

The Business of Social

A Roundtable Overview



Roundtable
on Digital Strategies

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Thought Leadership Roundtable on Digital Strategies

*An executive roundtable series of the
Center for Digital Strategies at the Tuck School of Business*

Social and collaboration technologies are redefining how people work, play, and shop, and blurring the lines among those activities. “Liking” corporate brands has become as commonplace as liking friends, and “Yam Jams” are starting to replace traditional corporate meetings. Collaboration inside and outside the firewall, and the types and amounts of data these activities and interactions generate, challenge traditional IT’s tools and technologies, and indeed the enterprise’s very business model.

The European and American Chapters of the Roundtable on Digital Strategies convened in Warth, Switzerland for their annual joint session: a day-long discussion of the current uses of social technologies by and in the enterprise, the different approaches taken by B2B versus B2C companies, and what companies will need to do to be successful with social technologies in the coming years.

Participants in the session included CIOs and colleagues in communications and other business functions from ABB, Chevron, Clariant International, Coca-Cola Enterprises, Eastman Chemical Company, the Hilti Group, Holcim, Schindler, Swarovski, and Tenaris. The session was hosted by the Center for Digital Strategies of the Tuck School of Business at Dartmouth College.

Key Insights Discussed in this Article:

- **The hype is true: Social technologies really are changing how commerce works.** Companies in both B2B and B2C industries are using social to capitalize on significant new revenue and profit opportunities — and they’ve only just begun Pages 2, 3–5, 7-8, 13, 15
- **User-created content — by employees and customers — is changing how information is consumed, shared, and managed.** Unexpected consequences include the impact of user reviews on search results, the transformation of executive strategy sessions into global all-hands meetings, and the very architecture of enterprise intranets Pages 4, 6, 7-8, 9-10
- **Social media platforms are just one piece of the puzzle.** The use of Facebook, Yammer, and their ilk is inseparable from the spread of mobile, cloud, video, and search. IT organizations have to deal with multiple moving pieces to develop, support, and secure new and fluid IT infrastructures..... Pages 2, 3, 5, 9-10, 11–13, 14–15
- **Productive use of social media can be neither mandated nor tightly structured.** Best practices (so far) clearly depend on ‘pull’ by internal and external users, fertile foundations without strict rules, and leadership by example. Real collaboration is discretionary, not mandated, and no solution is warmly welcomed by everyone..... Pages 3, 7–9, 12-13, 15
- **Social is breaking many molds.** No business process or business model is immune, but new best practices are undefined. Wise companies will experiment widely, but commit cautiously, and be prepared to respond nimbly Pages 4–5, 7–8, 10–11, 13-15

Introduction: The Face(book) That Launched a Thousand Sites

Facebook was founded in February 2004: Just short of 11 years before the members of the Roundtable on Digital Strategies gathered to discuss the impact of Facebook and its kin on their own companies. It was a busy time: LinkedIn, Xing, and Facebook all started in the 9 months between May 2003 and February 2004. Twitter followed two years later, and Yammer two years after that.

Their growth was phenomenal: Commercial television took 13 years to reach 50 million households, and internet service providers took three years. Facebook needed one year to reach the same milestone; Twitter took nine months.¹ Most of the early users were individuals — businesses were much slower to adopt the new ways of interacting. Coca-Cola, one of the participants in this Roundtable, started to experiment significantly with Facebook only in late 2008, and even then was an outlier early-adopter among major corporations. Meanwhile, “social media” evolved into “social technologies,” defined as “IT products and services that enable the formation and operation of online communities, where participants have distributed access to content and distributed rights to create, add, and/or modify content.”²

Businesses began to jump on board, so much so that by 2012 a McKinsey survey found that fully 70 percent of companies “were using social technology in some way, and 90 percent of those said they were seeing some degree of business benefits.”³ Social technology is now foundational to doing business: As Alva Taylor, Faculty Director of the Center for Digital Strategies stated, “Companies who get ahead on this topic, and use it well, will open up lots of competitive opportunities. Companies who don’t get ahead of it will face fundamental changes in how they interact with their customers and how they think about their business models, and those changes will be unpleasant.”

In spite of accelerating corporate adoption of a range of platforms and tools, the untapped potential for social in the enterprise remains enormous. “Only 3 percent of companies could be identified as ‘fully-networked,’ meaning that they were achieving substantial benefits from use of these technologies across all parts of the organization and with customers and external partners,” wrote McKinsey, in estimating the unrealized economic surplus of social technologies at one trillion dollars or more.⁴

The Roundtable’s discussion began with a definition of “social business” from the Sloan Management Review:

An organization’s use of any or all of the following elements: consumer-based social media networks; technology-based internally-developed social media networks; social software for enterprise use, whether third-party or internally-developed; data derived from social media and technology, such as crowd-sourcing and market intelligence.

In this context Hans Brechbühl, the Executive Director of the Center for Digital Strategies, asked Esat Sezer, Senior VP and CIO of Coca-Cola Enterprises, to review CCE’s lessons-learned from its forays into the first of these domains, consumer-based social media networks. And Coke’s Facebook page? Read on, it’s a little more popular than it was in 2008....

¹ McKinsey Global Institute, *The social economy: Unlocking value and productivity through social technologies*, July 2012, p. 5.

² Ibid, p. 1.

³ Ibid, pp. 5-6

⁴ Ibid, p. 6.

One Million Likes per Month

“Social technology has evolved from simply another ‘new media’ platform to an increasingly important business tool, with wide-ranging capabilities.” — McKinsey Global Institute

“Five years ago,” Sezer began, “We looked at social as a key trend, together with IT consumerization, mobility, and cloud services. We realized there was so much information and so many insights outside our firewall, that if we could make sense of it all, we could create differentiation for our company. We saw an opportunity to interact with our customers and constituents to drive top-line growth and create next-generation productivity.”

So first we listened, mostly related to corporate reputation and brand reputation. Then we learned that consumers want to connect and socialize not only with their families and friends, but also with the brands they like, and that started a fan page explosion. Today the Facebook Coke fan page has over 90 million likes, and is growing at a million likes a month. As this interaction with consumers started to become an important source of information for us, we decided to use it for commercial purposes, too, so we have started to use Facebook as a promotional vehicle with our consumers.

On the commercial side, sales people visit only 20 percent of our outlets. The remaining 80 percent source our products from distributors and wholesalers. We’ve used social technologies to create outlet loyalty programs, so that the outlets can activate promotions just as our own salespeople would. The outlet owner sets up the promo, takes a photo, submits it to a social site to prove the activation, and wins loyalty points for additional merchandising. That’s created a new connection with our outlet owners, and lets us activate promotions even in outlets that we don’t visit.

Petra Hütter, Senior Online Media Manager at jewelry-maker and retailer Swarovski, described a similar B2C use of Facebook:

We have given a lot of effort recently to becoming more consumer-centric. We want to understand how consumers shop, and what the barriers are they have with us as a brand. We have a precise definition of our target audience, we know what tools and platforms they use, and how each platform helps in the consumer journey. We assign each communication touch point a specific role in the path-to-purchase, and we assign clear KPIs. Facebook has two roles, and KPIs for each role.

“But is that good or bad?” Volker Laska, CIO of Clariant International, asked them both. “Does it cannibalize your other sales channels?”

“There’s been a great return for us in growth, and great value for our commercial customers as they grow with us. We are seeing significant improvement in online selling, and a significant shift from physical to digital in our commercial mindset,” Sezer replied.

‘Who drives?’ is the first question. This is consumer-driven. It has nothing to do with brands or companies, it’s the preference of shoppers and consumers. So it is getting a significant chunk of energy and resources from brand owners like us. The social collaboration creates a new digital online selling channel. It does cannibalize some of your traditional channels, but there is a delta that you can grow. You are reaching consumers that you probably didn’t reach before.

“There’s not a huge entry barrier,” pointed out Martin Petry, CIO of the Hilti Group. “It’s not super expensive — either you do it, or someone else does it to you.”

“It’s very relevant for B2B, or for consumer products like Coca-Cola,” added Hütter’s colleague Max Braun, CIO of Swarovski. “You don’t need to see Coca-Cola, you already know how it tastes. There is no reason for physical contact. In B2B, if someone has bought mechanical anchors from you before, he doesn’t need to see one, he just needs it for his job. There is no reason to have retail shopping, or a retail seller, in the middle.”

“It must be a real challenge for brick-and-mortar retailers to not become showrooms for online retailers,” observed Keith Sturgill, CIO of Eastman Chemical.

“Traditional retailers are struggling with it,” Sezer admitted. “They are really challenged. Purchase decision-making is changing as a result of digital capabilities connected to social technologies. There is a tectonic shift taking place in the retail industry, and there are emerging retailers that sell only through the online channel — they don’t have any stores.”

Mark Seall, Head of Digital Communications for ABB, described one of the key shifts that has affected both B2C and B2B industries:

Ten years ago, if you wanted to buy a car, you would google a product, and the first results would belong to the brand, say, BMW.com. A few years after that, motoring publications started coming into the results, and maybe five years ago social elements started to show up. Today, if you google a car, you see forums popping up, you see the consumer voice, you see YouTube, and the brand is way, way low — often on the second or third page. As the purchase becomes more complex, it’s much more likely that your decision process starts with Google, and social has become critical in influencing search results. If it’s a low-complexity product, you just go and buy it. If it’s a \$20-million transformer, there will be an army of people Googling that product.

Seall explained one impact of this shift on ABB’s B2B operations: “We were incapable of doing good search content ourselves, because what we wanted to say wasn’t what people are looking for. But we get many inquiries every month in our Ask ABB community, and those inquiries create really good search material for us to use. We’ve seen a massive increase in our search friendliness, which then is very positive for us in terms of metrics and leads.”

Learning to Listen, Choosing When to React

“Companies are watching what consumers do and say to one another on social platforms, which provides unfiltered feedback and behavioral data.” — McKinsey Global Institute

Direct interaction with buyers is one form of activity; simply listening to what they have to say turns out to be an equally powerful use of social technologies. Sturgill talked about the impact on Eastman:

Even though we are mostly a B2B company, we do a lot of active listening on social channels. Our materials go into many things you use every day, although you wouldn’t know they’re Eastman

products. So we listen for opportunities: If there's a particular houseware, for example, that doesn't have our material, we monitor the consumer issues with that product and make an assessment whether there's an opportunity to approach the manufacturer to use an Eastman product to resolve a specific issue. In B2C, we're also active on Facebook, we try to attract people to our brand and to pages for our various consumer products.

I don't know if we were lucky or good, but a few years ago we were coming out with a BPA-free material just as the BPA issue started to surface. It got picked up in a lot of social channels, and that accelerated the trend towards BPA-free plastics. Clearly, no one associates BPA-free materials with Eastman — they associate with the producer of the sports bottle — but we were the primary supplier of that material. So we continually monitor these channels to understand unmet needs in the marketplace.

Hilti's Petry described some of the challenges of creating a user community in a B2B industry:

We know how to build and sell our products, but our customers actually know more about using them than we do. We believe it would be a good idea to create a forum where customers can exchange their experiences and have expert-to-expert conversations, but how would we monitor or deal with potential negative discussions? Would we even have open discussions if we openly state that it is a Hilti-sponsored forum?

Holcim, on the other hand, is an example of a B2B company that has had some success in B2C, said its Head of Innovation, Annalisa Gigante: "We are just starting with B2C apps that use videos and photo examples of finished walls, floors, brickwork to explain how to use our products. They're for the person who wants to speak with their builders, but doesn't have the same knowledge. The pictures allow that conversation to happen better, so the buyer can say, 'This is what I want,' and then the builder knows which materials he needs to make it happen."

Carlos Pappier, CIO of Tenaris, suggested a very different purpose to social listening for a B2B company: "We are only a medium-sized global company, but we are very big in local communities in Mexico, the US, and Italy, and that's where we focus our external social media, through the traditional channels: Facebook, Twitter, YouTube, LinkedIn. We have hundreds of thousands of communications per year in the different regions."

"One intention is to listen," Pappier continued, "But also to communicate actively what we are doing, what our factories are like. Young people are more inclined to work in the services industries than in manufacturing, but in 2014 it's nicer to work in a steel shop than in a call center. So we're trying, successfully, to modify behavior."

Hütter pointed out how the sheer volume of online social interaction creates entirely new problems — and in some scenarios, their own solutions:

It's a huge challenge to set it up in a way that we get the right information and actionable insights, because there is so much posted about Swarovski that's not relevant for us specifically. On the other hand, the great benefit of social is that you have very immediate interaction, and you understand what people are interested in. We do crystal and fashion jewelry — our business is

fairly un-risky. But even so, actively monitoring social has given us pre-warning on four or five crisis topics in the last few years.

Neil Jenkins, Sezer's colleague and CCE's Interim VP for Leadership and Communications, concurred, but suggested that some issues will take care of themselves:

The reputation management side of things is certainly increasing in importance for us as a business, and probably as an industry: Making sure that we can respond quickly, that we can share our message quickly. Social gives a real opportunity to accelerate the way we interact with our customers, particularly when times are tough. You have to be able to react fast, or anticipate it, or be listening to know it's coming. Sometimes you need to watch and wait, to see if it's going through the news cycle and away. Other times it's about speed.

"Taco Bell has a social operations center concept that they use to great effect," said Brechbühl, recalling a discussion from a previous Roundtable.

Every morning the CIO, the head of Communications, the head of Marketing, and the head of Research and Insight, get together to look at the issues in front of them on that day and how they want to manage them. Most of the topics involve customer service or customer experience, but some of them get into brand management and reputation. One thing they've found is that the judgment of when to respond and when not to is really key: Because if you make the wrong decision, you can actually promote a controversy, rather than just letting it die of its own weight.

Bill Braun, CIO of Global Upstream for Chevron, offered an example of hot topic where Chevron is still listening more than acting:

We have done a few pilots to learn how to listen externally, to help us understand what's driving the conversation. We're not yet to the point of taking much action based on what we hear; we don't yet have a defined loop of trying to influence key people or key policies based on social media. That's probably one of our next steps, but we're being quite cautious, because it's such a new area. There are a lot of ways this could go wrong for us.

Jenkin's colleague Sezer disagreed emphatically:

The world is now social. Let's accept that fact. It is connected, it is viral. What role you play in your brand image, what role you play in your company image in that social network is up to you. Do you not want to play a role at all? Do you want to let someone else drive those viral communications to the public, connect those dots? Of course not, you cannot do that. If you are a leader, you can't let that be managed by someone else for you. The ramifications are just too critical.

"So if you're in a market leadership position, does the balance of listening versus engaging shift?" Brechbühl asked.

"You do have a bigger influence," Sturgill answered. "You have a greater opportunity if you're an industry leader."

“You’re certainly a big component, and what you do influences the industry as a whole. But you’re touching a very delicate area there,” countered Gigante. “Listening is one thing; engaging in the conversation is another. A completely different thing is trying to manipulate that conversation. Because you’re on social, manipulation becomes transparent very soon, and there are many industries that have struggled with how they use bloggers. It’s something to be very cautious about.”

“Doesn’t this gets back to the definition of ‘social?’” Tuck’s Taylor asked. “Communities matter because of the underlying shared interest, and because you’re with a group you trust, where people are going to be honest and open. Once you lose that, whatever power you had gets lost. You can fundamentally undermine the whole business. Once you’re seen as manipulating, even if it’s well-intentioned guidance, you’ll destroy all the effort you’ve made to build that community.”

“We’re talking about completely different scales,” protested Khushnud Irani, CIO of Holcim. “In the B2C social case, you’re targeting consumers, and maybe especially youngsters. You are always under pressure to react digitally, because social is such a strong channel for that audience. However in a B2B market there are other stakeholders like the government agencies, NGOs, local communities which may have a bigger impact and influence on our business.”

“So it’s a question of how important it is to exercise that muscle, and how often,” Brechbühl summarized. “The answer for Taco Bell is, they need to exercise it every day.”

The Power of the Yam-Jam

“Companies are beginning to find that social technologies have enormous potential to raise the productivity of knowledge workers ... by streamlining communication and collaboration and lowering barriers between functional silos....” — McKinsey Global Institute

Internal communities — i.e., employees — are changing and being changed by social as profoundly as consumers on the outside. Chevron’s Bill Braun talked about how Chevron’s environment is evolving:

We have a major demographic change happening: Very soon, more than 50 percent of our employees will have fewer than 10 years with the company. This generation wants social tools, and they get grumpy that we don’t have better systems for them to work the way they want to work. Meanwhile we’re trying to get internal collaboration going, because we’ve had a very experienced workforce for a long time, and this is going to be a big change for us. So we’re starting with Yammer, and we’re using SharePoint.

“Yammer is a great channel to understand whether corporate messages are getting through, or whether they’re being tweaked as they go through management channels,” Sturgill agreed. It works the other way too, he continued:

We are finding that people will say things on a social forum that they would never say face-to-face. They are more candid, more open. Our COO and I participated in Eastman’s first executive “Yam Jam,” and we learned things we would not have learned in any other way. It is an unfiltered channel to senior executives, and it’s increasing the engagement of our global workforce.

ABB's Seall was also enthusiastic about Yammer: "50 percent of our 70,000 Yammer users are 'engaged,' and we've seen direct correlation between cost savings achieved and Yammer activity among our supply chain teams. I'm not saying that Yammer is a direct determinant of success, but it does seem to demonstrate that more collaborative, more communicative teams are likely to perform better."

"We've also migrated internal events onto these platforms," Seall continued.

Every year we have a conference where 80-100 communications managers gather for two days. This year we virtualized it: We recorded everything on video, and invited the entire comms community of 600 people to discuss it through Yammer on a follow-the-sun schedule. In 24 hours we collected 4,500 posts. The really, *really* interesting observation was that the comms management team — the people who would usually participate — accounted for less than five percent of the conversation. Most of the conversation came from people much lower down in the organization.

We discovered people who had been silent or unknown to senior management, with amazing ideas and great contributions, whom we could develop and bring into other parts of the business. It was a much more fruitful and productive conference as a result of opening it up. It caused a lot of discomfort, but it really demonstrated the power of the platform. We are lucky to have executive support to tolerate the pain of this process, but so far it's been a fun experience, and much better than the other choices we could have made.

"Yammer went a little viral recently inside Clariant, and that's one of its challenges," observed Laska. "We hear different opinions on a regional basis: North America is open to use, but the Germans send me tons of email: 'Switch it off, we don't have time for this!' There are different cultural views, but this also shows different maturity levels between digital natives and analog immigrants."

"Things can get messy," Seall agreed. "You wake up, you check your email, you check your calendar, you look at comments on blog posts you've written, wiki pages you updated. It quickly becomes unmanageable." The disadvantages notwithstanding, Seall described an even broader use for Yammer's technology:

We were looking to replace our intranet and we wanted to do something different, but we weren't inspired by anything we saw. So we thought about the future of the intranet with this fragmentation problem in mind. One inspiration was Facebook, and how it aggregates my digital presence into a single feed: what my friends are doing, what is happening to firms and brands that I follow, and interactions with certain applications. So we decided that our intranet would be feed-driven, and today we have ABB Feed, based on Yammer. We made our applications Yammer-aware, and now you subscribe to them through the feed. Email is misused as a notification platform — now notifications come through the Yammer feed. When I sign in today, I see comments from colleagues, and I'll also see a notification from SAP that I have employee reviews to do.

This has put the social aspects right under everybody's nose, which has had a mixed reaction. Of course we have pushback: "Why have you turned the intranet into something that looks like Facebook, which is a pile of junk? What are you doing?" On the other hand, we are seeing lots of

positives, with people engaging and contributing much more effectively than in the past. It's starting to change the culture at ABB, and brought the potential for social technologies right to the forefront. We deliberately lit only a small fire there, because it is causing controversy.

Organizing Chaos

"Collaboration usually creates a lot of documents," Laska pointed out. "What are you doing with those?"

"Our old intranet worked like the web of the 1990s, in that it didn't have great search, and everything was hierarchically organized," Seall replied.

So everyone was obsessed with navigation, and the result was a complete mess, because you can never get a hierarchy that works for 150,000 people. That's the problem of having Communications create content: They're not actually very good at it. So for the new intranet we invested a lot on search, and on giving people tools to create information in a way that's more suitable, such as wikis or Idea Crowds. Then if we can index it, they can find it. We're not there yet, because we don't have enough good content, but search seems to be working better than navigation. So docs get uploaded to Office 365, Yammer, SharePoint, wiki articles, our blogging platform ... We just search across all of that.

Irani supported Seall's comments based on Holcim's experience: "When we tried to force people to put information into buckets, usage was not dramatic. Now we have a platform with search access. So we have knowledge sharing, and that's good. The question is whether there is also knowledge consumption. People can share everything, but the next guy has to have the attitude to search for what's in the system. So you need awareness and training."

"Part of the knowledge sharing is finding the expert across silos," Sturgill added. "People establish connections with others they never would have met before, because they have a shared interest they didn't know they had."

"That's one of the reasons we wanted to be feed-centric," Seall agreed. "The old intranet was about information, but the value is actually about people."

"People are already overwhelmed with the information they get via email and via the internet," countered Max Braun from Swarovski.

A private conversation on Facebook is different from a communication to a clear and dedicated audience. That should go into email, because it's efficient and it will reach the people it needs to reach. Social initiatives covering everyone are not successful. What *is* successful is to implement social tools for specific expert groups that are interested in specific projects. We have one platform up for our owned and independent retail, pushing information, with blogs, discussion, and so forth. We don't have enough experience yet, but I'm confident it will work, because they have it all on one landing page. It's key not to provide another platform beyond mail and intranet and external sources: It's just too much.

“But feeds have important advantages versus email,” Pappier rebutted. “With mail, organizations change, people move, people go on vacation: The issues get lost. We started with a feed similar to ABB’s. Now we have 120 channels for 26,000 people generating 500,000 interactions per month. Some of the channels, especially for executives, are ‘curated,’ so they’re very static. The feedback has been good, and we are moving toward wrapping it together with our business applications.”

“Getting a group of the right size is really important,” Seall emphasized. “If you look at our global Yammer group, it’s absolute rubbish. If you have more than 30 people, you tend to have a lot of irrelevance. Group sizing is really important. And then we look at slotting broader messages into the feed. That seems to get the right balance.”

With this many people interacting within and across the firewall, and so much content in the cloud, the dual issues of security and privacy were inevitably raised, as they have been in many recent CIO Roundtables and CISO Workshops. This Roundtable came to similar conclusions as the others:

“A lot of cloud providers are very professional,” Max Braun of Swarovski stated, “And perhaps have an even higher security standard than we do. But there is a lot of junk out there, and we cannot control where people decide to put their data. So we have to emphasize that even though this is our job, IT is not responsible for the security of each and every piece of data.”

“In the social area especially,” Irani emphasized, “Users are sharing and collaborating, making posts, sending data, attracting phishing attacks. The most important thing we can do is improve user awareness, and we need to do it more and more.”

Sturgill concluded with a thought consistent with prior discussions: “You have to secure it at the content level, since the boundaries between the enterprise and outside the enterprise just aren’t clear anymore.”

Other Ways to Skin a Cat

Purely social platforms aren’t the only collaborative technologies making a difference in the enterprise. “The most sustained collaboration platform inside CCE isn’t Yammer or Chatter or email,” Sezer said.

It’s telepresence. We started to adopt seven years ago, and it has completely changed the communication and the collaboration culture in the company. This is the high-def, audio and video, in fixed telepresence rooms. After five minutes, you forget that you are remotely connected – it’s like you’re in the same room. The usage is so high that we are decommissioning Lync and migrating to WebEx and the Jabber client, to that you can connect from any device to the telepresence sessions.

Laska acknowledged the simple cost savings of telepresence, but suggested it has even greater value: “It saves hours of travel time for lots of people. It also causes behavioral change, because you need to be well-prepared, you need to be well-disciplined.”

“Our main driver internally is mobility,” offered Enrico Senger, Head of IT Strategy / Digitize the Field for Schindler Digital Business.

Fifty percent of our workforce is mobile, and half of them are service technicians. Until recently they’ve had no participation in digital life beyond a PDA to report hours. Then we gave them iPhones, and our question was how to improve communication and efficiency. So the first step was to bring documentation and manuals electronically onto the devices. Now we’re thinking about how to push recommendations, or communications.

But there are some social media functions that are valuable in certain contexts, but might be dangerous in others. As an example, documentation may give one set of instructions, but someone gives a comment or sends a message as to how to do it faster. Maybe that isn’t the safest approach, so what happens when someone follows it? Therefore we decided that we do not support that functionality in that specific area, but for sure in a lot of other areas.

Seall emphasized just how important mobility is in enterprise social: “70 percent of our internal social interactions come from mobile devices. People are doing it at home, on the way to work, standing in line. It’s the mobile usability that separates collaboration from the non-discretionary work.”

“We’ve tended to think about the benefit of mobile apps as being mobility,” Brechbühl observed. “In point of fact, the killer side of it is the ability to discretely and efficiently do a task. Wouldn’t we want that on our laptops, too, if we could only have it?”

“I don’t have good ideas or clever thoughts when I’m sitting at my computer,” Seall laughed.

“Real Collaboration Is Discretionary”

“Capturing the full potential value from the use of social technologies will require transformational changes in organizational structures, processes, and practices, as well as a culture compatible with sharing and openness. The greatest benefits will be realized by organizations that have or can develop open, non-hierarchical, knowledge-sharing cultures.” — McKinsey Global Institute

As the end of the Roundtable approached, moderator Brechbühl shifted the conversation to the future of social technologies, and what companies have to do to be successful. “So we’ve raised a couple of times the question of whether one needs an overall strategy for how to engage in social,” he said. “I’m not hearing consistent overall strategies. Would one be useful? Necessary? Not useful?”

“It’s the wrong overall question for social media,” suggested Kai Rolker, Head of Group Communications for Clariant. “Social media is not one channel. We have seven different business units plus various functions such as HR, Innovation and of course Communications, and each department uses it differently. In some areas it is a grassroots revolution, and in others it’s a new medium for the corporation to position itself in a different way, with help from IT.”

Rolker highlighted an evolving use of the current social tools, as they move into a gap created by a change in a completely different industry:

With the decline of traditional print media, journalists don't have time to do the research for their own stories. They rely on us to provide them with ready-to-use stories. So we've become a kind of publishing house. We have our own writers who prepare stories. Some are exclusive, and the journalist might adapt them a little. Or we put things out on Twitter, where we can add video and tell our own story.

"The message is the same," Rolker concluded, "but social opens new channels for us to tell it."

Pappier gave a different but consistent perspective: "You have a marketing strategy. You have a communications strategy. You have an information technology strategy, and social has to be part of all of them, and it has to be consistent. 'Social' isn't a strategy of itself."

"'Strategy' is about where the company is going, and what is unique about it, and how you decide to play," Holcim's Gigante said, continuing with Pappier's idea.

Everything else needs to be aligned to that. When you break things apart and give them their own "strategies," they end up having their own lives, and they don't fit into the big picture. Social is a tool to make strategy happen. We want to engage more with customers; what is the best tool at this moment? I'm not going to call that a "Facebook strategy," because the best tool will change.

So if a social strategy per se is not definable, can value at least be measured? "We are finding the ROI question particularly troubling," Sturgill said, "To come up with a credible number that says, 'We're getting this kind of business value.' Is it a 'build-it-and-they-will-come' approach and we will get value, even if we can't track it to the bottom line?"

"That's the classic IT ROI question," Bill Braun responded.

We don't have a big strategy, and we're not making a big bet, so there's less pressure up front to define hard economics. Each area has a different value case, and especially on internal collaboration processes, we've gotten very good at defining what the value is. On external social, it seems to be a little more difficult to extract. We are listening, we're influencing, but trying to connect all the way back to which of the many things we're doing is giving payout? It's very difficult for us to measure. But it all seems to be working.

Rolker reiterated his earlier theme on strategy: "If we talk about marketing communications, maybe there is a return, because maybe they get us in touch with new customers. When we talk about media relations, no, there is no direct return on investment, because there has never been a return."

If strategy is the wrong question, and ROI can't be calculated, then "What are the key ingredients that help enterprise social succeed?" Brechbühl asked.

"Leadership buy-in is key," Jenkins answered. "Clear purpose: What are you trying to solve for? Relevance of content. Effective change management to get that adoption rate going. Then, how do you sustain it?"

Gigante added to the list: “There has to be an energizing factor for each community to coalesce, so that when you have a question, or you want to share something, the first instinct is to use the tool.”

“So is it fair to say,” Brechbühl followed up, “That rather than adopting a specific tool, it’s useful to provide a suite of supporting tools to help change the culture?”

“We have a social concept,” Senger responded, “And we have technology, and we don’t need a specific technology to apply the concept. Blogging is basically writing a text and making it publically accessible. Using paper may be more cumbersome and inefficient than using the web, but basically the result would be the same. Most of the failures come from introducing a new concept *and* a new tool for it, instead of asking, ‘How can I enhance the existing technology to support this concept?’”

“That’s true,” Irani agreed, “But as technology progresses, we also need to keep progressing.”

“Usability is absolutely critical,” Seall added. “If you look at our failures, one of the common underlying factors was usability. People will share a document through SharePoint because that’s the only option that they have, but it wasn’t adopted well because of the interface. But real collaboration is discretionary. It’s something people do on top of what they’re expected to do every day, and it’s driven by usability.”

“So this will all happen naturally if we just don’t engineer the creativity out of it?” Sturgill asked.

“Exactly,” Seall confirmed. “You try to make it not feel like a structure, even though there is one. If we want to get a message to you, we can do it.”

“This will be a major shift for our vendors, for IT, and for business people,” Rolker pointed out. “To recognize that 80 percent is good enough, and even 50 percent is good enough. As an example, if you add search functionality to SharePoint and documents and versioning, then it’s not simple anymore. We’re coming out of these decades of perfection and over-engineering — the ‘good-enough’ culture will be a huge shift in mentality.”

“So if you need a robust change management plan for a social idea, you will fail,” Sturgill suggested. “Meaning, if you have to go into lots of dialogue around why something is a good idea, it’s going to be hard to do.”

“And that’s the difference between creating a culture versus managing a change,” emphasized Seall. “Collaboration and social behavior is not something you can tell people to do. It’s something you have to foster and encourage and nurture.”

“From the IT perspective, then, we might start to think more about experimenting, rather than trying to find the one answer to a particular problem,” Sezer mused. “If one collaboration platform creates results and adds value to the business, I’m fine with it. If another doesn’t stick, I’ll replace it.”

“So we’ve identified four implementation principles,” Brechbühl summarized. “1. Add value, not complexity. 2. Provide *essential* organizational support — but not more. 3. Experiment and learn. 4. Track impact and evolve metrics — which translates to, ‘Don’t expect rigor from the start, but as you move forward and find the value, be willing to measure it and hold yourself to it.’”

It's Complicated

"We are still in an experimental phase." "We're not yet to the point of taking action." "R&D isn't really on board with the whole social thing yet ... that's an 'area of future opportunity' for us." "We're being very cautious." "We're getting lots of pushback."

In spite of all that's already been accomplished with social technologies in the enterprise, comments like these echoed through the day's discussion. With firm strategies and clear ROIs yet to be determined, the Roundtable speculated about how usage might change in the future.

"As we become more used to this idea of communities," Taylor suggested, "We're going to see more transitory communities, set up around issues and problem spaces, rather than being static. They could be around solving particular problems, or a brand, or very temporarily around a promotion. Connect with people, get information, and six months from now, they're gone."

"So if you look at Gen Y, and what kinds of tools each generation uses, then as companies we are going to have to be tool-agnostic, because of the pull effect," Hütter pointed out.

"This is why I would be careful about Facebook," Petry said. "Huge platforms go away, and in five years we won't be talking about social any more. Why look into Facebook to see what people think, when everything will be connected and we can look at real data from every turn of an engine? It will all be about big data analytics, and the hype about social will be gone."

"To me that's an endorsement," Brechbühl suggested. "It's saying that social has grown into something that's completely part of what we do."

"But will we stop looking at messages and communications on an issue from people that we don't directly control? We are still going to be looking at those things," Taylor objected. "They are still going to be prevalent and important."

"You're talking about hard facts," Max Braun added to Taylor's argument. "But when it comes to emotions — which are very important for our products, and for Coca Cola, and for many other companies — and how the company is seen, then the importance of social media will definitely remain. We can't gather this data out of the Internet of Things."

"I think social is here to stay," Sturgill weighed in, splitting the difference. "The tools are largely irrelevant; it's the idea of people contributing their opinions about pretty much anything. Raw facts assume human behavior is always logical, which I don't think anyone would say is always true. So winning companies will learn how to derive insights into market demand and consumer preferences from this mass of information that's coming in through all the social channels. The Big Data idea — deriving insight from data — *is* where this goes."

"Social is much bigger than just another IT trend," Irani stated. "It is not just about the data: You still have to do something — socially — to manage in a virtual world."

“And I promise you,” Sezer added on, “That new business models will emerge out of the social connection. People are rating service providers; service providers are rating people. People rate each other. Already, taxi drivers are rating you as a customer. This is game-changing. I don’t know what they’ll be, but new models are going to emerge from this socially-connected world. It’s scary.”

Brechbühl synthesized the different points of view: “All these things are enabling each other. Big Data — or ‘data, period,’ forget about the label — the merging of data in all the places that it comes from: There’s a long way to go in that saga. We’re at an inflection point where all these things come together and create opportunities, that seems almost certain.”

Having started the day with a description of Facebook promotions, Sezer ended the day musing on more speculative thoughts:

From a technology perspective, there are multiple elements that concern me as a CIO. One is, everybody talks about “Big Data,” but I’m not sure everyone knows what they are talking about. There are multiple technologies involved: Open Source, commoditized infrastructure to collect structured and unstructured data, column-based technologies, social technologies, SQL, NoSQL, multiple ways that you can capture and mash the data together to try to make sense of all these social environments....

Are we ready for that kind of IT infrastructure? I’m not sure. Who is claiming that they have Big Data enabled today? I’m not sure, I haven’t seen it yet. I have seen multiple ideas, multiple technologies, but for what purpose is not clear to me yet. We are learning. Harvesting the insights coming from social and collaborative platforms is a tall order that we need to figure out: It’s complicated.

And that’s just one side of the equation, the technology side, and it’s big and complex. The second side of the equation is people: Is your organization ready? We hire these people called ‘data scientists,’ and they’re not IT people. They use algorithms — or whatever — to make sense of unstructured data, which comes mashed on top of the structured data, which then creates insights. Okay: Easy to say. Difficult to do.

Sezer finished with a grin: “IT is exciting again.”

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