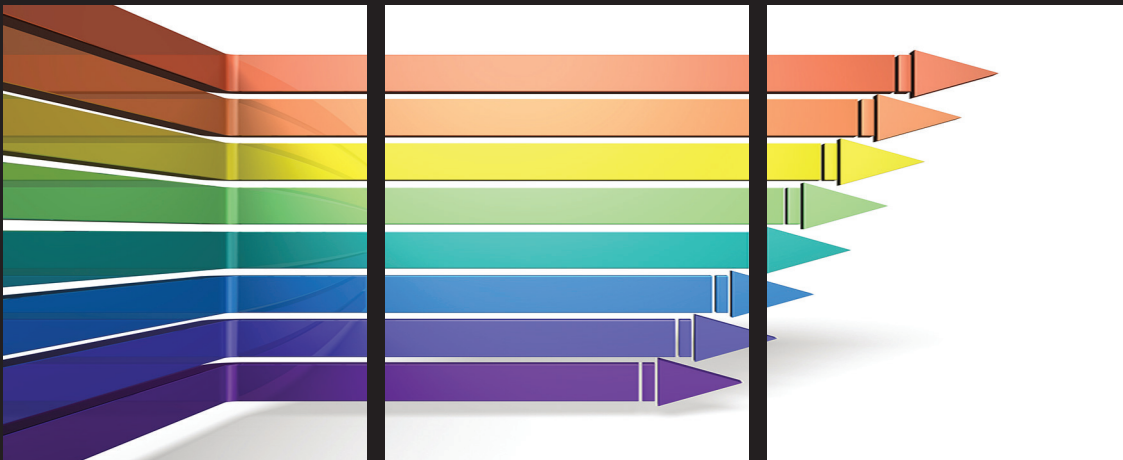


The 8 Step Guide to Building a Social Workplace

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Chapter 1: Introduction

THE INTERNET has always been a social place. When the internet first began to spread its tentacles around the world, and a full decade before the world wide web was created, Usenet groups were the method of choice for allowing users to communicate with one another. These precursors to online bulletin boards became hugely popular, with topics divided off into Newsgroups.

The world wide web heralded arguably the first social network with the creation of Geocities. Formed in 1994 it allowed users to create their own websites with minimal technical knowledge. Its impact on sites such as Myspace was clearly evident.

Whilst sites such as Friendster and Myspace can rightly claim their place in the social pantheon, it wasn't really until Facebook arrived that social became the global phenomenon it is today. An Experian report published in 2013 found that nearly one in every four minutes spent online was spent on a social network.¹ With a reputed 1.15 billion members around the world, Facebook is an undoubted behemoth.²

Such vast scale has created a huge industry looking to tap into these communities and networks. Research agency eMarketer estimated that \$4.1 billion would be spent on social media advertising in 2013.³

As a result of the scale and reach of social networks, there are an awful lot of books, websites, and blogs out there telling you how to market your wares via social media. This report will not be one of

them. This report won't be touching on the marketing aspects of social media at all.

Instead, it will be guiding you through the use of the social tools and philosophies that are being used by organisations around the world to improve what they do. It will provide insight into the market trends and the positive deviants that are doing social business well. It will highlight some of the bear traps out there waiting to trip up your own efforts, and that trip up the estimated 80 per cent of social business projects that fail to meet their stated aims.⁴

Learning from these mistakes, the report will provide you with a guide on how you can do things better. It isn't going to focus on tools and technologies, but rather on the cultural and human things that need to happen if you are to become a social business.

The report assumes you have some knowledge of social media and at least some idea about the potential value it can offer your organisation. You just need some help implementing it in the right way.

As I believe success with social business is a leadership challenge, this report is primarily aimed at those in leadership positions.

What is social business?

The business world is awash with acronyms and jargon, so you may feel justified in wondering why on earth we need another one. Indeed, many aspire for the 'social' part to become redundant, and the

philosophies of social business to become ubiquitous throughout the business world.

So what are those qualities? They are the kind of qualities that will equip our organisations with the ability to survive in our rapidly changing world. They are the kind of qualities that see our organisations tap into knowledge and talent, wherever it may be.

Whilst social networks are typified by the online tools used to bring people together, a social business is typified by the behaviours that an organisation exhibits.

With that said, a definition is always a nice way to focus in on what something is. Last year the Social Business Forum outlined what social business was for them. They divided the attributes according to where they occurred.⁵

Inside your organisation:

- Improved business performance (profit, productivity, margins, etc);
- Increased operational efficiency;
- Stronger outcomes from knowledge intensive work;
- Capturing and retaining institutional knowledge;
- Better awareness about business opportunities and colleagues needing help;
- Richer cross-department contamination and collaboration;
- Reduced e-mail traffic and information overload;
- Cheaper and quicker mechanisms to connect colleagues, and find and reuse knowledge;
- Improved cross-departmental communication;
- Reduced travel expenses;
- Facilitating the emergence of collective social capital and limiting duplication of effort;

- Stronger employee engagement and motivation;
- Increased satisfaction of partners and suppliers;
- Reduced supply chain costs;
- Lower on-boarding, training, and talent retention costs;
- New levels of business agility and reactivity; and
- Improved internal processes through customer insights.

Outside your organisation:

- Reduced customer care costs;
- Improved client satisfaction and loyalty;
- Increased number of leads generated and deals closed;
- Shorter sell cycles;
- Lower marketing costs;
- Amplify qualified brand reputation and visibility through advocates;
- Higher sales and conversion rates through ambassadors and online communities;
- Reduced customer churn and deflection;
- Increased customer lifetime value;
- Attract better talents; and
- Improved customer cross-channels.

Across the organisation:

- Improved product development processes and reduced time to market;
- Smaller product development costs;
- Access to an unlimited source of ideas and feedbacks for product improvement;
- Better risk mitigation and increased number of successful ideas when launching a new product; and
- Easier development of new business models.

As you can see, it is an exhaustive list, and it goes without saying that no two social businesses will be the same. There is no single instance of social business that you can apply cookie cutter style to your organisation. You have your own unique needs and demands that will require a unique solution to them.

Perhaps this lack of a cookie cutter solution is one of the primary reasons why an estimated 80 per cent of social business related projects fail to deliver the results hoped for. The projects often fail to generate the kind of interest or activity that their sponsors hope for, or they fail to deliver any kind of business value.

At the root of these failures are a number of misconceptions that have sprung up around social business. These misconceptions lead us to do things the wrong way. They typically, but not always, fall into one of these four categories.

Misconception #1 – Social business cannot be measured

Tracking the ROI of anything related to social media is historically one of the bugbears of the industry. A cursory scan of Google will reveal dozens of guides, books, and blogs on how to do better at determining the ROI of your work on social. It is possible however, and through the course of this report we will explore how you can go about it.

Misconception #2 – Social is just for marketing

As mentioned previously, marketers were the first to take to social, and as such, many leaders attribute social business with having an account on Twitter or Facebook. Post up some YouTube clips and you're a social business. This is of

course merely the tip of the iceberg, and the full extent of the possibilities will be covered later.

Misconception #3 – Social is dangerous

Rarely a week goes by without a public figure making a fool of themselves online in some way. We're also in an age where Bradley Manning and Edward Snowden have leaked huge amounts of sensitive information from their employers. So, even before we get into whether allowing social media at work helps or hinders productivity, there are some valid concerns that this whole area is more trouble than it's worth.

Misconception #4 – Build it and they shall come

This is often a flaw of the software companies (of which there are many). All tell customers that their software is a great addition to the workplace, and will naturally lead employees to collaborate effectively, with innovation the inevitable result. Except it never really works like that. Buying software, if indeed you need to buy software, is only the beginning of a very long journey. The second part of this report will look at the cultural aspects of becoming more social at work, and these represent a much larger part of the shift than buying the latest tools.

Each of these misconceptions will be covered during the course of this report, to ensure that you don't succumb to them.

Separating value from hype

In a bid to model the various stages any new technology goes through, Gartner created their 'hype cycle'. The model provides five stages that they believe every technology goes through during its lifetime.

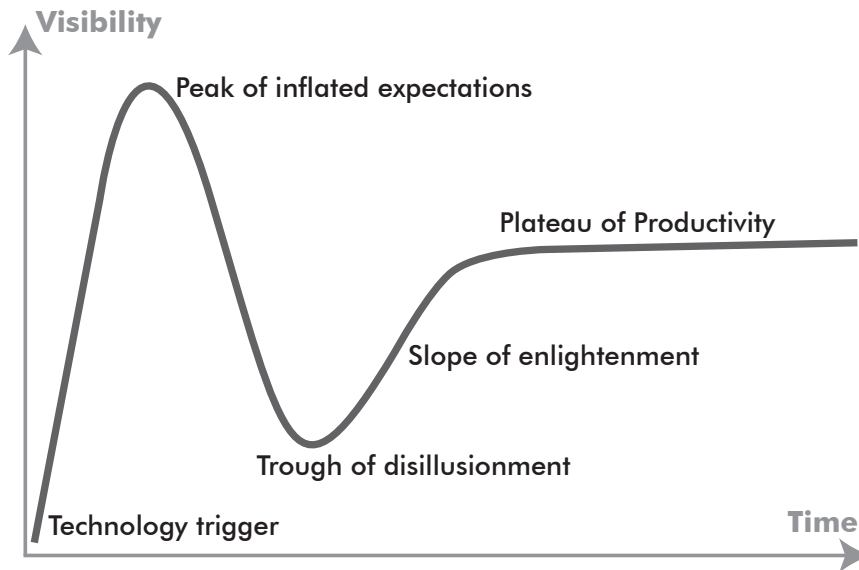


Figure 1: Gartner hype cycle⁶

The stages will be familiar to any observers of technology in general, and certainly those associated with the internet. Indeed, the difficulties highlighted by the poor success rate of social business projects have been mirrored in the past by previous hot trends, such as enterprise resource planning (ERP). It is perhaps no coincidence that movements that are driven by the IT industry focus too heavily on software and too little on the cultural changes that are needed to make them work.

Social business is no different, and the claims of social business advocates are clearly not being matched by results in the field.

Is it that the claims themselves are over-inflated, or merely that implementation has not been handled well enough?

The answer is probably somewhere in between the two. What is clear however is that certain claims made by the industry were exaggerated. Facing these head on is crucial to move forward into the areas where real commercial value is delivered.

Let's have a look at some of the biggest myths surrounding social business.

Myth #1 – Everyone must become social

Of course this is nonsense. Whilst there are numerous applications of social business, it is clear that there will be some organisations that have no need for them, and can survive quite happily as they are. There is no one size fits all, and that applies just as much for the results you can expect to see as it does the solutions you should try.

Myth #2 – It's like Facebook for business, right?

Of course, everyone knows what Facebook is, so it was too much of a temptation not to suggest enterprise social networks were similar. When you think of what goes on on Facebook however it was a rather calamitous analogy to make. Collaborating online with colleagues, customers, and other stakeholders can deliver real commercial benefit, but sharing pictures of your cat probably won't. The comparison was a lazy attempt to cling onto the coat tails of

Facebook's meteoric rise, but it did the industry no favours.

Myth #3 – It won't need any work, just build it

The myth goes that because human beings are inherently social creatures that they will naturally flock to whatever enterprise social media you deploy. After all, look at how naturally people have taken to Facebook, and this is just like Facebook for business, right? Well, no.

This fallacy was highlighted beautifully by a study conducted by Kellogg Business School into social collaboration. They wanted to test whether online collaboration tools made people more productive.

The short answer is yes, they do, but the interesting thing about the study is that the Gen Y employees found it very difficult to engage socially about work things.⁷ So they might be naturals on Facebook, talking and sharing about leisure activities, but when it came to professional conversations, it was not quite so easy.

The financial cost of many of these tools is pretty low, so there is a risk of associating 'cheap' with 'easy', and thinking that you don't need to put much effort into it to make it work. Just as with the Gartner hype cycle, if you don't put much effort in, you may achieve some short-term success as the novelty of it all means people will try it, but eventually it will fizzle out.

Hype #4 – E-mail is dead

It seems common that with each new communication tool, there are many that like to trumpet it as the natural killer of the tools that came before it. Telephones were supposed to kill letters off. E-mail was supposed to kill telephones off, and social business was supposed to kill off e-mail.

Don't get me wrong, there is much that is wrong with e-mail, but it nevertheless remains a very useful tool for communicating. The whole thing about enterprise social networks is that they are trying to take the knowledge out of people's heads, and of course out of their inbox, and make it collectively available.

Spotting the positive deviants

With an 80 per cent failure rate, you might wonder if social business will make its way out of the 'trough of disillusionment' at all. Will there be that shoot of recovery as organisations begin to understand better both what can be achieved, and more importantly, how to do so?

I think so. There is certainly enough interest in this field from organisations. Spending on social business is set to reach nearly \$5 billion in the next year, whilst Gartner predict that by 2016 most large organisations will have some kind of enterprise social network.^{8,9}

So, without further ado, let's look at some of the notable success stories that have been achieved in social business over the last few years.

We'll begin by looking at **enterprise collaboration and innovation**, two areas that arguably form the bulk of most social business efforts. Most of this analysis will focus on these areas of social business, as they are also arguably the hardest to implement successfully.

The report will then explore the use of crowds, through the mechanisms of **crowdfunding and crowdsourcing**. We'll explore how organisations have utilised crowdsourced platforms to solicit input, ideas, and finance from interested parties outside of their organisation.

We will then explore the world of **peer to peer**, and look at how sites ranging from

Airbnb to oDesk have impacted on the way we do business today.

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