPER

In this White Paper, IDC explores example case studies of IBM's internal evolution to a social business as a means to guide other large organizations considering making a similar transition. Out of the nine interviews conducted, IDC has selected three interviews to highlight as case studies. These case studies provide the context and business challenges that made change necessary, social business transformation project plans and initiatives, and the results and current status of each department's social business journey.

SITUATION OVERVIEW

IDC defines social business as organizations that apply emerging technologies like Web 2.0 accompanied by organizational, cultural, and process changes. This is done to improve business performance in an increasingly connected global economic environment. A social business centers on "people as the platform," and it acknowledges that individuals and businesses collaborate in different ways. IDC believes that the cultural impact and business benefits of a social business approach include:

- ☒ Deeper relationships with stakeholders, including customers, employees, partners, and suppliers
- ☒ More organizational transparency and agility

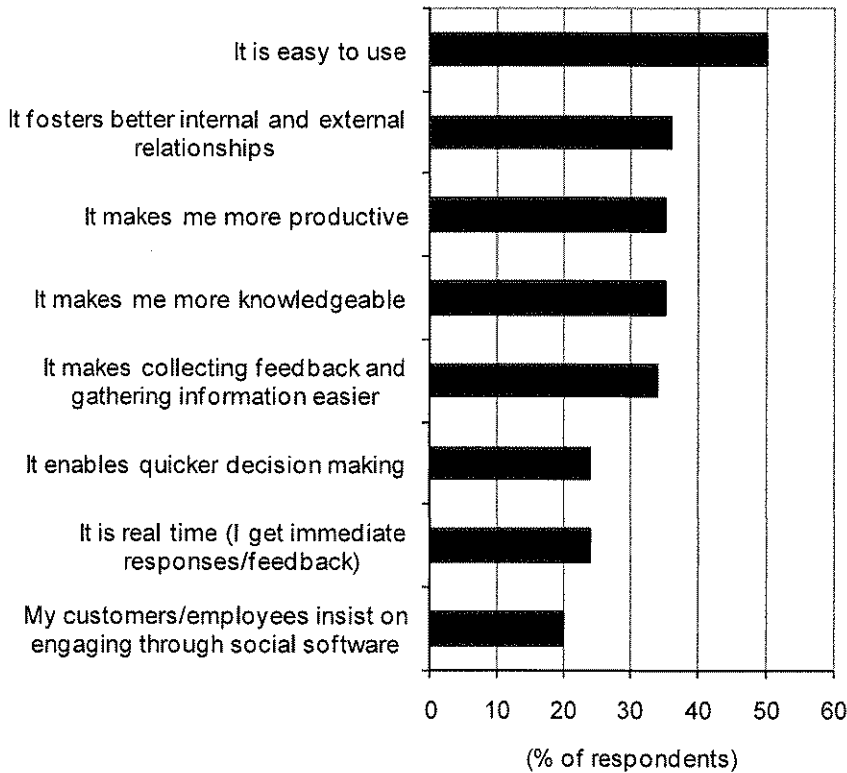
- Higher productivity and satisfaction among employees
- Increased engagement and feedback from customers
- Accelerated innovation and better intellectual capital reuse

Figure 1 highlights additional benefits of using enterprise social software solutions from IDC's aforementioned *Social Business Survey*.

FIGURE 1

The Benefits of Using Enterprise Social Software

Q. In your opinion, what are the key benefits with using social software?



n = 700

Source: IDC's *Social Business Survey*, September 2010

The term social business also recognizes that there is a broader effect on organizations than just the sales or marketing department. While sales and marketing professionals have been at the forefront of using social software to gain better understanding and cultivate deeper relationships with customers, they are only part of the social business transformation equation. Employing social software can impact a

range of departments across an entire company, including finance, product development, engineering, research and development, services, human resources, facilities, and legal, among others. No matter what department or role, using social software can help achieve greater business results through fostering better collaboration practices inside and outside the enterprise.

IDC believes that any organization wishing to become a social business needs to understand the different elements that constitute such a change. To help illustrate the multiple dimensions of social business transformation, IDC has created a framework to describe the functions, characteristics, and objectives of a social business. The social business framework is made up of four key fundamentals:

- ☒ **Market factors** such as competition, brand awareness, customer behavior (i.e., the social customer), economic conditions, and workforce dynamics are highly variable external issues that drive business change.
- ☒ **Social business objectives** are closely linked to overall business goals and strategies associated with four business stakeholders — customers, employees, partners, and suppliers — and their desired relationship.
- ☒ **Social business outputs** are the vehicles used to interact and collaborate with designated stakeholders. These vehicles fall into two distinct areas: content (such as social media) and community (such as social networks).
- ☒ **Social software** includes a variety of emerging technology to enable social business activities. It is segmented into three types: social platforms, social applications, and social features.

Therefore, the process of implementing any social business initiative or project should follow these steps:

- ☒ Identify the market factors that are generating the need for change.
- ☒ Recognize the social business objectives that need to be accomplished and why they are important.
- ☒ Establish the social outputs that will be used to support the objectives.
- ☒ Determine which platforms, applications, and/or features will be needed to create the desired outputs.

In the next section of this White Paper, IDC investigates how IBM incorporated these four steps as part of its own internal social business transformation process.

CASE STUDIES

IBM developerWorks: Providing Developers with a Dynamic Forum for Technical Content and Information

Business Context and History

IBM developerWorks is an established technical resource that has been dedicated to IBM's global developer community since 2000. It is designed to provide the developer and IT professional ecosystem with knowledge, education, and skill development for IBM products and other key technologies. The community today receives 4 million unique visitors per month who have access to a library of 30,000 articles, podcasts, and tutorials. It is estimated that more than 70% of site visitors come from outside IBM. Of these visitors, 41% are application developers, 18% are IT project managers, 17% are network and system administrators, and 10% come from academia (faculty or students).

At the heart of developerWorks is its content, and the growing site traffic is the best validation of that mission. In the words of Alice Chou, Director, IBM developerWorks, "One of the pieces of feedback from our user base is that they appreciate us most because of the quality content and volume of content we produce. We have about 100 new articles that we publish every single month."

Because content represents the core of developerWorks' success, article contributions are sourced equally from both IBM and non-IBM community members. Chou recognizes that the developer community highly values "independent" content that is provided by its peers — even more than it might value content that is produced by IBM. With its rich and growing library, developerWorks has emerged as a valuable resource for enhancing IBM's ecosystem with technical expertise.

Becoming a Social Business

Due to the changing ways that people have collaborated over the years and the impact of consumer-oriented sites such as Facebook and Twitter, IBM developerWorks began to look at other ways to serve its audience. In April 2009, IBM introduced My developerWorks, the social networking component to its developerWorks site. My developerWorks, built entirely on IBM Connections, is designed to help developers connect, communicate, and collaborate on projects. In less than two years, 600,000 My developerWorks profiles have been created, representing the most engaged members of IBM's ecosystem. Through establishing a profile, members can contribute to blogs and forums, but according to Chou, "One of the most impressive things about [My developerWorks] is that it really facilitates different companies, start-ups, and partners coming together. We've occasionally even seen them come together to work on a specific customer deal where each is providing different components to the deal."

Results, ROI, and Outlook

Chou rigorously monitors the number of My developerWorks profiles and the volume of developerWorks site traffic, including unique visitors, developer demographics, time spent on the site, and pattern of page views. But perhaps one of the biggest value points for IBM is that developerWorks has deflected numerous support questions that might otherwise be directed to traditional and costly channels like call centers. IBM estimates that it is saving approximately \$100 million per year in support costs as a result.

But cost savings is a side benefit to the longer-term investment around building skills. Chou noted, "For example, you can't really put an immediate ROI on providing skills to students graduating from school, but associating positive experiences with IBM technology early on means that as they progress through their careers, they could be very influential in purchase decisions down the line."

Successful ecosystems continually evolve, and looking forward, IBM would like to continue improving the developerWorks community by creating a reward and recognition framework. Chou stated, "Our hope is to provide a structure and program for [developers] so they can be incentivized to be more generous with their time and engagement on developerWorks to give them greater visibility. So when they are helping out another person with a technical issue or they are contributing to a highly rated article or blog, we want to make sure they get the kudos they deserve."

From Individual Contributor to Community Manager: Evangelizing Social Software from the Inside Out

Business Context and History

Luis Benitez, Social Software Product Manager, IBM Software Group, joined the company nine years ago as a developer and has since held positions in the consulting organization as well as in the technical sales organization. Currently, Benitez is in product management for IBM Connections and Lotus Quickr, is involved with the BlueIQ program, and leads the IBM Collaboration Solutions Social Software community. He originally began using social software during his consulting role at IBM. While Benitez was frequently traveling and visiting new customers all over the world, he was finding it hard to stay organized and keep track of his work. Benitez said, "Personally, one of my own challenges is that as I went to each customer and created new intellectual capital, I was having a hard time finding and reusing that intellectual capital that I knew existed."

Benitez had already begun blogging personally outside work and realized that an internal blog at IBM would be a way for him to arrange his ideas, thoughts, and experiences. From then, Benitez started to blog about his customer projects and activities, including the successes and challenges being encountered. IBM had existing blogging tools as early as 2002 as well as a social bookmarking service that was available in 2005. In 2006, Benitez was using the code that was the precursor to Connections that came out in 2007. Also in May 2005, IBM established its Blogging Policy and Guidelines, which Benitez viewed as encouragement for employees to use social software not only inside but also outside IBM.

Becoming a Social Business

The company's Blogging Policy and Guidelines were developed by IBM bloggers themselves. The bloggers set up a wiki and over the course of two weeks established principles about how they would feel comfortable using social software. The guidelines were brought to the legal department and corporate communications team for approval. According to Luis Suarez, BlueIQ Community Manager, IBM Software Group, IBM Spain, "If you read the IBM guidelines, one of the things that comes to mind is common sense. They are all common sense. So what we did was publish them to the world, not just to IBM, but to anyone out there who was interested in using social software." In 2008, the guidelines were revised and called Social Computing Guidelines. These guidelines are now incorporated in the business conduct guidelines on which all IBM employees need to be certified annually. For many, this was a sign of validation from IBM, and the fact that these policies were created by IBM employees rather than senior management serves as testament to the cultural shift that can occur through social business transformation.

IBM's Social Computing Guidelines are frequently updated to reflect changes in worker and market dynamics. The most recent revisions were in 2010 to accommodate the rise in new social software technologies such as geolocation tools. These guidelines, which are publicly available from IBM, have also served as a template for other companies looking to form their own social media policies and can be found at www.ibm.com/blogs/zz/en/guidelines.html.

It took some time for Benitez to make his "own culture change" using social software. Benitez admits, "I was always raised with the belief that knowledge is power. So when I started using these tools, I was pretty afraid of sharing too much because that meant other people could be as smart as I was, which could imply a loss of power status because they already have all of my knowledge. What I quickly came to realize is that it is not really about knowledge is power, but rather knowledge *shared* is power." From his blogging efforts and contributions, Benitez received more exposure across IBM, including in Latin America, Europe, and Asia/Pacific. As a result, Benitez believes that his past two promotions were related to his contributions using social software.

As leader of the IBM Collaboration Solutions Social Software community at IBM, Benitez gets to combine his product knowledge and blogger experience to help other members adopt social software technology. Started in 2007, the IBM Collaboration Solutions Social Software community is an internal group of people that has grown from 200 to 2,000 members in the past three years. To help create and maintain a vibrant and active community, Benitez first gained commitment from different subject matter experts. He recruited Distinguished Engineers (who are the second highest ranking technologists at IBM behind IBM Fellows) to be *community contributors* on a weekly basis as well as representatives from product management, sales, and consulting. Benitez also made sure that he had global involvement from the United States, Europe, and Asia/Pacific to help support the effort.

Benitez conducted one-hour weekly meetings with the community that included an open agenda. Because Benitez wanted the meetings to be focused strictly on what the members wanted to discuss, he would seek topics from participants at the beginning of the call and address the questions accordingly. In addition to a weekly

call with community members, Benitez created a monthly newsletter that appears on a blog and is distributed via email to participants that summarizes community activities for that month. This ensures that members are engaged through multiple channels. Benitez also made the community dependable and trustworthy by creating consistency. In Benitez's opinion, communities cannot have long periods of inactivity; otherwise, they will be deemed unreliable and will risk abandonment.

Results, ROI, and Outlook

Benitez has seen and personally experienced a lot of benefits relating to IBM's social business transformation. According to Benitez, "I definitely feel a lot more connected with my colleagues ... with so many people working remotely, there is no longer the watercooler chats or even the chats that would typically happen in the lunch room or the break room where you would get to learn about new opportunities that were happening. I think one of the positives about this [social business transformation] is to have insight into what is going on across the entire enterprise and, if you can, provide your skills or offer up your skills to help your colleagues even though they may be in a different division or different department."

Another benefit Benitez observed was the reduction in email. IBM, like many other companies, has email quotas, and therefore mailing large file attachments can quickly put employees in "mail jail." This can temporarily destroy productivity as workers are sidetracked into cleaning out their mail folders before they can send or receive new email. Instead of using email to send and store files, employees are using social software to distribute attachments as well as find information and expertise in a single location. Benitez himself used to get 100 emails a day and now receives 10–15 emails daily. In his view, "We are going to learn how to use email correctly." Whereas email has largely become a content repository over the past 40 years by default, social software has emerged as a way for individuals to unlock information, contribute ideas, and find answers in near real time. These differences will help provide a better experience with email because email will finally be used for what it was originally intended: a messaging and notification system.

A shift from formal to informal learning has also taken place. "With this platform, it really does feel like it is a lot more informal learning, or learning just in time, where I am actually leveraging all of this transparency from my executives and I can actually see challenges and I can see roadblocks that they are facing with their customers, and at the same time, I can see what my peers are learning and my colleagues are working on and so forth," said Benitez.

Benitez believes that in the future, social business transformation will finally allow organizations to recognize employees as their most valuable assets. He said, "I often hear that lots of companies say that employees are the most valuable asset that they have, but they never had a way to actually enable their employees to become their most valuable assets. I think a social business is one where truly all the employees are the most valuable assets in the organization because it is all going to center around what the employees are doing. I think that is definitely part of what is coming."

BlueIQ: Raising the Collective Intelligence of IBM

Business Context and History

To effectively compete in today's dynamic, global business environment, companies need to ensure that their critical resources — people and information — are readily accessible and easily found. For a salesperson in particular, relationships and product knowledge are the foundation to success. As IBM expanded into new markets, acquired software companies, and extended its partner network, sales teams were finding it more difficult to find experts and information inside the company in a timely manner.

Concurrently, as social software capabilities started to emerge inside and outside the company, customers and employees alike were seeking knowledge about and experience with social software. IBM realized that its client-facing teams were on the front lines for engaging in meaningful conversations with customers about this emerging technology and that it needed to equip these teams with the skills and experience to drive business growth.

Becoming a Social Business

Realizing that these pain points were creating inefficiency among client-facing teams, IBM established a social business project in 2007, code-named BlueIQ. The BlueIQ program was funded and sponsored by Steve Mills, Senior Vice President and Group Executive, IBM Software and Systems, who wanted to help client-facing teams be more productive through the use of enterprise social software. The BlueIQ team consists of eight worldwide employees who have been tasked with enablement, education, consulting, support, mentoring, and coaching of IBM employees on how they can use social tools in their daily work to help them improve collaboration and share knowledge across the company. At first the target audience for BlueIQ was 16,000 traditional salespeople and technical salespeople (populations that historically do not share knowledge or relationships due to perceived impact on quotas and commissions). Based on the viral adoption of the initial program, BlueIQ extended support to IBM's 400,000-plus workforce.

Because IBM has had different social software tools available since 2001, either in pilot form or in full production, finding the technology infrastructure to support a social business transformation was not far from home. Within the past year, Connections and IBM Lotus Sametime have become the primary collaboration solutions used within the company because they contain many capabilities such as profiles, blogs, wikis, file sharing, communities of interest, and social bookmarking, among others. With the business justification and technology in place, BlueIQ began to devise a strategy. According to Luis Suarez, IBM's top internal lead evangelist for BlueIQ located in Spain, "What we did is focus on the type of business transformation we wanted to promote, which was to get people to stop thinking about working in silos and working in small teams and make the transition into becoming a lot more open and transparent in what they did." BlueIQ also had the objective to help IBM employees understand the greater impact their work could have on the broader company by making their ideas and work products available to be shared.

Based on earlier work that had concluded that IBM needed a collaboration ecosystem, BlueIQ designed a project plan including an enablement program focused on education. The team identified 20 tasks that workers regularly accomplished and mapped how workers could then accomplish those same tasks using social software. These 20 tasks were originally identified through research conducted by IBM that revealed the pain points associated with specific job roles as well as the tasks and workflows that could benefit from more collaborative practices. Using this information, the BlueIQ team also created a more focused "Jump Start" engagement that was designed to help smaller teams make the transition from traditional collaboration tools to social software. In these types of engagements, the BlueIQ evangelists typically educate and train smaller teams over the course of three to six months on behavioral change in addition to using social software to complement existing collaboration tools.

One of the realizations made by the BlueIQ team early in the process was that wide-ranging community involvement and outreach was going to be extremely valuable for broader IBM social business transformation. The team established a community of 1,600 people in 50 different countries to help nurture various communities across the company and demonstrate the benefits of social software. These 1,600 BlueIQ Ambassadors are volunteers and represent a dedicated group of IBM employees who are truly passionate about spreading the value of social software. Suarez added, "So where we had started with a broader approach towards evangelism on these tools, the ambassadors are now into a more local level where the core staff go and focus on language, customs, and culture ... It becomes more like a peer support than a mandated top down perspective."

Results, ROI, and Outlook

Proving business value can oftentimes be difficult, but it is an increasingly important component of any initiative. From the start, the BlueIQ team identified and collected quantitative information regarding social software use, including the number of people involved in the community, geographic and job function distribution, number of education sessions, blog comments, file downloads, and anecdotal stories of success. About six months after the program's initial launch, BlueIQ began to analyze the data to examine the outcomes. These results are presented quarterly to senior leadership to provide an update of how the program is doing.

BlueIQ has not evangelized 100% of IBM, and Suarez believes that provoking culture change will continue to be a challenge for the next two or three years because it is difficult to get people to change the way in which they work. Suarez said, "Before, we were seeing the situation where people were sharing knowledge on a need to know. And that is transitioning now into a need to share. The challenge that we are seeing is plenty of corporations and plenty of different groups inside the corporation are not willing to share yet. They see that knowledge is power and if I share my knowledge, I share my power." While it is true that some people do not currently share information, IBM believes that the reluctance will begin to fade. This will particularly be the case as newer generations of workers who have grown up with social networking in their DNA enter the workforce and collaborative applications expand to integrate all work styles.

Social software and business transformation are clearly leading to real change within the company. According to Suarez, "One of the things that we have seen is how it has transformed the organization into making it more agile, more open so people share a lot more knowledge than was happening before." BlueIQ has also witnessed IBM become a flatter organization with more people increasing their knowledge sharing efforts regardless of position, title, role, or department.

FUTURE OUTLOOK

Embarking on a social business journey is not limited to only one department, region, business process, or role. Rather, the organizational impact and benefits can be appreciated by any employee, customer, and partner. By becoming a social business, a company can realize the following:

- Employees who are more empowered, productive, and visible inside and outside the organization
- Customers that are more engaged through community participation, contributing content, and providing product feedback
- Partners that are more invested through increased recognition, support, and skill development

Although the internal transformation is still under way at IBM, valuable lessons have been learned along the way. One of the biggest lessons learned was that social business transformation involved more changes to culture than technology. According to Jeanne Murray, BlueIQ Consulting IT Program Manager, IBM Software Group, "We made a rookie mistake early on focusing on the tools and trying to get the tools message out. ... One of the things that we have learned is that while we all have the same kinds of problems finding information and finding people, all these different roles in the company have different processes for achieving their tasks." Luis Suarez added, "Our lesson learned was to stop focusing on the technology and move into how people work, into their day-to-day tasks."

IDC believes that IBM's practice of social business transformation and development can serve as a model for other companies. IBM has recognized considerable benefits with becoming a social business, as evidenced in these case studies and testimonials. To help with this transformation, IBM has followed a path that includes:

- Vision
- Steady and incremental investment in people and technology
- Acknowledgement and ongoing measurement of both hard and soft social business metrics
- Harnessing available internal intelligence and resources
- Guidelines to help people feel comfortable using social software

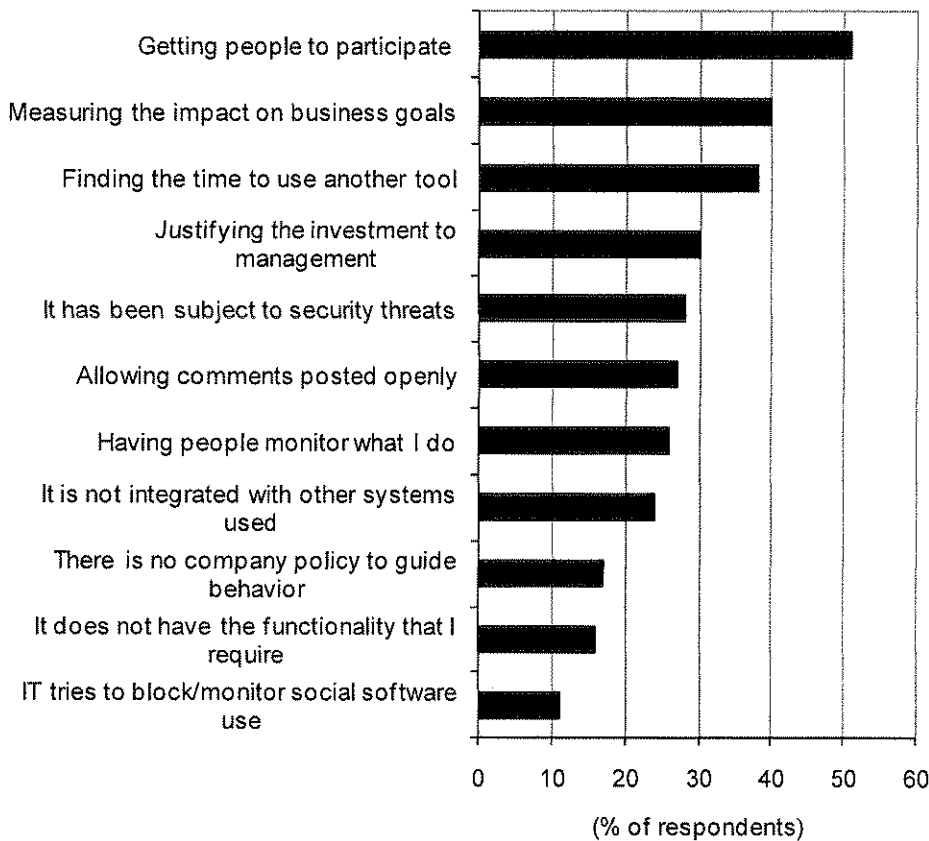
CHALLENGES/OPPORTUNITIES

With an emerging area like social software, it is natural that some companies will face adoption challenges. As seen in Figure 2, results from IDC's *Social Business Survey* identify that the top three challenges associated with using enterprise social software are getting people to participate, measuring the impact on business goals, and finding the time to use another tool. Other challenges include security, governance, and privacy concerns.

FIGURE 2

Challenges/Concerns with Using Enterprise Social Software

Q. *In your opinion, what are the key challenges/concerns associated with using/implementing social software?*



n = 700

Source: IDC's *Social Business Survey*, September 2010

Admittedly, similar issues have been encountered by IBM. For example, Alice Chou has been concerned about community participation. She said, "I think that one of my concerns about the community is as the community grows, how do you build a self-governing community of high quality? The more you let people go off and write comments that are maybe not as filtered or edited, the more you worry about whether that is taking down the quality of the site."

While in his consulting role at IBM, Luis Benitez faced customer security and privacy concerns over using social software. He said, "As I worked with customers, especially in Europe, that is where I got most of my privacy and security concerns. Some companies that I talked to who were thinking about deploying social software were concerned about even profiles. ... [In] some companies, for example, an employee's title is tied directly to salary, so there was kind of concern about displaying the title."

According to Jeanne Murray, IBM took the following approach to help combat some of the internal security-, governance-, and privacy-related challenges: "The number one security thing that IBM has done is that everything is associated with your ID. There are no anonymous contributions within the network. ... Privacy has been a very important aspect of this. ... A number of our tools have the capability to restrict access to [certain kinds of] information. There is also another sense of the word privacy, and that is the legal sense. Different countries have different points of views [on sharing information]."

Realistically, any company making the transition to a social business will face some issues along the way. However, IDC believes that realizing these challenges up front will help companies and business leaders plan and possibly avoid major mistakes that could negatively affect the main objective.

CONCLUSION

Today's business climate has created a demanding landscape where people and companies are more connected, workforces are more distributed, and technology is making collaboration easier. Enterprise social software is not merely another set of collaboration tools but an emerging way to conduct business. Social software adoption is on the rise, and the interest in social business transformation has gained increased attention worldwide. Every business leader should be asking: Where and how can social business practices help transform my business and relationships?

IBM serves as an example of a company that embraced social business early. The company recognized the need to make employees more efficient to drive growth, enhance customer relationships, accelerate innovation, and respond to changing market demands quickly. IBM encouraged community development and participation to extend knowledge sharing between employees, customers, and partners as well as foster a more open culture. The results of these efforts can be seen in higher employee satisfaction, community participation, group discussions, new relationships, and expertise.

IBM's social business transformation has occurred over many years, and it continues today. It is a journey that will constantly evolve, especially as new changes in

workforce dynamics, competition, or technologies occur. As Alice Chou stated, "This business looks nothing like it did five years ago, and I imagine that we will not recognize it five years hence."

This document was developed with IBM funding. Although the document may utilize publicly available material from various vendors, including IBM, it does not necessarily reflect the positions of such vendors on the issues addressed in this document.

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A Strategy for Managing Social Media Proliferation

Get account control now, using software and services
— or risk a career of continual social media sanitation.



Includes Altimeter Radar, A Decision-Making Guide

January 5, 2012

By Jeremiah Owyang
with Andrew Jones and Christine Tran

Includes input from 71 ecosystem contributors



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Executive Summary

Like a disease, social media proliferation will leave companies crippled — unless they develop a strategy to manage now. Some companies have opened a virtual Pandora's box: We found that global corporations are struggling to manage an average of 178 business-related social media accounts — a number likely to grow if unchecked. Beyond coordination challenges, unchecked accounts and disparate customer interactions expose brands to a host of legal, compliance, and fragmented brand-perception risks.

Internally, few companies are prepared with proper roles, education, or clearly defined goals. Externally, brands are confused by dozens of vendor options. Employees and business units are adopting commodity technology haphazardly, resulting in inconsistent customer experiences and measurement. As a result, companies have begun to harness Social Media Management Systems to manage the multitude of customer touch points in social, while leveraging services that range from education, integration, community moderation, and beyond.

Companies must follow these pragmatic steps: 1) First prepare the company internally, and conduct audits to verify readiness. 2) Determine which of the five social media management use cases, defined in this report, the company aligns to. 3) Select vendors based on business needs, not marketing. 4) Tap into services, support teams, and outsourced community management services. 5) Roll out internally in a systematic way that starts with education, training, mock workflows, and thorough testing.

Methodology

- Buyer survey of 144 enterprise-class corporations: In Q2 2011, Altimeter surveyed how buyers are managing social media, spending, and usage of social media accounts.
- Software vendor survey to 32 vendors: In Q3 2011, Altimeter surveyed vendors with 89 questions and over 500 fields, relating to management, team size, capabilities, features, and viability. 27 vendors completed the survey.
- Qualitative interviews and software demos with a total of 71 industry experts, brands, and vendors.

Ecosystem Input

This report includes input from market influencers and solution vendors who were interviewed or briefed by Altimeter Group during the course of this research. Input into this document does not represent a complete endorsement of the report by the individuals or companies listed below.

Corporate Practitioners (18)

Adobe Systems: *Maria Poveromo, Director of Social Media*
Adobe Systems: *Pooja Prasad, Social Media Marketer*
Adobe Systems: *Matt Rozen, Senior Social Media Strategist*
Applebee's International: *Mark Cordes, Senior Manager, Creative*
Applebee's International: *Jessica Veit, Field Marketing Specialist*
Avaya: *Piper Hyman, Marketing Manager*
Caterpillar: *Brian Stokoe, Social Media Strategist*
Cisco Systems: *LaSandra Brill, Senior Manager, Global Social Media*
Cisco Systems: *Petra Neiger, Senior Manager, Digital and Social Media*
Hallmark: *Camille Lauer, Innovation Leader*
Hawaii Visitors & Convention Bureau: *Jason Umino, Digital Strategist*
Intel Corporation: *Ekaterina Walter, Social Media Strategist*
JP Morgan Chase: *Shawn Morton, VP Social Media*
Newell Rubbermaid: *Bert DuMars, VP E-Business & Interactive Marketing*
NVIDIA: *Shanee Ben-Zur, Social Media Strategist and Manager*
Raytheon: *Corinne Kovalsky, Director, Digital & Social Media*
The Rose Group: *Cathi Chuck, Director of Marketing*
Western Union: *Brian England, Social Web Strategist*

Domain Experts (7)

Jay Baer, *Social Media Strategy Consultant, Convince and Convert*
Joe Chernov, *VP of Content Marketing, Eloqua*
Jason Falls, *Principal, Social Media Explorer*
Laura Fitton, *Inbound Marketing Evangelist, HubSpot*
Jesse Stay, *Social Strategist, The Church of Jesus Christ of Latter-day Saints*
Venture Capital Investors (2), Requested to be Unlisted

Social Business Services (11)

Stephanie Agresta, EVP, *Managing Director of Social Media, Weber Shandwick*
Ken Burbary, *VP Group Director Social Strategy and Analysis, Digitas*
Jennifer Grant, *Director of Social Media, Intrapromote (Now at Waggener Edstrom)*
Robin Grant, *Global Managing Director, We Are Social*
Kelly Meyers, *Community Manager, Code and Theory*
Jonas Klit Nielsen, *CEO, MINDJUMPERS*
Elizabeth Rizzo, *Director of Interactive Strategies, Shift Communications*
Julia Simon, *Social Media Manager, Code And Theory*
Rick Williams, *Creative Development Director, AKQA*
Sean Weller, *Senior Strategist, Blast Radius*
Zafer Younis, *CEO, The Online Project*

Social Business Software Vendors (35)

Altimeter Group surveyed and/or interviewed the following vendors for this report:

Adobe Omniture	MutualMind, Inc.
Alcatel-Lucent / Genesys	One to One Global
Argyle Social	Postling
Attensity	Radian6
Awareness Inc.	SAS
Buddy Media	SCROON
Comufy	Shoutlet
Constant Contact	SocialFlow
Conversocial	SocialVolt
Efrontier (Context Optional)	Spredfast
Emailvision (ObjectiveMarketer)	Sprinklr
Engage121	Syncapse
EngageSciences	The Targeted Group
ExactTarget (CoTweet)	Twitter
Expion	Vitruve
HootSuite Media	Webtrends
HearSay Social	Wildfire Interactive
Involver	

Acknowledgements

With thanks to support from: Susan Etlinger, Asha Hossain, Zak Kirchner, Cheryl Knight, Charlene Li, Rebecca Lieb, Chris Silva, Brian Solis, Julie Viola, Alan Webber, and Gil Yehuda.

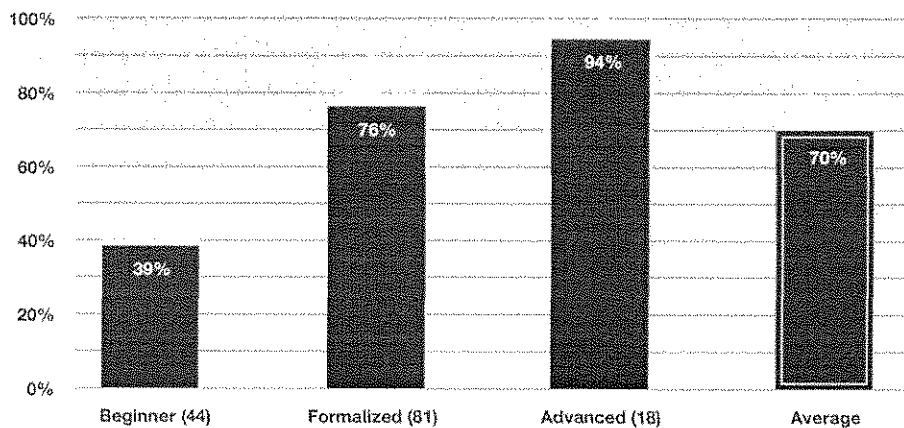
Business Pain: Social Media Proliferation Propels Corporations Toward Uncontrollable Risk

Problem: Uncontrollable Growth Leaves Brands at Risk

Brands have jumped into the social space at a dizzying pace, incorporating social media into traditional business processes including marketing, sales, customer support, product development, and beyond. Yet adoption has occurred haphazardly, with little control or quality assurance. In our research we found the following trends plague today's modern corporation:

A. Lack of clear goals and strategy. Adoption of social media is high among brands, yet most do not have a clear strategy. Consider that, on average, 70% of enterprises said that social media efforts meet business objectives (Figure 1). Yet an average of just 43% said they had a formalized strategy roadmap that addresses *how* social will meet specific business goals.¹ This comparison indicates that many companies think they are achieving goals, often without having defined goals or determining how they will be achieved. Jonas Nielsen of agency MINDJUMPERS reiterated, "Brands don't invest enough in strategy and haven't determined business goals." This symptom of "fire, ready, aim" will continue as new business units within the corporation continue to adopt social technologies — this is just the start.

Figure 1. Percentage of Companies for Which Social Media Efforts Meet Business Objectives ("Our Social Media Efforts Meet Business Objectives")



Base: 144 global corporate social media program managers at companies with over 1000 employees (Q2 2011)

Source: Altimeter Group

B. A struggle to maintain control over an increasing number of social media accounts. We found that companies have a whopping 178 discrete social media accounts in their global corporation (Figure 2), not including employee accounts. Further, most companies do not even have accurate inventory of their existing assets (Figure 3). The deluge of accounts and confusion will only be exacerbated as more business units adopt social media — especially within distributed organizations. Digitas' Ken Burbary told us, "It's an

issue, and an even bigger issue for global clients as it's an issue for execution and management. This is similar to content management: Web properties exploded, and companies struggled to manage distribution of content. But now it's exacerbated, at a scale CMS didn't have to deal with." In fact, despite the growing adoption, we found that only 26% of enterprise class companies offered social media education to rank-and-file employees, resulting in uninformed representatives to engage with customers on behalf of brands.²

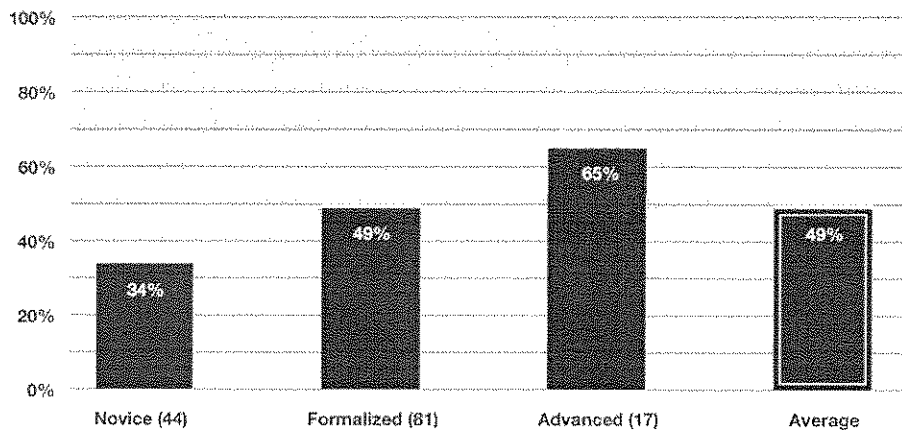
Figure 2. Companies Average an Overwhelming Number of Corporate-Owned Accounts

Platform	Average # of accounts
Twitter	39.2
Blog	31.9
Facebook	29.9
LinkedIn	28.8
Forum/Message Board/Communities	23.4
YouTube	9.4
Foursquare	6.3
All Others	5.3
Flickr	3.8
Gowalla	0.3
SUM	178

Base: 140 global corporate social media program managers at companies with over 1000 employees (Q2 2011)

Source: Altimeter Group

Figure 3. Percentage of Companies with a Social Inventory to Centralize Awareness of Existing Social Assets Within the Company



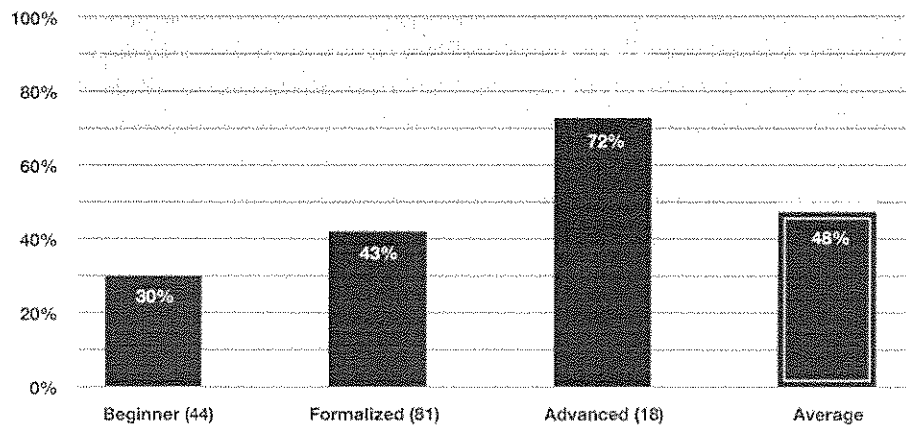
Base: 142 global corporate social media program managers at companies with over 1000 employees (Q2 2011)

Source: Altimeter Group

C. Saddled with integration woes. Deploying social tools is simple, but gaining adoption and integrating these tools with existing business systems can be challenging. We were told by one brand, “Is it worth bringing in another tool, retraining, having people lose faith in the social media program? The feeling might be, why invest in learning another tool if that might be switched, too.” One to One Global CMO Chris Heitmann adds that brands are still trying to manually integrate by “uploading spreadsheets to a server or trying to manually merge disparate business intelligence systems.” Altimeter’s data supports this pain point: In 2011, *Advanced* corporations³ spent an average of \$272,000 on custom integration efforts to glue these systems together.⁴ On the other hand, just over half of vendors that completed our survey indicated that they had previously integrated with CRM or brand monitoring systems for customers.

D. Unable to provide a coordinated customer experience across a variety of tools. One of the greatest challenges with so many accounts under the control of traditionally siloed groups is coordination, yet less than half of all companies report having a coordinated approach to social media deployments across the company (Figure 4). At one large company we talked to, more than a quarter of their social accounts had been spammed or abandoned; 50% were fledging or only slowly growing, and only the last quarter was deemed “mature,” with sustained customer engagement and consistent content. Elizabeth Rizzo of PR agency SHIFT Communications told us, “When publishing through these platforms you often can’t stay on top of all these messages and can’t tell what’s been responded to.” The result, according to Ken Burbary of Digitas, is “a huge risk in brand reputation or reputation management.”

Figure 4. Percentage of Companies with a Coordinated Approach to Social Media Deployments Across the Company



Base: 144 global corporate social media program managers at companies with over 1000 employees (Q2 2011)

Source: Altimeter Group

Industry Overview: Immature Vendors Incapable of Fully Satisfying Buyers

A New Software Market Emerges.

In an attempt to address the challenges associated with social account proliferation, a new set of vendors has emerged. Altimeter identified and labeled the Social Media Management Systems (SMMS) space in March 2010, starting with a list of less than 10⁵. To date, there are over 30 vendors, with venture capital investments fueling clones. We define this software and services market as the following:

A Social Media Management System (SMMS) is a software tool that uses business rules and approved employees and partners to manage multiple social media accounts such as Facebook, Twitter, and YouTube. This system contains features such as governance, workflow, intelligence, and integration capabilities across the enterprise. The success of these tools is dependent upon a business-led strategy, defined processes, trained staff, and ability to measure efforts.

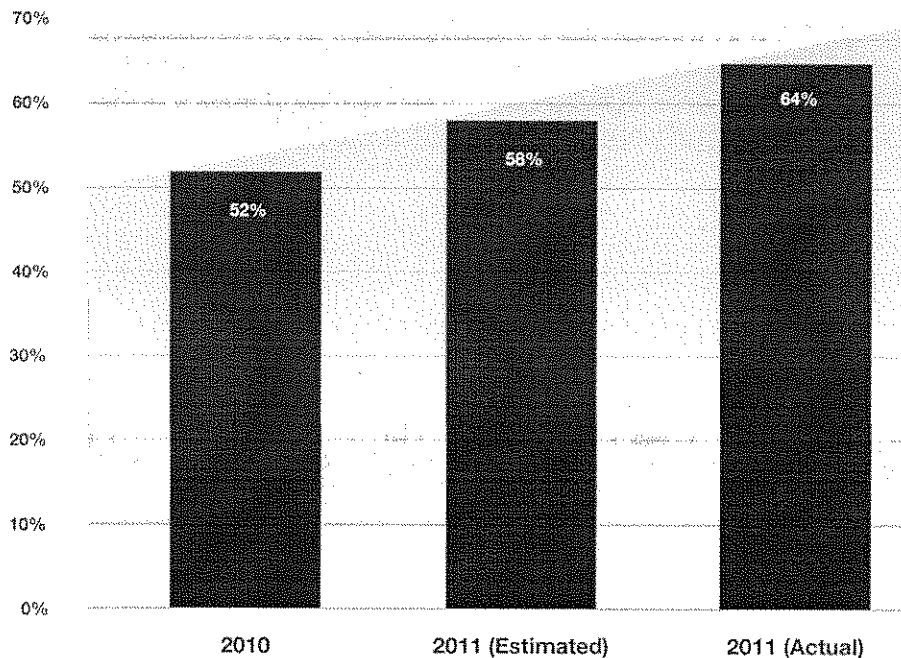
These tools are quickly becoming indispensable to brands. Robin Grant of agency We Are Social said, "When you've got multiple people involved, both on the brand and agency side, you especially need a tool to manage the conversation." Social media consultant Jason Falls echoed that sentiment, saying, "Brands need these systems in order to manage these accounts. Without them, brands are left trying to manually update these networks, and that's an impossible effort."

Despite claims, there is no one perfect SMMS vendor.

We see rapid growth in the market, yet no single solution stands out as able to satisfy all needs of mature buyers. Additionally, we found some over-arching market concerns, including lack of vendor differentiation. Key trends buyers should be wary of include:

- A. **Market oversaturated and confusing due to funding and low barriers to entry.** A trend within the social media industry is significant growth of start-ups that often offer the same features. This is primarily driven by the following market forces:
- **Freemium business models spur uncontrolled adoption.** This market, less than two years old, sees high adoption rates (Figure 5) since many vendors like HootSuite, TweetDeck and others offer a freemium offering. In 2011, adoption reached 64% of companies we surveyed, though many were likely using freemium versions that lack the capabilities needed by sophisticated enterprises.

Figure 5. SMMS Adoption Is Growing Rapidly – Even Outpacing Predictions



Base: 2010, 2011 (Estimated): 140 global corporate social media program managers at companies with over 1000 employees (Q4 2010). 2011 (Actual): 144 global corporate social media program managers at companies with over 1000 employees (Q2 2011)

Source: Altimeter Group

- **Funding from investors overinflates growth.** This burgeoning market has benefitted from rapid investment, with private financing and angel investment typically ranging from the low six figures, and Series A ranging from \$1–3 million. For example, Wildfire Interactive started with just \$100,000 from the Facebook Fund, and though it has raised

more since, the company has been profitable since day one. This compares with the \$90 million that Buddy Media has raised, including \$54 million in a Series D round, while few vendors have raised beyond Series A. For vendors with deal sizes averaging a meager \$35,000 in 2010,⁶ the influx of cash and low barriers to entry has prompted rapid growth.

- **Commodity technology results in market look-alikes.** Leveraging “read and write” APIs from social networks, developers can quickly tap into this market. As a result, buyers and agencies are confused with an excess of vendors. We heard from Ken Burbery of Digitas, “There’s no differentiation. As a buyer, it’s hard to map their capabilities to the needs. At the surface they all seem the same, it’s all content management for social.” JP Morgan Chase’s Shawn Morton told us, “There are so many tools out there, and none of them differentiate themselves from the pack in an articulable way.” In July 2011, Altimeter analyzed the tag lines and positioning statements of many of these vendors and determined that most lack definition beyond social media management systems or marketing campaign platforms.⁷ The result is confusion among buyers and RFPs that often compare vendors with radically different feature types.

B. Vendors lack full capabilities to satisfy enterprise-class buyers. Despite the growth of dozens of software vendors, most are unable to satisfy buyers. To illustrate, we found the following trends:

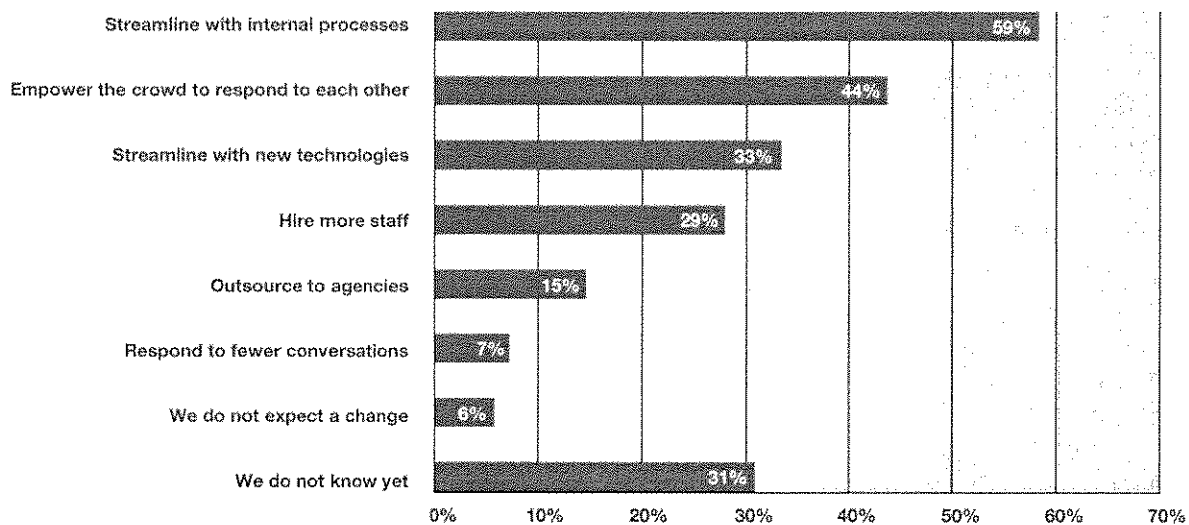
- **Buyers frustrated with lack of monitoring and analytics capabilities.** We found that 54% of buyers indicated monitoring was a top need for SMMS, yet most are unsatisfied by nonexistent or lightweight capabilities.⁸ Furthermore, dedicated brand-monitoring tools that have workflow capabilities, like Radian6, are deemed sufficient in some cases. For example, social media consultant Jason Falls often hears from brands: “We have Radian6: what do we need you for?” We specifically heard from one brand: “Every single [SMMS] tool is lacking a robust analytics package... You’re forced to use hybrid solutions.” These sentiments illustrate both market perception challenges, as well as vendor shortcomings with regard to monitoring.
- **Relying on APIs from third party social networks is a risk.** Brands, agencies, and vendors alike expressed concern about relying on APIs from third-party social networks to guarantee success. We heard from agency We Are Social, “There are downsides to [SMMS]. A lot of them are slower than using the platform directly. Also, some APIs aren’t always the most reliable, so if the API has problems, you can’t use the tool anymore.” This complicated relationship will continue to be strained as social networks change their business model around advertising, developing their own clients and application platforms.
- **Technology is not enough: Agencies fill the gap, serving brands.** Historically, agencies have helped craft and deploy digital marketing campaigns for brands. Now, agencies are extending into the social media space. Our 2011 forecast data showed that the overall spend on boutique and traditional agencies to be a combined \$228,000 per year on social-related services.⁹ While the debate over insourcing and outsourcing is hotly debated, we see service providers entering from three directions: 1) traditional

communication agencies like Weber Shandwick, and Edelman, which offer community management services that layer on broader marketing efforts, 2) boutique social media agencies like We Are Social and LiveWorld, which specialize in social media engagement in a focused manner, and 3) business process outsourcing providers such as CapGemini, which offer retrained call-center staff from emerging markets, equipped with community management capabilities. Out of the 27 vendors that completed our survey, only five had a strong focus on services. As a result, brands often rely on agency partners for specialized support.

Buyers Recognize the Need to Act

To best understand what's going through the buyer's mind, we asked 144 global corporate social media program managers, "How will the company manage the increase in number of customer conversations next year?" (Figure 6). We found that very few brands believe this problem will go away — only 6% expected no change, and 7% indicated they would respond to fewer conversations. A substantial group did not know what to do yet, but the majority recognized they must implement scalable solutions. Internal processes are a key necessity, yet buyers also know they need new technologies to help scale.

Figure 6. Top Priorities are Scalable Deployments
(Respondents were allowed to select up to three choices)



Base: 144 global corporate social media program managers at companies with over 1000 employees (Q2 2011)

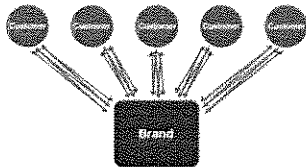
Source: Altimeter Group

Companies that acknowledge they need to act — especially those unsure of how best to proceed — need to base their decisions on business goals. When it comes to choosing the right technologies, we found companies are aligning to the following five business use cases, which describe their pains, aspirations, and how they're approaching these situations.

Five Use Cases for Social Media Management

Figure 7. Five Use Cases for Social Media Management

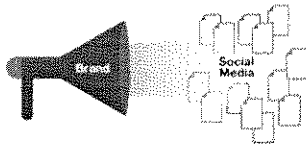
Buyers must start with business needs. First, understand the *Five Use Cases for Social Media Management* and prioritize which are most key. Use cases are segmented by specific requirements; however, larger corporations may fall into multiple use cases. Then, use the *Altimeter Radar: Social Media Management Systems* vendor comparison chart to identify which vendor best fits your requirements.



Intense Engagement

Companies that must quickly respond to a high volume of customer posts, often related to customer support or passion brands, fall into this use case. We segmented vendors based on monitoring and alerting tools, sentiment analysis, influencer identification, workflow routing, and tiered-governance features for tactical support teams.

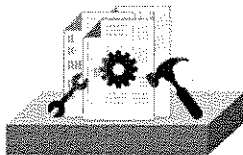
Examples: @comcastcares, @twelpforce, AskEASupport on Facebook, and customer support groups in consumer-facing markets, including regulated, CPG, retail, and hospitality



Social Broadcasting

Companies that publish marketing content, deals, media, and news fall into this use case. We filtered vendors based on ability to post a variety of media types; ability to target messaging based on time, geography, social networks, and demographics; and a content library.

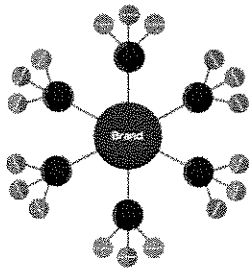
Examples: Media companies like CNN and *Huffington Post*, celebrities like Britney Spears, and direct marketers focused on promoting brand messaging on social channels



Platform Campaign Marketing

When companies are developing custom features and applications on social platforms, they fall into this use case. Most commonly known on the Facebook platform, this will extend to Twitter, LinkedIn, Google+, and even the corporate website. We filtered vendors based on a variety of customizable, white-label applications such as contests, interactive media containers, Q&A, commerce features, etc.

Examples: Brands deploying customized experiences, such as Starbucks and Coca-Cola



Distributed Brand Presence

Companies that have a dispersed set of customer engagement points such as retailers, hospitality, or global national brands, fall into this use case. These companies may have 100-1,000+ social media accounts on various networks that span multiple brands, departments, countries, and even franchisees or partners. We sought vendors that provided scalable software that can manage a large number of users, cascading permissions, social networks, and language capabilities.

Examples: Four Seasons, which has Facebook and Twitter accounts for hundreds of global properties, and electronics company Panasonic, which has hundreds of accounts on various networks by product and region



Tailored Customizations

This use case includes companies that require white-glove service, extensive customization, or extensive dedicated support. We segmented vendors by services offered, including custom work and reporting, education programs, a large support team, and service-level agreements.

Examples include: Multinational companies, like L'Oréal, and regulated corporations, like Bank of America

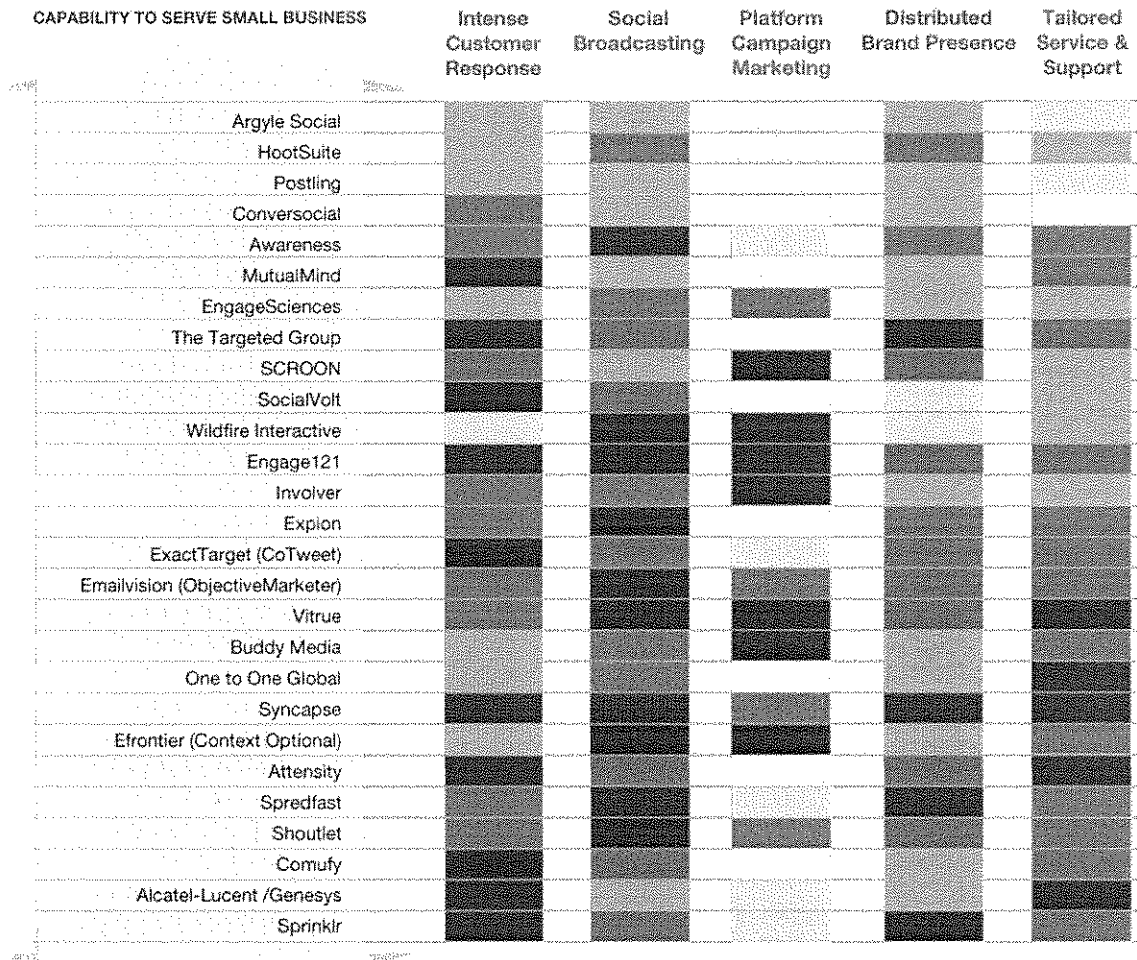
Source: "A Strategy for Managing Social Media Proliferation," Altimeter Group (January 5, 2012)





Figure 8. Altimeter Radar: Social Media Management Systems

Altimeter Radar is a business decision-making tool that helps buyers find the right solutions to meet their needs. We understand different buyers have different needs, thus we segmented a market where one size does not fit all. To use this tool, first understand your business size, ranging from small and medium to enterprise class. Then understand your business needs from the *Five Use Cases of Social Media Management Systems*. Some vendors have strengths in multiple capabilities, yet none can satisfy all use cases.



CAPABILITY TO SERVE LARGE CORPORATIONS



Methodology: 144 buyers and 60 interviews helped to define the *Five Use Cases of Social Media Management Systems*. In addition, 27 vendors self-reported capabilities in an online survey. Altimeter Group scored each vendor to address specific needs within each of the five uses cases. Vendors were listed based on capability to serve both small business and large corporations by weighting existing client mix, security attributes, and integration capabilities.

Source: "A Strategy for Managing Social Media Proliferation," Altimeter Group (January 5, 2012)



SMMS Vendor Examples

With over 30 vendors in this space, Altimeter has selected a few SMMS vendors to illustrate capabilities related to each of the five use cases, buyers should use master list on the matrix to find additional vendors:

1. Intense Customer Response

- **Attensity.** With over 11 years experience in digital customer experience software and solutions, this provider marries legacy systems, such as CRM, online surveys, and customer intelligence, with social media management. Attensity partners with Cap Gemini to outsource online community managers to call-center professionals in emerging markets. Its software platform is suitable for agencies, outsourced community management providers, and emerging-market call centers focused on *Intense Customer Response*. In the future, expect this vendor to provide clients with a broader view of the customer experience lens, beyond social.
- **CoTweet.** An early mover in this space, CoTweet, was quickly acquired by marketing software provider ExactTarget, which has a heritage in direct marketing. Often associated with *Intense Customer Support* for large brands, CoTweet is frequently used by consumer-facing community managers. Since the acquisition, ExactTarget has integrated CoTweet into its larger suite. However, we heard concerns expressed by a few brands that platform innovation may not occur as rapidly as previously. One brand also expressed dissatisfaction related to software errors that resulted in publishing issues. Nonetheless, due to CoTweet's established footprint and larger parent company, expect it to be a long-term contender.

2. Social Broadcasting

- **Shoutlet.** A good example of *Social Broadcasting*, Shoutlet equates its offering to email marketing management. Working closely with agencies, such as Edelman, it provides social media automation tools that assist with campaign optimization. Notable client efforts include Burt's Bees' corporate Facebook page, as well as over 200 pages for Four Seasons. While Shoutlet has begun integration processes with analytics vendors like Adobe's Omniture, it must develop integration with monitoring vendors, and bolster its own analytics toolset.
- **Spredfast.** Founded in 2008, this fast-moving start-up has already clinched large clients like Bayer, AARP and Nokia. It offers a broad range of features, including awareness and listening, engagement tools for workflow and governance, and integration with Salesforce. Although reporting tools are one of its stronger features, Spredfast must invest beyond just reporting of data, and begin to predict community needs with additional insights. One step toward this goal is a recent partnership with neighboring Austin-based, social business solutions provider Dachis Group, which will provide data through its "Social Business Index," as well as insights and reporting to shared clients. Expect Spredfast to maintain a strong market presence as it continues to win more enterprise-class clients.

3. Platform Campaign Marketing

- **Buddy Media.** This preferred Facebook developer has received \$90 million in funding (with \$70 million still in the bank) and demonstrated financial viability with 500+ brand and agency clients. While it shows numerous strengths, Buddy Media is primarily known as a Facebook vendor, and competitors are successfully positioning against that market perception. Additionally, with 220 employees, one of the largest in the space, the company runs the risk of smaller, more nimble players outmaneuvering it in different use cases and markets. In response, the company has been developing on other platforms and adjusted marketing to reflect the commitment to other networks such as Twitter, LinkedIn, and Google Plus, while pushing integration of features onto the corporate website. Buddy Media is a dominant player, yet must continue to quickly diversify its bets and invest in new positioning, or risk losing its lead.
- **Wildfire Interactive.** This vendor's background and core competency is in Facebook campaigns, meeting a demand that has resulted in growth to nearly 200 employees and a client base of over 10,000. Wildfire is able to track conversations on fan pages, viral spread, CPA metrics and are integrating with shopping carts to show ROI, yet like most vendors will need to bolster analytics to derive sentiment. While strong in *Platform Campaign Marketing*, Wildfire may not gain significant traction with enterprise customers without more advanced features or integration partners. However, this fast mover is already building out additional features and gaining market share. This vendor indicated has been financially successful, giving buyers confidence in knowing they will be here in the long run.

4. Distributed Brand Presence

- **HootSuite.** In our brand-side survey, we found that HootSuite was the most commonly deployed platform across enterprise corporations. This should be no surprise, as HootSuite confirmed that only 15% of its enterprise clients are using its "Pro Plan" — meaning the overwhelming majority are on its freemium version. HootSuite's feature set sits on four pillars: engagement features, analytics platform, workflow features, and security. We found some areas of improvement: applying customization is limited, and while there are manual routing options, buyers cannot establish automated routing or escalation. This vendor, with its broad market adoption and freemium availability, is a likely darling for programs just getting starting. However, expect sophisticated buyers to seek vendors with stronger feature sets and services. We heard from agency We Are Social that "HootSuite is so usable, it's hard to recommend another tool, especially in cases where the focus is Twitter." However, we also heard from one large enterprise that "you can't use a TweetDeck or a HootSuite to manage all of the inquiries or comments that come in across a distributed organization on multiple channels."
- **Sprinklr.** This fast-moving start-up provides clients with a number of customized solutions, winning many large enterprise clients including blue chip tech companies. Despite its growth, Sprinklr lacks market awareness due to limited marketing and thought leadership efforts. Thus, as it gains market share, the company leaves a void for competitors to tell its story. Further, while Sprinklr offers a strong "social inbox" or aggregated view, some buyers seek additional features such as tagging completed tasks or marking comments that have received responses. The company is run by

experienced software entrepreneurs, and offers iterative software releases based on customer feedback. We heard from Sprinklr client Bert DuMars of Newell Rubbermaid that “one of the best things about Sprinklr is its CEO. He’s very involved and very responsive.” Expect Sprinklr to be a contender for the long term.

5. Tailored Service and Support

- **One to One Global.** Founded in 1997, One to One is primarily an agency — three quarters of its 150 employees are currently in services. This vendor has large brands as clients, such as Liberty Mutual, Partners Healthcare, Royal Caribbean, UPS, Pantone, and Deloitte, and offices throughout the United States and globally. One to One offers MessageMaker, a direct marketing product for both email marketing and social media management. It is starting to invest increasingly in user interface, and adding features quickly. From a service perspective, One to One will bolster customized packages for brands; on the product side, expect to see mobile access to admin and end-user tools. Lastly, One to One is seeking to integrate with business intelligence, CRM systems, and social monitoring.
- **Vitruve.** This vendor aims to allow brands and agencies to “manage, moderate, and maximize relationships at scale.” And indeed, we heard from Intel that one reason they opted for Vitruve was the “need to scale a campaign worldwide in a matter of hours.” For example, when an Intel Asia-based campaign became a viral phenomenon, other regions wanted to feature the campaign, and Intel needed to implement quickly. However, Vitruve can publish to a limited number of social networks: Facebook, Twitter, and Google Plus only for now. A lack of YouTube, LinkedIn, and WordPress integration, among others, has been a deterring factor for some buyers.
- **Genesys, an Alcatel-Lucent company.** This “800-pound gorilla” is one of the largest, most established vendors to emerge in the space, with over 1,800 employees focused on a variety of customer support software offerings. Its “Social Engagement Platform” has integration with existing support data from other channels, a content media library of standard responses, and an advanced workflow for multiple lines of business. Unlike other vendors, it offers on-premise software for companies that seek mastery over their data and security. However, Genesys struggles to be as innovative as more agile start-ups.
- **Syncapse.** Syncapse serves clients with *Distributed Brand Presence*, while placing a particular emphasis on service and support. While this vendor has a software platform and analytics like the other vendors evaluated, it has 45 employees focused exclusively on services who offer delivery, strategy, and intelligence; data services, platform services; onboard training; and platform customization. In total, Syncapse has 170+ employees, yet has limited market visibility. However, Syncapse has some of the largest deal sizes we have seen, some pushing \$3 million, with up to 10+ employees focused on a single client during an engagement. Syncapse focuses on CPG, franchise, retail, and customer-facing companies.

Notable Mentions:

These vendors did not or were unable to fill out the vendor survey, yet buyers should be aware of their capabilities:

- **Hearsay Social.** Hearsay is focused very specifically on companies with compliance concerns, or with large, distributed footprints and local members like franchisees, resellers, or dealerships. Just launched in February 2011, the company has already raised \$21 million in funding. It now counts Farmers Insurance and 24 Hour Fitness among its enterprise-only client base. Features include a social CRM element, and a “rogue page finder” that helps identify social accounts that represent potential brand risks. Hearsay has publication and tracking options for Facebook, Twitter, LinkedIn, Google Plus, Yelp, FourSquare, and YouTube. Buyers should be aware of Hearsay’s larger-than-average deal size, given the company’s enterprise focus.
- **Radian6.** This leading social media monitoring vendor also has strong workflow features and is building engagement capabilities. As a result, there is some confusion about whether Radian6 can serve as an SMMS on its own. While its roadmap indicates additional engagement management features, and its listening and analytics features are more robust than any of the SMMS vendors — Radian6 does not yet have a suite to match other SMMS vendors. One area its capabilities do extend to is customer support, though this is primarily reactive rather than proactive content distribution. For example, Comcast Cares uses Radian6 for social listening and response.
- **Constant Contact.** This 12-year-old, small business-marketing vendor is focused on *Platform Campaign Marketing*, in conjunction with traditional email marketing. Throwing its hat into the social ring, Constant Contact now offers the following services for small businesses: build professional-looking experiences on Facebook through a WYSIWYG template editor, encouraging prospects to connect on Facebook or sign up for a mailing list, and enabling fans to share and become advocates through its syndication tool via Facebook, Twitter, LinkedIn, and of course email.
- **SocialFlow.** This New York-based vendor enables media, retail, and other content publishers to efficiently determine when and how content should be published. SocialFlow’s system tracks real-time and historical resonance of content in social channels, and then suggests what new content is likely to have the greatest success, and when it will do so. Expect this vendor to become critical to large-scale brands and media companies seeking to publish across multiple channels, geographies, and brands as well as partner with SMMS vendors listed above.



Case Study: Applebee's Localizes Social Efforts to Reflect its "Neighborhood" Brand

Goal: Create an authentic neighborhood experience, while maintaining consistent brand messaging.

As a large organization, it's a bold task to create a neighborhood feel, which is core to Applebee's brand. Yet Applebee's intends for each of its approximately 1900 restaurant locations, over 1600 of which are franchises, to serve as a "neighborhood" grill and bar. Recognizing the need to localize its social media efforts to match this small-town focus, Applebee's developed a social media strategy that empowers local restaurant managers to engage directly with their communities.

In order to maintain coordinated brand messaging yet promote successful engagement, different levels of content and guidance were required at various levels, from corporate to regional franchise groups, right down to the individual restaurant. To manage a program of this scope, Applebee's partnered with SMMS vendor Expion to roll out an enterprise-wide program including:

Implementation: Training, Account Setup, and Rollout

Initially, the social strategist of Applebee's franchise social media program received in-person training from Expion; then strategist developed a strategy for company restaurants. Next, the entire field marketing team, which drives marketing for both company and franchise markets, received training via webinar on how to use the platform.

To train managers at the restaurant level, corporate included 90-minute training sessions in regularly scheduled regional meetings. This way, Applebee's trained large regional groups simultaneously. The program manager and an Expion representative led these in-person training sessions jointly, with restaurant managers receiving account access immediately afterward.

Ongoing Management: Content Scheduling, Engagement, Monitoring, and Analysis

To manage content and empower local restaurants, Applebee's developed a three-tier governance structure within the SMMS. At the top is Applebee's corporate, which pre-populates the content calendar with brand-wide messaging each month. Additionally, corporate uses the SMMS to analyze engagement data, for owned properties as well as competitors, and identify best practices on "what posts work best." This data is shared with franchisees, so restaurant managers can adapt their own posts. This top-down process provides consistent branding, yet feeds distributed restaurant owners with relevant content and information to engage effectively, locally.

The second level is regional, where multi-franchise groups can develop and customize posts related to their own promotions and events. A regional manager at this level also closely monitors owned properties for flagged activity, ensuring responses are in near real-time when necessary. Finally, at the individual restaurant level, there are typically three to four people charged with community engagement.

The level of social media "savviness" and engagement amongst franchisees has varied — some have been slower to adopt or require additional education. Nonetheless, an intuitive user experience, training, and executive backing have contributed to high adoption rates for such a distributed organization — the majority of Applebee's locations, 1100–1200, now have individual Facebook pages.

Pragmatic Recommendations: Ready Your Company, Carefully Pick Partners, and Then Systematically Roll Out Your Program

1. Increase success rate by first getting your company ready.

- **First, establish business goals, as playtime is over.** The days of experimentation without reason are over. Allowing business units to roll out social media tools without a clear business purpose can cause more harm than good. As Michael Pace of Constant Contact told us, "Owning a hammer doesn't make you a carpenter." The process must be deliberative and begin from the inside out. To do this, define your business needs first, and determine which use cases they align to using Altimeter's *Five Use Cases of Social Media Management*. Then, use Altimeter's *Radar* to determine which vendors best suit these needs.
- **Next, get accountability: Conduct a social media account audit and only keep those the company will support.** As social media accounts proliferate throughout the organization, companies expose their brand to risk. Altimeter has seen cases where hundreds of accounts were created, some based on short-term marketing campaigns — but were ultimately forgotten. To mitigate the risk of abandoning customers and provide a consistent brand experience, companies need awareness of current social activities. To do this, conduct a social media audit and have stakeholders submit URLs and "health" ratings for all accounts. Take action to invest, consolidate, or remove accounts based on their "health." Next, dedicate a single page on the website to list out all official social media accounts, like the Four Seasons,¹⁰ Dell,¹¹ or Panasonic.¹² Take a page from industry leaders: Petra Neiger of Cisco Systems said that they "shut down almost 200 rogue pages and ended up with one global page and one page per country, as well as a couple of product pages," improving brand consistency for customers.
- **Get a lay of the land: Map out permissions and document workflow.** The more distributed an organization and number of people engaging, the greater the risk of a fragmented customer experience. To address this risk, companies must develop a coordinated approach by developing workflow and cascading permission-based systems. Not all social media practitioners need or should have equal permissions, so first determine roles and responsibilities. For example, a centralized organization with few users may need 1–2 permission levels, yet a distributed organization may require 2–5 levels of governance and workflow, e.g. for different business units, sub-brands, products, geographies, partners, franchisees, etc. When evaluating software, look for a system that mirrors the organization's existing workflow, rather than buying an SMMS and then trying to adapt to a new system altogether.
- **Be purposeful by developing a content strategy — software is not your savior.** Purchasing an SMMS but not knowing what to publish is like purchasing an expensive Steinway piano, but not knowing how to play. Companies frequently over-invest in technology but forget the content strategy behind it. Unlike traditional media, social media empowers regular employees, typically inexperienced in corporate communications, to interact with customers in public. Develop a content library, a style

guide that dictates the brand voice in social channels, and a best practices guide showing what worked, and what did not. Also, leverage existing conversations and behaviors to determine content and engagement strategies. As Elizabeth Rizzo, Director of Interactive Strategies at agency Shift Communications said, “Clients often have monitoring in place already — what is that showing?” For example, the Hawaii Visitor & Convention Bureau found conversation spikes at certain times of the day, and that photos uploaded by real people performed better than those by professional photographers. Buddy Media published a study with statistics on when and how to engage most effectively. Several SMMS vendors offer a built-in content library that can facilitate content distribution and coordination. To maintain consistent messaging, some vendors also offer an approval process, where end-users can submit content for approval and distribution but are unable to post otherwise.

2. Now, begin the vendor selection process.

- **Force rank company requirements before you talk to vendors.** Chances are, vendors are inundating your inbox with pitches for webinars, demos, and fancy lunches. Before you succumb to the latest marketing “tchotchke,” force rank your feature needs based on Altimeter’s Five Use Cases; then talk to the most relevant vendors. Some companies will need a best-in-breed solution for very specific use cases; others may only require an SMMS that addresses many needs reasonably well. Some vendors, such as Awareness Inc., have created their own checklists, which include needs and features brands should think about when choosing an SMMS.¹³ A few corporate buyers have also discussed the process.¹⁴ Some aspects are difficult to quantify, like look and feel. We frequently heard that usability was critical — either aiding in swift adoption, or causing frustration and reluctance to adopt and use.
- **One size rarely fits: Budget for agencies, consultants, and customization.** Some vendors will tell you that their tool does it all, yet we heard that customization is required in nearly every deployment. Though some vendors are similar to agencies in their readiness to offer white-glove service, buyers should be prepared for costs to double or triple as a result. Altimeter segmented vendors ready to provide services for custom development, additional support during crises, detailed reporting and insights, consulting, and additional training under the *Tailored Service and Support* use case. Companies should take into account their organizational model and pre-existing resources when deciding which services are necessary. For example, in a distributed, multiple hub-and-spoke organization, customized education sessions will likely be required for various stakeholders. Integration with existing monitoring, email marketing, business intelligence, or other systems may also be necessary.
- **Don’t take their word for it — put the software to the test before you buy.** Software vendors will promise you the moon, but be sure to test before you buy. After developing a vendor short-list, approach vendors with your prioritized requirements based on Altimeter’s Five Use Cases, and outline specific needs. Do not settle for webinars or demos — demand to try services without signing a contract. For example, we heard from industry consultant Jay Baer that users should set up a dummy account and run through the process: “Evaluate how each user type would need to use the tool.” Then, push the tool, and follow up with the vendor if anything goes wrong. Lastly, run your team through fire drills to simulate worst-case scenarios.

3. Next, systematically roll out your strategy across the enterprise.

- **Educate and train stakeholders — change-management requires investment.** Selecting and testing software is not sufficient alone — social business is an exercise in change management. Build an education and training program to prepare employees on how to use these tools. The leaders of one corporation's social strategy team told us "A lot of education is required. There are a lot of features and tools. If you're not familiar with them, there's definitely a learning curve. These tools are more complex than native platforms." We found that Dell and Intel have both rolled out education, tests, and certification programs to ensure employees receive education and training in a consistent manner.
- **Rely on third-party experts to accelerate rollout and effective engagement.** Social media strategists rarely have the necessary resources to manage, and especially to scale, their programs. Outsource community management if your support teams cannot scale: vendors like eModerator, Digitas, LiveWorld, Weber Shandwick, and Cap Gemini all have varying support capabilities. If you need to develop an engagement strategy, rely on experts like Jay Baer, Jason Falls, and Altimeter's Rebecca Lieb, or work with your social media agency of record to grow your capabilities. However, don't expect everyone to agree — while many companies rely on outsourcing to third parties, brands that seek control over experiences will maintain an internal team to manage engagement more carefully. Furthermore, rely on social media optimization tools like SocialFlow or Crowdbooster to help determine what types of content should be published for which audience and when.
- **Conduct quality assurance, test and learn.** After a new system is rolled out, companies must match the dynamic nature of the social web to test how tools and processes hold up. Create simulations, such as a brand crisis, to test the mettle of stakeholders, and document how improvements can be made. Brands can also use data to find out which type of content resonates the most with the market and cascade these findings to those teams engaging. We found that one large hospitality firm relies on remote field workers to submit content, which is reviewed by corporate and then cascaded back to the field.
- **Tie measurement back to business goals.** The challenges of measuring social efforts stem from off-domain networks, lack of standards, and poor data collection. Despite these challenges, companies can tie social engagement data back to business goals often related to marketing objectives (e.g. awareness, lead generation, net sentiment), customer support (response rate, customer opinion, NPS), or product innovation (improving features, positioning, and development of new products). Applebee's uses its SMMS to share insights on the effectiveness of Facebook posts with franchise owners, giving examples of what works and what does not. Keep in mind that most SMMS do not monitor beyond owned properties, though. Stakeholders will rarely have time to review measurement data, but if it can be distilled into short, useful insights, they can digest and adapt easily.



Resource Checklist: The Eight Requirements for Launching and Maintaining a Social Media Account

Don't allow your brand and business units (like support, sales, regional teams) to arbitrarily create social media accounts, without first committing to this checklist. If they can't address each of these requirements, work with them to develop a plan — or risk putting your brand in jeopardy with half-baked efforts. Issue this checklist to your business units before they launch social media accounts to ensure effective rollout and maintenance.

- 1. Clear sense of business purpose:** Corporations should not jump into social media without a clear goal. Gaining more fans or followers is not a business goal. Instead align goals towards business objectives such as market influence, lead generation, customer advocacy, customer support, or product innovation.
- 2. Stakeholders educated on the right policies:** First, develop the right policies, such as a privacy policy that dictates how you'll use customer data, and a community policy that dictates appropriate behavior within your social network accounts. Next, train your business stakeholders, community managers, and other teams on these policies so they can all operate efficiently.
- 3. Mindset ready for long-term commitment:** This is not like a short-term advertising campaign. Brands must be ready for a multi-year engagement — making a promise to be part of a community is the same as being in a relationship. The effort must have proper staffing, content, and resources for continued sustainment.
- 4. Mindset ready for negative conversations:** Unlike one-way marketing of yester-year, companies must be ready to engage with negative conversations, often taking them head-on. For example, the team must be ready to deal with negative comments on the company's Facebook walls.
- 5. Dedicated team ready to engage:** A customer-facing team must be staffed with trained and experienced community managers who understand the art of online conversation. They must be trusted by the community, familiar with online dialog, and experienced with the software toolset.
- 6. Content calendar of meaningful content:** Content is the lifeblood of social media — without it, your efforts will not be sustainable. Be ready with a stream of quality content and best practices on how to engage in two-way dialog with your community.
- 7. Plan to triage or deal directly with customer support needs:** In today's social world, brands cannot launch a social marketing effort without also preparing for support issues to arise. Develop a triage process or the appropriate workflow to ensure your teams are ready. Remember, support is marketing, as prospects will see how you treat existing customers in public.
- 8. Measurement capabilities and a reporting plan.** New media efforts will be scrutinized by management as budgets shift. Be prepared to measure — refer to Altimeter's social marketing analytics framework, which describes six key performance indicators that all brands must gauge.¹⁵

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³ Advanced companies were identified by experts who provide social business services and solutions or self-reported in our online survey as having a formalized and long-term social business strategy across most or all of the enterprise.

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Making the Business Case for Enterprise Social Networks

Focus on Relationships to Drive Value

February 22, 2012

By **Charlene Li**
with Alan Webber and Jon Cifuentes

First of two reports on Enterprise Social Networking



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Executive Summary

This is the first of two reports on enterprise social networking, with this one focused on how it creates value for organizations. The next report will focus on maturity models and the future of enterprise social networks.

Social networks move into the enterprise with mixed results. In 2011, the US hit a milestone — more than half of *all* adults visit social networking sites at least once a month.¹ But when it comes to using social-networking technologies *inside* organizations, many business leaders are at a loss to understand what value can be created from Facebook-like status updates within the enterprise. Some organizations have deployed social-networking features with an initial enthusiastic reception, only to see these early efforts wither to just a few stalwart participants.

It's about relationships, not technology. The problem: Most companies approach enterprise social networks as a technology deployment and fail to understand that the new *relationships* created by enterprise social networks are the source for value creation. Yesteryear, internal technology departments could force software on business units, but in today's consumerized world, business units can adopt enterprise software, often without IT ever knowing. As a result, a new approach is required that focuses on four key ways that relationships create value through enterprise social networks:

- 1) **Encourage sharing.**
- 2) **Capture knowledge.**
- 3) **Enable action.**
- 4) **Empower employees.**

Defining Enterprise Social Networks

In 2011, we reached a milestone when over half of *all* US adults regularly used social networking sites. That means the majority of American adults are not only familiar with social networking sites like Facebook, LinkedIn, and Twitter, but also understand the value of being connected with the people in their lives.

But then they go to work, where people are traditionally siloed from each other by departments and hierarchies. Organizations have seen the rise of “enterprise social networks” where employees take the best elements of public social networks and apply them to the special needs of an organization.

Altimeter defines Enterprise Social Networks (ESN) as:

A set of technologies that creates business value by connecting the members of an organization through profiles, updates, and notifications.

This definition is intended to encompass a wide range of tools, including point solutions like Yammer and Socialcast, SaaS-based solutions like Salesforce.com's Chatter, and solutions from enterprise powerhouses like Microsoft, IBM, and Cisco. What these ESNs have in

common is that they form the connective tissue with and between other social technologies that range from blogs and wikis to innovation and video hubs.²

But ESNs are not simply Facebook behind a firewall. Every enterprise has distinct needs and nuances that require a reframing of a social network. Altimeter found that there are six elements of a social network that are similar – and yet different – between public and enterprise social networks (see Figure 1):

Figure 1. How Public and Enterprise Social Networks are Similar – And Different

	Public Social Network	Enterprise Social Network
People Profiles	Who you are, where you went to school, interests.	Similar to public networks, but also lists work-related associations and expertise (teams, projects, skills).
Object Profiles	Places and brands also have identifies and activity streams.	Business objects (client accounts, documents, expense reports) also have activity streams associated with them.
Updates and Activity Streams	Created by the person. Can also include chats, video, group messaging, and event planning.	Similar, created by people interacting with each other, as well as business objects and enterprise systems.
Notifications	People can completely control from whom they get updates.	Some updates may be required because of work associations, updates from the CEO.
Relationships	Two-way relationships, as well as one-way follow/subscribe, always controlled by the person.	Similar, but relationships may be predetermined because of work associations (departments, team, project, location).
Permissions and Privacy	The nature of relationships dictate permissions, so greater care must be taken to make sure that private information stays within the right circles.	Employees understand that all updates can be seen by their employer; hence privacy becomes less of an issue. Permissions become a greater concern in terms of who has permission to see what information.

Source: Altimeter Group

The upshot is that enterprise social networks differ because of the special *context* that comes with being part of the workplace – a structure of team, projects, and reporting relationships that do not change by our choice. While ESNs must take this pre-existing relationship into account, it also creates opportunities to form new relationships that address the problems of that existing structure. The rest of this report examines how the special context of work impacts the adoption and success of ESNs.

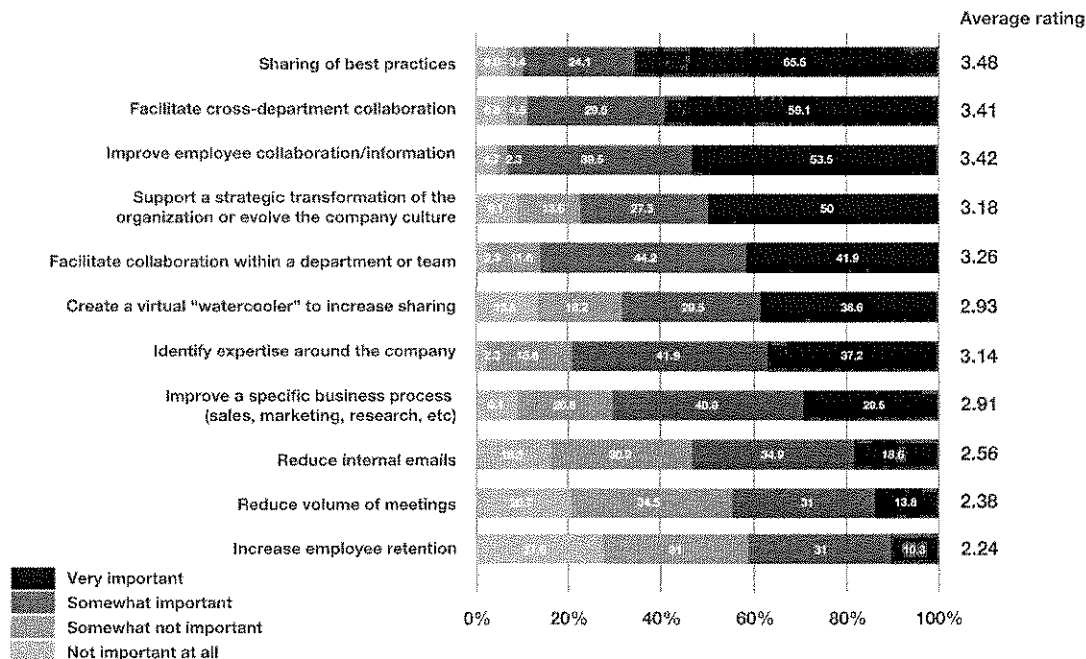
Enterprise Social Networks Fail to Meet Expectations

Expectations are high for ESNs because people see the benefits of social networks, such as being able to quickly and easily connect and stay in touch with people in their personal lives. To find out about the state of ESNs today, we interviewed 13 technology providers, 185 end users, and surveyed 81 ESN decision makers from companies with over 250 employees. Detailed findings and the survey instrument are also available online.³

We found that there is a strong sense that ESNs can provide value to the organization, especially around collaboration and improving information and knowledge flows around the organization (see Figure 2).

Figure 2. Top Enterprise Social Network Goals Revolve around Sharing and Collaboration

“How important are the following goals in your decision to deploy an enterprise networking solution? (On a scale of 1 “Not important at all” to 4 “Very important?”)



Base: 44 companies with more than 250 employees (surveyed by Altimeter Group Q4 2011)

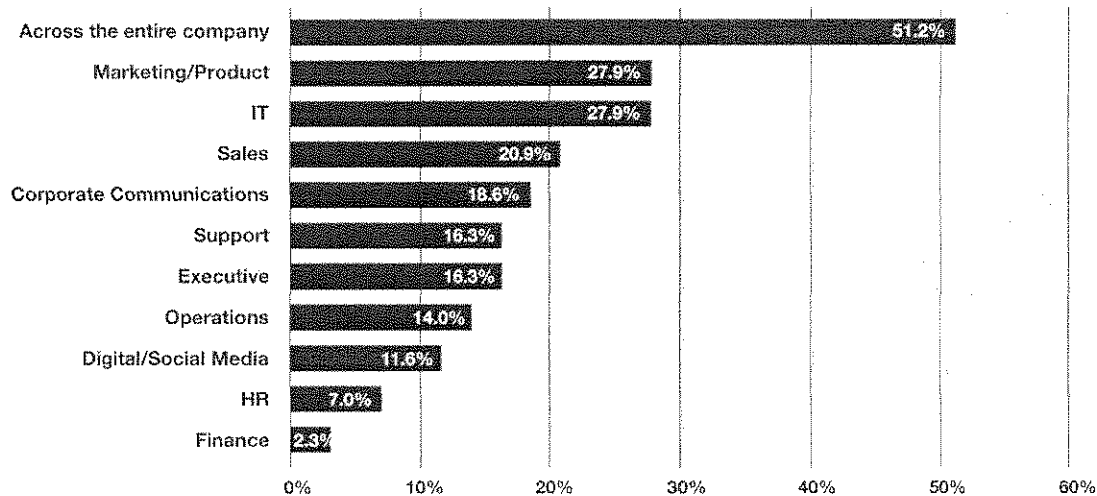
Source: Altimeter Group

Despite these successes, there was an undercurrent of concern about the value creation and sustainable adoption of ESNs. Notably, most organizations saw one or more of the following four scenarios:

1. **An initial enthusiasm and usage followed by slow decline.** When ESNs are first deployed, they are usually greeted with a strong level of interest. Status updates proliferate across the network, and employees enjoy connecting with each other. We found that more than half of the ESN deployments were across the entire company, with the belief that broad deployment would provide more opportunities for connections (see Figure 3). But the lack of commonality and connections between far-flung participants sometimes resulted in less and less participation. We also found that the reality of everyday work pushed ESN use to the side, causing people to pull away from their ESN activities and return back to their original work and communication patterns. In the end, often only a “core” group of users continued to engage in the ESN.

Figure 3. Most Initial Deployments were Across the Entire Enterprise

"To which department(s) did you deploy an enterprise social network initially?"



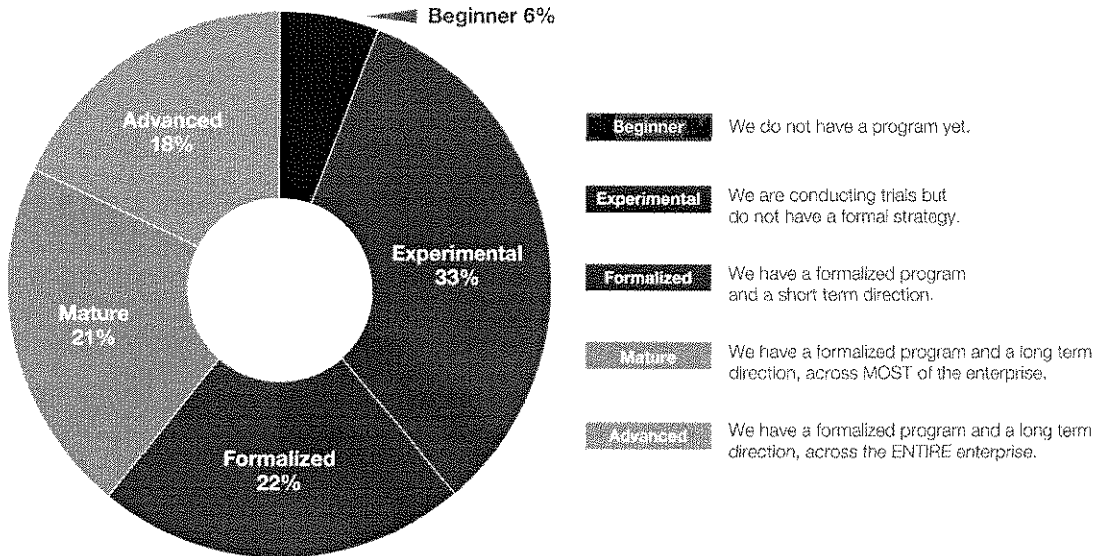
Base: 43 companies with more than 250 employees (surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

- 2. Only one department strongly adopts the ESN.** Department-specific deployments — namely in IT, Marketing/products, Sales, Corporate Communications, and Support — typically found early traction because of common goals and objectives. Interviews found that while department specific rollouts had greater adoption rates, other departments found it difficult to adapt the ESN to their specific needs. Dell shared that although they deployed their ESN across the entire organization, they still have only 60% adoption. Rich Nazzaro, the Salesforce Strategy Director at Dell, shared, "Most of that adoption is still focused in Sales and Marketing where it all initially started." One of Nazzaro's key responsibilities is to leverage that initial uptake across the company.
- 3. Culture confusion and lack of executive engagement stymied growth from the start.** One problem organizations frequently face is how "personal" ESNs should be allowed to be. Many organizations described how they had to overcome executive resistance to any kind of nonbusiness-related content being allowed on the ESN out of fear that the ESN would impact productivity. One organization shared that its executives didn't want the ESN to be a Facebook or LinkedIn, so there was nothing about where you went to dinner or what movie you recently saw. Another organization did just the opposite — with over 100,000 employees worldwide, they encouraged people to connect on personal interests and found they were more likely to also share work-related expertise and interests
- 4. Lack of social business maturity.** Several end users describe the general lack of social business maturity on the part of the organization and the culture to be able to understand, appreciate, and leverage the ESN. When asked to rate the social business maturity of their organizations, more than half of the respondents shared that they were still early in their journey (see Figure 4).

Figure 4. Most Organizations are Still Early in their Social Business Maturity

"What is your organization's social business maturity level?"



Base: 81 companies with more than 250 employees (surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

We found that even though there is great potential, there are also three key pain points when it comes to deploying ESNs within the enterprise. These points are detailed below.

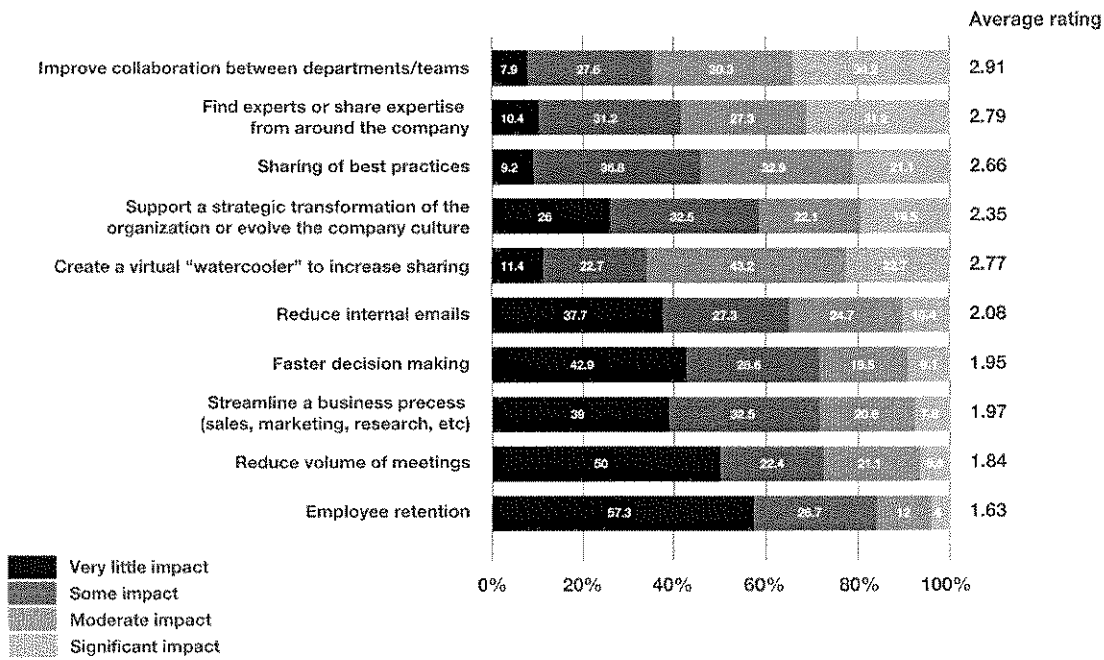
Pain Point #1: Lack of Metrics Means Business Impact Goes Unmeasured

Despite uneven adoption, many end users remain convinced that ESNs create business value and provide many anecdotal examples. But when it came to seeing the impact of ESNs, most companies reported only modest success (see Figure 5). On a scale of 1 to 4, the highest impact seen – in the area of improving collaboration between departments/teams -- scored only a 2.91.

This is due to the fact that the organizations frequently used metrics at the engagement level – such as frequency of use and percent of employees using the ESN (see Figure 6-1). Organizations also admitted that despite having some metrics in place, they generally do not measure ESNs well and would like to see a great deal more improvement (see Figure 6-2). Only a third believe they measure ESNs “somewhat well” while none felt they measured it “very well”. In fact, a quarter admitted that they did not use any metrics at all to gauge success of their ESNs.⁴ With no concrete metrics in place with which to benchmark the ESN, companies found they had few ways to connect ESN behavior to business impact and value.

Figure 5. Enterprise Social Networks have only Moderate Impact on Business Goals

“How much impact has the enterprise social network platform had on your organization in the following areas? (On a scale of 1 “Very little impact” to 4 “Significant impact”)”



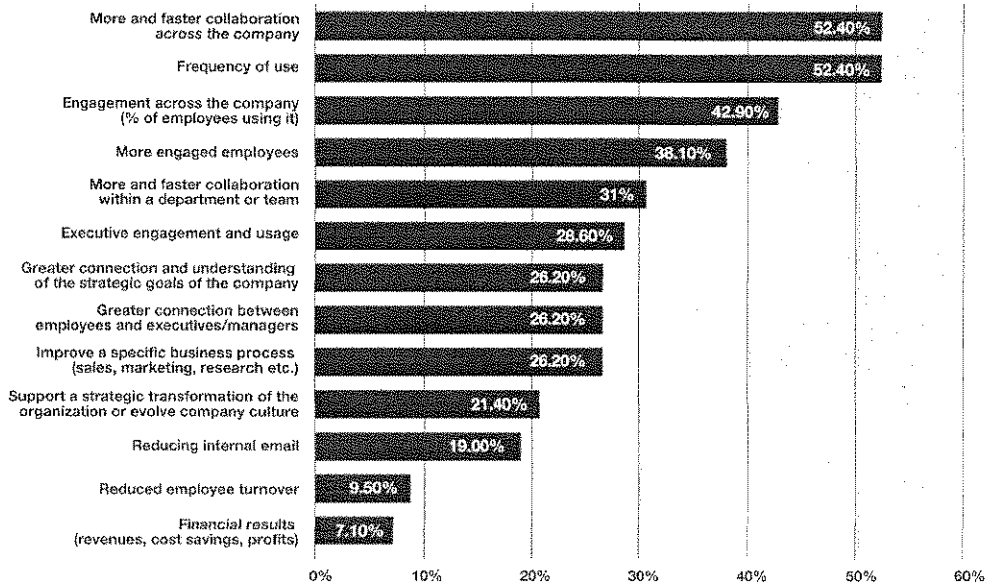
Base: 77 companies with more than 250 employees (surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

It was striking that in our interviews with both end users and vendors, the evolution of ESN metrics was so poor. One of the main reasons may be that, to date, investments in ESNs have been low — two-thirds spent less than \$100,000 on their ESN in 2011, with no plans to spend significantly more in 2012.⁵ Thus, the pressure to provide concrete proof of value creation or ROI isn’t as present as other technology deployments.

Figure 6-1. Top Metrics Measure Engagement, Not Progress against Business Goals

“How do you measure the impact of enterprise social networking in your organization?”

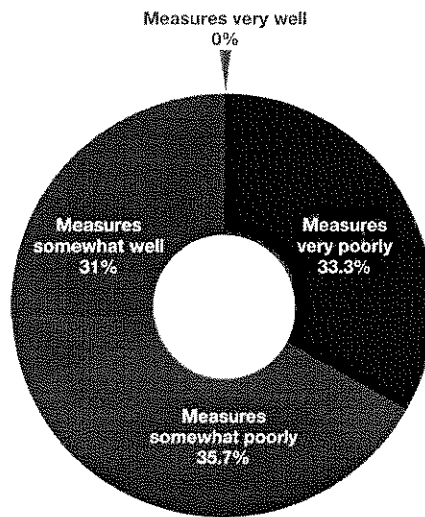


Base: 43 companies with more than 250 employees (surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

Figure 6-2. Most Organizations Admit They Measure ESNs Poorly

“How well do you feel your organization is measuring the impact of enterprise social networking?”



Base: 42 companies with more than 250 employees (surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

Pain Point #2: Rapidly Developing Technology Platforms Create a Myriad of Confusing Options

From a technology viewpoint, the ESN space is still in its nascent stages — for example, Yammer made its debut only three years ago in summer 2008. A wide assortment of technology offerings have emerged, and their selection and deployment tend to fall into four scenarios (see Figure 7):

Figure 7. Enterprise Social Networking Technologies Evolve from Three Scenarios

Scenario	Why Pursue This Path	Examples
Standalone solution <ul style="list-style-type: none"> - Can exist independently - Also can be integrated into enterprise apps 	It's fast, easy, and cheap. Most are developing integration APIs.	Google+ Salesforce.com Chatter Socialcast Yammer
Collaboration <ul style="list-style-type: none"> - Tends to be one major platform in each organization 	Collaboration platforms are already social and in-house. ESN is a feature that is easily "turned on."	Box.net Cisco Quad Clearvale Drupal Jive Moxie Mzinga Socialtext Telligent
Enterprise application add-on <ul style="list-style-type: none"> - Integration into critical enterprise apps 	While not inherently a collaboration platform, it can turn on or layer on social technology to make them an ESN.	Lotus/IBM Connections Salesforce.com Chatter SharePoint + NewsGator TIBCO/tibbr

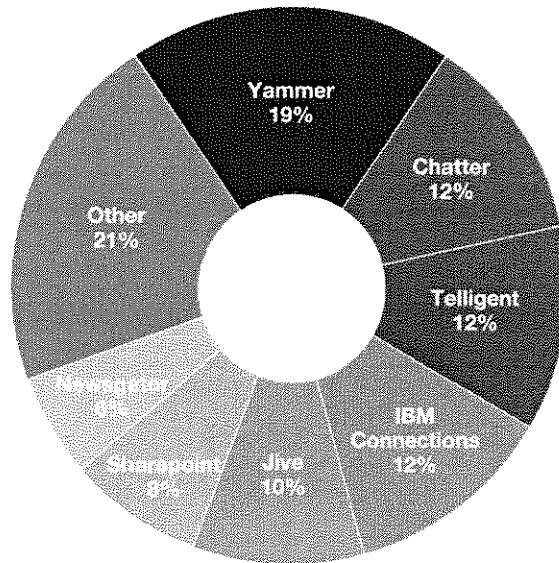
Source: Altimeter Group

It may look like this is an emerging battle between scrappy start-ups like Yammer and enterprise giants like Microsoft's SharePoint, but the key word here is "integration." Almost all of the players have APIs that allow them to be integrated into others' solutions. ESN solution providers recognize the reality that CIOs don't want to have yet-another-platform for their employees to use.

As to be expected with a nascent market, deployed solutions varied widely with no clear leader dominating the market (see Figure 8). No one player dominates and, in fact, almost half of the solutions cited fell into the "Other" category, with solutions ranging from Drupal to Skype and even Facebook. This wide dispersion of solution providers held true across company sizes and industries.

Figure 8. The Nascent ESN Market Results in a Wide Diversity of Technology Solutions

"What is your primary enterprise networking solution? Only one answer allowed."



Base: 77 companies with more than 250 employees (surveyed by Altimeter Group Q4 2011)

Source: Altimeter Group

Pain Point #3: Integration Into Existing Platforms, Workflow, and Access Remain a Barrier

Regardless of the technology selection, end users described three typical technology-related problems they encountered:

- 1. Managing platform proliferation.** Simply put, the reaction to the introduction of an ESN is usually, "Oh no, not another one!" Employees already have a plethora of enterprise tools that they use sub-optimally and adding "yet another one" doesn't exactly get them excited. Moreover, early adopters often saw the quick uptake of ESNs – but the bad news: each department turned on different technology platforms that suited their needs. The result: a Frankenstein's monster of enterprise social networks. Like many large organizations, Dell was faced with this situation, with several departments adopting different ESN platforms. The support of executive leadership was needed to encourage departments to discontinue the use of legacy applications in favor of Chatter.
- 2. Integrating into existing workflows.** There is a strong recognition, especially on the part of ESN vendors, that these technologies need to be integrated not only into platforms, but into the flow of everyday work. The likely scenario is for enterprise social networking to be integrated into the enterprise platforms we are already using, ranging from Outlook, to Office, to back-office business apps. This will require that ESNs not only integrate with existing platforms, but that they also play nicely with each other: IBM, Yammer, TIBCO,

Socialcast, Chatter, and SharePoint all interconnecting to one degree or another. The trend is that the vendors realize this and have more to gain from smoothly transferring information than to play a game of one-upmanship to gain exclusivity within the organization.

3. **Providing access to all employees.** It's one thing if you live in an enterprise app every day. It's another if all you use is just email or work in a non-desk environment. For example, one organization had an email-driven culture, and its ESN needed to be integrated into the workflow, even those who preferred using only email. And access to computers or data-capable mobile devices is also an issue. Best Buy shared that the lack of adequate instrumentation and access for employees on the store floor has delayed its deployment of an ESN.

A Framework for Enterprise Social Network Success

Despite the promise and potential for ESNs, they have only received moderate traction. The problem is that most ESN deployments to date have been treated as technology deployments with a focus on adoption and usage. A different way to think about this is that ESNs represent a new way to communicate and form relationships — and because of that, can bridge gaps that exist in terms of information sharing and decision-making processes. This requires first identifying a specific business gap or problem and then assessing if the relationships created by an ESN can fill that gap.

Mind the Gap: Four Ways ESNs Drive Business Value

To date, we've tracked hundreds of individual use cases from both end users and vendors. To better understand these use cases, we found that they boil down to four different types of gaps in the organization — tough problems that can't be addressed by the current technology, process, or culture. This next section looks at the four ways ESNs drive value through the simple act of connecting people with each other (see Figure 9).

Value Driver #1: Encourage Sharing

Remember how revolutionary email was? It fundamentally changed the way we communicated by reducing the cost/effort and collapsing the time frame and scaling it to include multiple recipients. Social represents a fundamental change, simply because, at its essence, it encourages sharing. The simple presence of a status update box on a page encourages people to share their thoughts, activities, and expertise. Here are five ways that greater sharing via an ESN drives value within an organization.

- **Creates two-way dialog.** People can share through any number of social platforms like blogs and discussion forums. But ESNs — through activity streams and notifications — make the consumption of shared content quick and customized. This means more time and energy is spent in the dialog. ESNs are so effective because the conversational back-and-forth without the interruption burden of email.

Figure 9. Four Ways Enterprise Social Networks Drive Business Value

<p>Encourage Sharing</p>	<ul style="list-style-type: none"> • Creates two-way dialog • Makes business personal • Reduces power distance to leaders • Connects globally, person by person • Forms private groups
<p>Capture Knowledge</p>	<ul style="list-style-type: none"> • Identify expertise • Avoid duplication and have better coordination • Transfer knowledge • Improve best practices
<p>Enable Action</p>	<ul style="list-style-type: none"> • Solve problems faster and better • Bring outsiders in • Streamline processes
<p>Empower People</p>	<ul style="list-style-type: none"> • Give employees a voice • Make meaningful contributions and innovations • Increase engagement, satisfaction, and retention

Source: Altimeter Group

- **Makes business personal.** Several organizations go to great pains to make sure that the content on their ESN is strictly about work. Why? Because they fear that personal discussion will result in less productivity or inappropriate private content. We asked in our interviews if this was an issue and there was only one minor incident reported by one company. If anything, the organization should encourage “personal” postings because social networks are a representation of who you already are. If you are an unproductive, time-wasting team member, your activities (which are tied to your real identity) will be plainly visible to *everyone*. Social Business lead Luke McCormack from Deloitte Australia shared that about 20% of the company’s ESN content was personal in nature, and that it “was really important as it connects the fabric of culture for people to come together and allows people to enjoy what they’re doing.”
- **Reduces power distance to leaders.** Several vendors and end users saw top executives as key drivers behind the adoption of ESNs, expressly for the purpose of reducing hierarchies and increasing the flow of information between organizational levels. An executive may want to align employees around a strategic initiative, stay in touch with a key project, or get feedback – and all at a much faster pace. For example, when Nokia CEO Stephen Elop started his new job, he wanted to focus the organization on how to increase its innovation capabilities. He posted questions on the company’s ESN, Socialcast, asking what things Nokia needed to change and what they needed to keep doing. The dialog not only helped him learn from the organization, but also signaled that a new type of relationship was dawning between the leadership and employees.

- **Connects globally, person by person.** A person in an office on the other side of the world may be merely a name and photo in a directory. But that person comes to life when you can get a feel for his or her daily life from ESN activities. Simply having that little bit of context lowers the barriers that exist with time zones, culture, and language. For example, Yum! Brands is the parent company of restaurant chains like Burger King and Pizza Hut, with over 375,000 employees highly distributed around the world. Its business depends on uniformity, so it installed Jive to allow people to share challenges, best practices, and insights around the globe. The result: A general manager in Mexico shared best practices for pizza delivery with his counterpart in the UK.
- **Forms private groups.** At some point, the ESN becomes so big that it loses the context of work — a project, team, department, or location. Naturally, people then form groups — which by their nature do not share information outside of that group. Hence an interesting dichotomy develops — greater openness eventually ends up creating what on the surface looks like more silos. The difference: These groups are centered on work that needs to get done, rather than rigid hierarchies. As the nature of the work changes, these groups should be fluid enough to flex with the work, bringing in people as needed while others move on to other projects.

Value Driver #2: Capture Knowledge

Capturing the collective knowledge of an organization is a daunting task because it includes a wide range of facts, information, and skills gained through experience. Yet few people proactively sit down each day to document and capture their knowledge. ESNs provide an opportunity to do just that, by capturing glimpses of knowledge through profiles, activity streams, and interactions. There are four ways ESNs help capture the elusive knowledge of an organization:

- **Identify expertise.** At the most basic level, expertise is captured in a static manner through people's profiles on the ESN. What projects you are working on, educational background, prior work history — these all provide rich, searchable data. But by capturing the actual day-to-day work someone does, simply through status updates, the expertise database reflects both the depth and freshness of that knowledge. Grocery chain Supervalu saw store managers sharing their expertise on topics ranging from how to run a beachfront store to building relationships with the Hispanic community. Erin Grotts, Director of Internal Communications, shared, "Social media allows our people to be able to drive sales by going to a specific group on our ESN with expertise for a particular situation."
- **Avoid duplication and have better coordination.** Simply knowing what one part of the organization is doing can be a huge benefit for large or distributed organizations. Rather than reinventing the wheel again and again, organizations can quickly figure out if the work has already been done and if it can be repurposed for new uses. One technology company with 25,000 employees deployed Telligent across the organization. Once employees started sharing their project work, several teams discovered that they were working on products and services that had already been previously launched. They were able to stop the duplication of work and leverage the pre-existing work.

- **Transfer knowledge.** Remember the first day you showed up at work or joined a project already in progress? It was vital that you ramp up quickly, but you were likely given nothing more than a simple onboarding document or project plans and updates. With an ESN, a new team member can get quickly caught up in a day on what is happening simply by looking at the activity stream of the team. By understanding the benefits of knowledge capture, team members become more diligent about sharing with the ESN rather than having that knowledge get lost in ephemeral email. Director of Communications Katrina Bentley from BCD Travel commented, “From a sales perspective, it’s crucial for an account manager to be able to transfer information and knowledge and for the manager to track it. Before, it was emails and phone calls, and none of that would make it into our Salesforce CRM system — it would just be in someone’s Outlook folder.”
- **Improve best practices.** A key goal of knowledge capture is to not just acquire it, but to also evolve and improve upon on it. This is very much the case with best practices, which by their nature need frequent updating and culling. This goes beyond the basic call-and-response nature of *asking* for best practices and instead represents a habit of contributing knowledge. One example of this is Canadian retailer Indigo Books. It used Moxie Software to share best practices for displaying the Steve Jobs biography in its stores. Indigo’s research found that store managers spent on average of eight minutes a day using their ESN and that adoption was nearly universal. The result: The near-ubiquitous usage meant that as each store adapted a best practice, it could report back in near real-time the results of its improvements.

Value Driver #3: Enable Action

Having an ESN in place means that operations and processes can begin to change as well. This happens when the day-to-day process changes because the ESN enables new relationships and behaviors that address a gap that prevented actions from being taken. Below are three examples of ESN-enabled actions:

- **Solve problems faster and better.** Because of the knowledge capture, it’s easy for people to simply search and look for an answer that has already been posted — rather than have to wait for someone to serendipitously answer a question. Over time, as more knowledge is readily available, people gain confidence that if they go to the ESN, their issues will be answered. For example, because Deloitte Australia has nearly all of its employees using its ESN as a part of their daily work, most of the organization’s knowledge is captured there, so they end up using Yammer as an “internal Google” to find answers to questions.
- **Bring outsiders in.** The rich and rapid interactions of an internal project team typically come to a screeching halt when it tries to interact with an external client or stakeholder. But with detailed private group control, a client can collaborate only with the project team while the rest of the organization remains off-limits. Being able to bring outsiders into this rich environment definitely enables new ways to work with these clients. For example, an architecture firm was working on the design of a new hotel. The hotel client was able to log into only the project that belonged to them, see current updates, and interact with the team. In another example, the external stakeholders were simply other parts of the organization, where they were able to collaborate in one specific area.

- **Streamline processes.** Many processes and operations run perfectly well in organizations — but when they don't, exception handling and resolution can be excruciating, generating seemingly endless rounds of cc'd emails. ESNs can help streamline such processes, keeping paperwork centralized in one area by making it an "object" with an activity stream. Because all interested parties can see the full activity stream, there isn't as many back-and-forths. One pharmaceutical company found that using its ESN helped it identify external events that could potentially impact the supply chain. After rolling the ESN out to 300 people, it reduced supply exception meetings by 50% and increased manufacturing cycle time by 40%.

Value Driver #4: Empower People

The last way ESNs drive value is that they empower and embolden people to speak up and join together, as well as gives them opportunities to contribute their skills and ideas. There are three ways to empower people:

- **Give employees a voice.** This is more than just giving employees an opportunity to say something — it's also ensuring that they are heard by the people who matter. At Sprint, the company had a standing policy that employees were not allowed to buy the hottest new devices. When Sprint realized that employees were venting their frustrations on external sites, it enabled and encouraged them to post on their ESN. Once provided a place internally to air their grievances, leaders could address their concerns directly.
- **Make meaningful contributions and innovations.** The number one reason people leave an organization isn't because of compensations — it's because of the lack of opportunities to make meaningful contributions. At Humana, one of the most successful initiatives the company has is the suggestion box on its ESN, Socialcast. Ideas don't go into a black void — instead they are put into a conversation flow and then tagged and tracked. Good ideas spur more conversations — and validate along the way the contributor's efforts. Simply making visible who contributes what makes these innovations all that more meaningful.
- **Increase engagement, satisfaction and retention.** Several end users highlighted that their ESNs not only helped the organization work better, but also helped make employees better workers and better people. The focus for these organizations is to bring people back into the heart of business, using ESNs to unlock potential by humanizing the way people work. Director of Internal Communications Erin Grotts at Supervalu also recognized the competitive nature of hiring and retaining talent, commenting, "You're going to lose employees to companies that are ahead in this area."

Action Plan

Regardless of where you are on the maturity curve, there should be four essential elements of your ESN action plan: 1) **Objectives**; 2) **Metrics**; 3) **Relationships**; and 4) **Technology**. To get started, use the following checklist to help organize and prioritize your effort (see Figure 10).

Figure 10. Action Plan

Objectives

- Identify and prioritize the gaps that relationships can fill
- Design your long-term goals for the ESN with purpose
- Paint the path in gold

Metrics

- Measure gap closing, not engagement
- Track relationships, not conversations

Relationship Management

- Budget, staff, and resource appropriate
- Get executives involved
- Foster transparency to create an open culture
- Create incentives and rewards for participation

Technology

- Choose your technology based on the relationships you want to build, not features
- Prioritize technology options based on your objectives
- Have simple guidelines in place
- Deploy in partnership, and in one department first

Source: Altimeter Group

1. Objectives

- **Identify and prioritize the gaps that relationships can fill.** Take a look at the four value drivers, and identify things that aren't working today within your organization. Survey and interview employees for ideas about what's working and what's not working today. Match those findings against your current business goals to help prioritize which ones to focus on first. Bigger gaps warrant closer consideration.
- **Design your long-term goals for the ESN with purpose.** Paint the long-term picture of where you envision the organization as the ESN matures. If a key gap is duplication of effort, then paint a picture that each department knows what every other department is doing, in a seamless manner. Several organizations saw their CEOs turning to ESNs to help them transform their organizations. These CEOs were patient — they recognized that change would not happen overnight and that a foundation needed to be built. But they kept their organization focused on the end goal, painting a picture of what the organization would be capable of doing once it went through this transformation.
- **Paint the path in gold.** In the *Wizard of Oz*, Dorothy needed a yellow brick road to show her the way to the Emerald City. In a similar manner, don't leave things to chance — clearly lay out the path, behaviors, and actions you wish people to take. New employees or team members can be “mandated” to participate in training so that they start out fresh with the right collaboration habits. Map out initiatives, campaigns, events, and incentives not just for the launch, but also for each stage of evolution to get to your objective.

2. Metrics

- **Measure gap-closing, not engagement.** Tie your highest-level business value metrics to the gap you are trying to close and not to engagement activity. For example, if a key gap is reducing the power distance with executives, how many times do executives engage across levels? Using an internal survey, find out if employees feel more connected to executives. Check in with executives to see if they are getting better information about the needs and concerns of employees.
- **Track relationships, not conversations.** The amount and frequency of conversations and engagements is an alluring metric to use, but it's difficult to find meaning and value in this broad number, especially if the most valuable conversations take place in private groups where you can't easily track them. Instead, create a map of the social and interest graph of your organization to see where there are "hotspots" — and see if they correlate to gaps being filled. Over time, the number, nature, and depth of relationships between people and with groups will be a much stronger indicator of the health and value creation of your ESN.

One example of this is the surprising metric of counting how many *private* groups, conversations, and relationships were being established. The counterintuitive logic: Groups are a reflection of formalized relationships and processes that are optimizing themselves. Corporate travel management company BCD Travel found that over time, more and more groups formed, and it consistently had a ratio of 75% private groups versus 25% public groups.

3. Relationship Management

- **Budget, staff, and resource appropriately.** Over and over again, we heard from end users that they didn't anticipate how much work would be involved in setting up and managing the ESN. Pauline Ores, from Infosys, shared, "People sabotage themselves by not understanding how long this takes. Building community is like having your seventh child. You may know what you are doing, but you still have to get up at 3 a.m. and feed it. It's super hard each and every time." In particular, dedicate a resource to community management — your ESN will need care, feeding, and nurturing just like any external community.
- **Get executives involved.** Change is hard, and you'll need executives to not only support ESN efforts, but to also be actively engaged in it so that they can lead by example. And Becky Graebe, Manager of Internal Communications at SAS Institute, added, "If you get a 'like' from a top executive for your idea, that's cool!" If the ESN is important to the company from a business viewpoint, then the executives need to show up and demonstrate visibly that they see value in it as well.
- **Foster transparency to create an open culture.** Open, honest, and authentic relationships require transparency, and the best way to do that is to make it clear that these conversations have a place on the ESN. If culture is as culture does, then the leaders of the organization need to ensure that these conversations reflect the kind of culture they *want* to have. A fear of some organizations is that too much will be shared — for example,

confidential client information or inappropriate personal anecdotes. But linking real identities to content authorship has a mitigating impact – after all, knowing that your boss and colleagues are watching keeps most people on their best behavior.

- **Create incentives and rewards for participation.** Consider using recognition, rewards, and gaming elements to make using and engaging in the ESN fun and rewarding. This does not necessarily need to be monetary in nature — simple recognition of contributing good content and asking insightful questions can be enough. This is especially powerful when the recognition comes from someone unexpected, like an executive, and is widespread throughout the organization.

4. Technology

- **Choose your technology based on the relationships you want to build, not features.** The biggest takeaway we found from our vendor interviews is that organizations who come in with a committee-generated list of features they want in an ESN are the ones most likely to fail in their implementation. Begin your discussions with a potential ESN vendor by explaining your key objectives, gaps, and relationships you want to enable. Stay at the table for further discussion only if they have a strong appreciation of what problems you are trying to solve. If they don't, move on. But only you can lay out the strategic relationships you want to build — don't get blinded by flash features from the objective.
- **Prioritize technology options based on your objectives.** It's inevitable — over time, you will have to integrate your ESN with other enterprise platforms. Take a hard look at the gaps you are trying to fill, and understand the underlying sources for each of them. Then look for ESN solutions that will enable the organization to create relationships that will result in the greatest impact against those gaps. For example, if you have strong usage of an existing enterprise platform, like SharePoint, and that platform is the *source* of many of your identified gaps, then it makes sense to address them within that platform with an add-on, like NewsGator. But if you conveniently already use TIBCO, then tibbr may be a great solution for you.
- **Have simple guidelines in place.** Many end users emphasized the need to have guidelines to develop new behaviors and relationships. But they also emphasized to keep it simple. Community Manager Jeff Ross at Humana advised, “Don't bog it down with too many rules about what you can't do on the network. Let people be creative.” Educate people about the consequences of breaking the rules as well. The key: Regularly post and remind people about the rules, and over time the community will self-police.
- **Deploy in partnership and in one department first.** While it's easy to turn on an ESN for all of your employees, resist the temptation to do so until you are ready. While IT will most certainly be involved, find an executive sponsor and team or department that you know will pick up the ESN and make the most of it. The goal: Create eager, early evangelists who can then spread ESN use cases and best practices to other parts of the organization. Investing in and ensuring that strong cohesive relationships are built first will help take the ESN to the next level.

Endnotes

¹ Pew Internet surveys found that, for the first time, 50% of all adults use social networking sites, while 65% of adult Internet users say they use a social networking site like MySpace, Facebook, or LinkedIn, up from 61% one year ago. Source: Madden, Mary, and Kathryn Zickuhr. "65% of Online Adults Use Social Networking Sites | Pew Research Center's Internet & American Life Project." Pew Research Center, 26 Aug. 2011
<http://pewinternet.org/Reports/2011/Social-Networking-Sites.aspx>

² Deloitte recently published an excellent report that lays out the different components of social business software. It identified "microblogging," which is similar to what makes up ESNs, as one of the "hottest" tools. Source: Miller, Megan, Aliza Marks, and Marcelus DeCoulode. "Social Software for Business Performance." Rep. Deloitte, 2011.
http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/TMT_us_tmt/us_tmt_SocialSoftwareforBusinessPerformanceResearchPRINTBOOKLET_031011.pdf

³ A summary of the data PowerPoint slides of the graphics in the report, and Excel spreadsheet of the data set are available for download at
<http://www.altimetergroup.com/research/reports/making-the-business-case-for-enterprise-social-networks>.

⁴ From the Altimeter Group Enterprise Social Networking Survey, Q4 2011. See survey questions #8. Materials available at <http://www.altimetergroup.com/research/reports/making-the-business-case-for-enterprise-social-networks>.

⁵ From the Altimeter Group Enterprise Social Networking Survey, Q4 2011. See survey questions #10. Materials available at <http://www.altimetergroup.com/research/reports/making-the-business-case-for-enterprise-social-networks>.

Methodology

For this report, we conducted both quantitative and qualitative study using a combination of online survey, qualitative interviews, and conducted analysis on public programs. Specifically, we conducted:

- An online survey of 185 professionals from various industries and backgrounds involved in the management or deployment of their corporate Enterprise Social Network.
- Qualitative interviews among corporate practitioners, IT and communications leaders, and senior executives of several Enterprise Social Network vendors and end users.

Ecosystem Input

This report includes input from market influencers and solution vendors who were interviewed or briefed by Altimeter Group during the course of this research. Input into this document does not represent a complete endorsement of the report by the individuals or companies listed below.

Enterprise Social Network Vendors (13)

Altimeter Group took briefings and conducted interviews with the following vendors over the past quarters influencing this report:

Box	NewsGator
Cisco	Salesforce
IBM	Socialcast
Infosys	Telligent
Jive	TIBCO
Mindjet	Yammer
Moxie Software	

Enterprise Social Network End Users (18)

Altimeter Group took briefings and conducted interviews with the following companies over the past quarters influencing this report:

BCD Travel	HOK
Best Buy	Humana
BMC Software	Ingersoll Rand Security Technologies
Cable and Wireless	SAS
Dell	Sprint
Deloitte	Supervalu
Edmunds	Teekay
Ellisdon	

Note: Three companies are not listed for confidentiality reasons.

Acknowledgements

With thanks to Alan Webber, Jeremiah Owyang, Brian Solis, Regina Meyer, and Christine Tran.

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About Us

Altimeter Group is a research-based advisory firm that helps companies and industries leverage disruption to their advantage.

Charlene Li, Analyst and Founder



Charlene Li is founder of the Altimeter Group and the author of the New York Times bestseller, *Open Leadership*. She is also the coauthor of the critically acclaimed, bestselling book *Groundswell*, which was named one of the best business books in 2008.

She is one of the foremost experts on social media and technologies and a consultant and independent thought leader on leadership, strategy, social technologies, interactive media and marketing. Formerly, Li was vice president and principal analyst at Forrester Research and a consultant with Monitor Group. She was named one of the 100 most creative people in business by *Fast Company* in 2010 and one of the most influential women in technology 2009.

Charlene is a graduate of Harvard Business School and received a magna cum laude degree from Harvard College. She serves on the Board of Directors of the Harvard Alumni Association as well as The Poynter Institute. You can follow her blog at charleneli.com/blog or at twitter.com/charleneli.

Jon Cifuentes, Researcher



Jon Cifuentes works closely with Charlene Li and Susan Etlinger to support their research in disruption on leadership, organizational change, and analytics. Jon recently joined Altimeter Group after spending 2 years with a Boston-based digital agency, *Overdrive Interactive*. Jon led social media efforts at *Overdrive* for many large-scale B2B and B2C organizations. He primarily concentrated on the measurement and optimization of engagement across all digital channels. He also managed the development of a proprietary social publishing and analytics tool, *SocialEye* while at *Overdrive*. He graduated with degrees in Communications and Philosophy from Boston College.

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