Charting the social universe

Social ambitions drive business impact

IBM

Social technologies are changing the way we interact. While most business leaders understand their potential, some aren't sure where to start or how to advance.

Our research shows that enterprises are evolving by deploying five distinct clusters of social capabilities – each aimed at realizing a specific goal.

And there's a lot that other companies can learn by looking at how the pioneers have tackled these **social ambitions**.

The number of companies focusing on social capabilities continues to grow. Earlier research by the IBM Center for Applied Insights shows that the use of social capabilities and tools has more than doubled since 2012, and two-thirds of enterprises plan to increase their investment in social over the next two years. The leading organizations among these social adopters are already reaping a wide range of benefits. Seventy-two percent say they have enhanced their communication and collaboration; 67 percent have accelerated the speed at which they innovate; and 64 percent have entered new customer segments or markets.[1]

So what exactly does it mean to be social? Three-quarters of the respondents in our latest study believe a social business is one that uses social technologies to foster collaboration among customers, employees and partners – and we agree. In other words, social is about harnessing smarter ways of working together to help people make better business decisions. Yet only 20 percent of the executives we surveyed say their own enterprises have attained this level of social interaction, suggesting that organizations can't realize all their business goals at once.

Integrating social is a process of incremental change or evolution. It's a journey. And studying the experiences of enterprises that have already started down the path provides insights other companies can use to inform the way they themselves deploy social technologies.

Tweet this

74%

defined a social business as one that uses social technology to foster collaboration among customers, employees and partners.
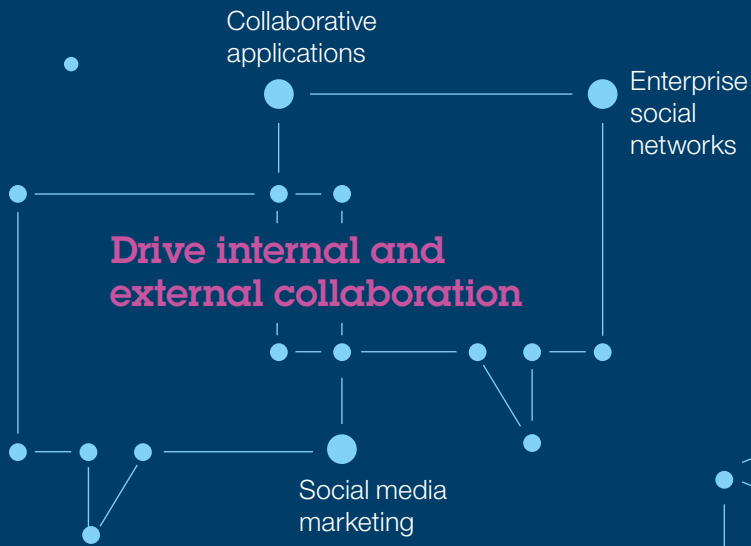
About the study

The IBM Center for Applied Insights surveyed 372 executives responsible for choosing or deploying social capabilities. Our respondents work in organizations with more than 1,000 employees and span 18 industries in Australia, Canada, India, the United Kingdom and the United States. Twenty-one percent are C-level line-of-business executives, and 26 percent are C-level IT executives. The rest are vice presidents, directors or managers in both IT and business roles.

About the IBM Center for Applied Insights

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The IBM Center for Applied Insights introduces new ways of thinking, working and leading. Through evidence-based research, the Center arms leaders with pragmatic guidance and the case for change.

Drive internal and external collaboration

Collaborative applications

Enterprise social networks

Social media marketing

Build, educate and protect the workforce

Security intelligence

Workforce training

Recruiting

Policy communication

Understand and engage customers

Customer analytics

Customer support

Social CRM

Social analytics

Improve business processes

Supply chain

Workforce analytics

Sales software

Workforce performance

Business process management

Mine community expertise

Onboarding

Locating experts

Crowdsourcing/ Idea sourcing

*18 industries, 5 countries,
19 capabilities. How are pioneers
tackling their social ambitions?*

Five distinct
social ambitions

Most forms of business change are gradual. Enterprises evolve over time, as they adapt to new internal and external stimuli. Integrating social is no exception. But where do companies start? Which methods do they use? And how do their journeys unfold?

Hypotheses and assumptions abound, so we turned to science to help us determine what's really happening. Through cluster analysis of 19 different social capabilities that executives are currently implementing or planning to implement, we discovered that companies tend to deploy certain groups of capabilities together. These five distinct clusters of capabilities – or "social ambitions," as we've called them – reveal the particular goals enterprises are aiming to achieve as they become more authentically social.

There's no uniform order in which organizations pursue the five social ambitions. Each company chooses where to begin based on its own unique needs and the market conditions in which it's operating. However, the most commonly deployed social capabilities are those required to drive internal and external collaboration. This is a logical starting point for many enterprises, since it provides a robust foundation for accomplishing higher-order social ambitions. Conversely, the least commonly deployed social capabilities are those required to improve business processes, implying that it's the most challenging social ambition to attain.
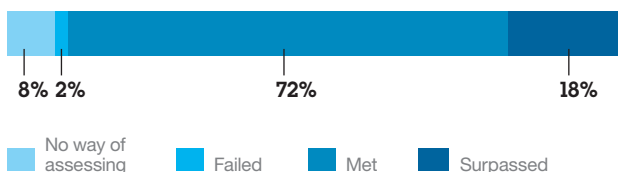
Drive internal and external collaboration
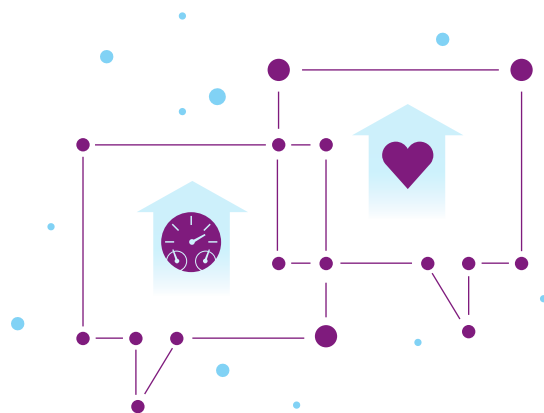
What are their objectives?

- Increase employee productivity
- Increase customer loyalty and advocacy

Were objectives met?

8% 2%   **72%**   **18%**

- No way of assessing
- Failed
- Met
- Surpassed

What capabilities are they deploying?

- Collaborative applications
- Enterprise social networks
- Social media marketing

What metrics did they track?

- Employee engagement/ satisfaction surveys
- Customer retention/ opt-out rates
- Customer engagement (comments, likes, posts, repeat access)

Who is most involved?

Decide: CEO
Fund: IT

Use: Marketing/IT
Assess: CMO/IT

What can we learn from their experience?

- Start with collaboration: it's the most commonly deployed ambition
- Deploy via cloud to scale capabilities
- Make these apps more accessible via mobile

This ambition revolves around social capabilities for internal collaboration, to help employees enhance their productivity, and external collaboration, to increase customer loyalty. These capabilities touch every part of the organization, which probably explains why 41 percent of respondents have deployed them via cloud, and 64 percent via mobile devices.

Cloud computing can provide the scale needed to collaborate on a company-wide basis. Use of mobile devices is simultaneously rising, as more and more employees work outside a traditional office setting. Thus, collaboration is becoming fundamental to the way people do their jobs, no matter which part of an organization they work in or where they work.

Most respondents also reported that there was a clear impact on their business, measured in terms of employee satisfaction, customer retention rates and customer engagement levels (e.g., comments, posts and repeat access). A full 90 percent said the results had met or surpassed their expectations, a fact that probably reflects the higher level of maturity associated with collaborative capabilities.

Smarter collaboration helps deliver swifter innovation

Medical device manufacturer Frontier Medical Group wanted to encourage greater collaboration between its development and sales divisions in order to reduce lead times for new products. So it decided to use social software that supports smarter information sharing. The company tested the solution, before extending it to users in the product development department and then to users in other divisions. The result? Frontier's development and sales people can now share ideas and insights far more easily. That accelerates product development cycles, stimulates innovation, and helps Frontier stay ahead of its competitors.[2]
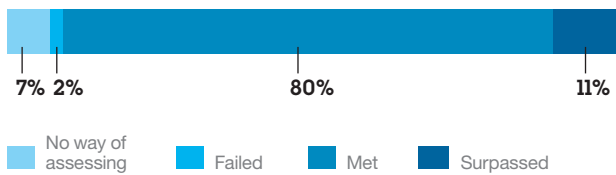
Build, educate and protect the workforce
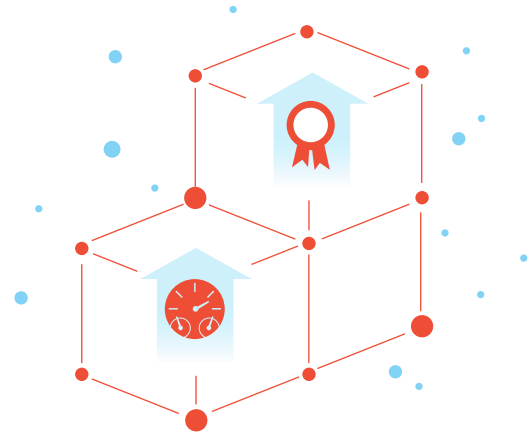
What are their objectives?

- Increase employee productivity
- Optimize workforce talent

Were objectives met?

| 7% | 2% | 80% | 11% |

No way of assessing   Failed   Met   Surpassed

What capabilities are they deploying?

- Security intelligence
- Workforce training
- Recruiting
- Policy communication

What metrics did they track?

- Employee usage, feedback
- Workforce performance

Who is most involved?

Decide: CEO   **Use:** HR
Fund: IT/HR   **Assess:** CIO/HR

What can we learn from their experience?

- Make social a key component of your recruiting strategy
- Drive employee adoption of these social apps through training

To build a high-performing workforce more quickly, companies with this ambition recruit via social networks. To make employees more effective and productive, they leverage online workforce training methods that allow employees to rapidly build and share learning content. And to protect employees, these companies utilize social ways of communicating safety regulations, policies, and procedures, so that people can ask questions, and provide feedback. Another way they protect the workforce is through security intelligence: monitoring social activities and data for information on security risks. The Chief Human Resources Officer is often deeply involved in implementing all of these solutions, and may even help to fund their deployment.

According to respondents, training is one of the best ways of encouraging employees to use these social capabilities. There's also a marked difference in how these respondents recruit new staff. Previous research by IBM shows that, on average, only 16 percent of managers and HR practitioners use social networks for recruiting.[3] But 82 percent of those from our study who are building, educating, and protecting the workforce use social networks to recruit new employees, and 30 percent of them perform most of their recruiting via social.

Social learning boosts sales team's success

With advances in the computing industry occurring at breakneck speed, multinational semiconductor company AMD wanted to find a faster way to update its sales team on new developments. So it created a social learning platform with a single online location for training programs, marketing and sales materials, competitive intelligence, peer insights and expert support. AMD is now reaping the rewards for its efforts. The time sales staff spend searching for content has fallen from 10+ hours to 18 minutes a week, and 80 percent say training in this social environment has helped them do their jobs more effectively.[4]
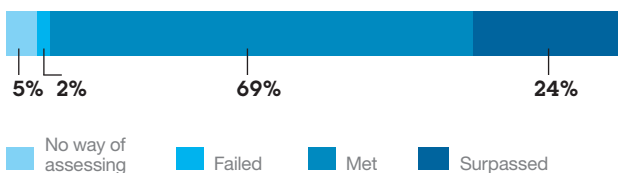
Understand and engage customers

What are their objectives?

- Increase customer loyalty and advocacy
- Increase sales

Were objectives met?

5% 2% 69% 24%

| No way of assessing | Failed | Met | Surpassed |

What capabilities are they deploying?

- Customer analytics
- Customer support
- Social CRM
- Social analytics

What metrics did they track?

- Customer satisfaction, retention, conversion, yield, win/loss rates
- Sales volume
- Share of wallet

Who is most involved?

Decide: CEO
Fund: Marketing

Use: Marketing
Assess: CMO

What can we learn from their experience?

- Harness social data to influence marketing decisions
- Create a formal customer engagement strategy – it's essential
- Communicate benefits of social by disseminating successful use cases

Social customer relationship management, social analytics and customer analytics applications underpin the ability to understand and engage customers. Most enterprises concentrating on this goal track their progress via customer satisfaction surveys, customer retention and conversion rates and other such metrics. And there's greater satisfaction with the outcome than there is with other social ambitions: 24 percent of respondents say the results exceeded their expectations, which may indicate an untapped opportunity.

Many also think that using success stories to showcase the benefits is a particularly effective way of driving adoption of these solutions. Yet, even with access to new social data, less than a quarter of respondents use social analytics to inform their marketing decisions, suggesting that a formal strategy is required to make the most of these capabilities. In fact, lack of a formal strategy was the top concern among respondents pursuing this social ambition. The most advanced companies, by contrast, use social data to help design better products and services and market them more effectively.

Social CRM provides just the right message

Sky Italia is one of Italy's largest satellite TV broadcasters, with nearly five million subscribers. It operates in an industry that's rapidly migrating from scheduled programming to on-demand content, and where growth depends on providing a superior customer experience, regardless of the device being used. Recognizing as much, Sky Italia introduced a real-time marketing system that analyzes vast swathes of customer data, instantly segments these customers and delivers just the right message at just the right time via call center and digital channels. That's helped it improve customer satisfaction, reduce churn and boost its profitability by increasing up-sell rates.[5]
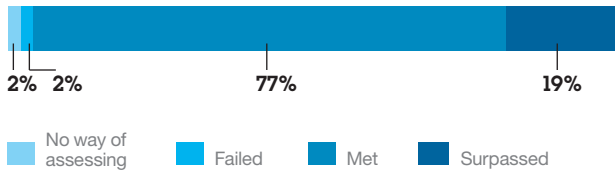
Mine community expertise
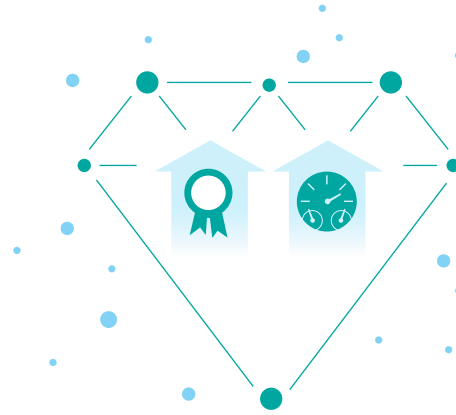
What are their objectives?

- Optimize workforce talent
- Increase employee productivity

Were objectives met?

| 2% | 2% | 77% | 19% |

- No way of assessing
- Failed
- Met
- Surpassed

What capabilities are they deploying?

- Onboarding
- Locating experts
- Crowdsourcing/Idea sourcing

What metrics did they track?

- Employee participation rates
- Innovation metrics (number of new ideas, enhancement of processes)
- Skills training test scores

Who is most involved?

Decide: CEO
Fund: IT
Use: HR
Assess: CFO

What can we learn from their experience?

- Leverage employee evangelists to develop and maintain communities
- Don't underestimate the importance of mobile-enabled social apps

Companies with this ambition are using social capabilities to tap into expertise across their organizations. To grow and better utilize talent, they're deploying onboarding and learning communities, tools for locating subject matter experts and crowdsourcing applications.

The experience of those who have already put these capabilities in place shows that implementing them often involves working with a wider group of executives than is the case with other social ambitions. The HR function drives usage, while the IT function funds their deployment and the Chief Finance Officer assesses their effectiveness – typically, by tracking employee participation rates, training test scores and innovation metrics like the number of new ideas generated.

Realizing this particular social ambition also requires a different approach. The process used to deploy the other four is generally a top-down one, starting with a strategic mandate. But mining community expertise is more of a grassroots effort: 43 percent of respondents relied on employee evangelists to help kick-start adoption.

Social connections bridge the knowledge gap

Expert knowledge is often trapped within medical institutions, preventing it from being shared more widely. Physicians at Boston Children's Hospital were determined to overcome the problem. They reasoned that if international specialists could share their knowledge instantly around the world, the global medical community would get equal access to the latest insights. After a decade's work, they've developed a cloud-based digital learning platform that lets medical students and caregivers everywhere watch training videos and lectures, tap into a community of socially connected experts and get guidance on best practices in pediatric critical care.[6]
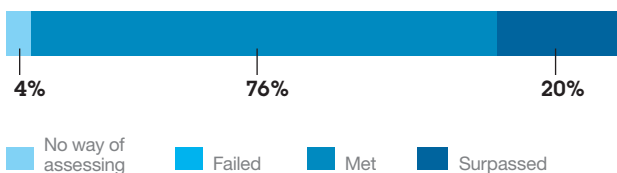
Improve business processes

What are their objectives?

- Reduce costs
- Increase sales

Were objectives met?

4% **76%** **20%**

- No way of assessing
- Failed
- Met
- Surpassed

What capabilities are they deploying?

- Workforce analytics
- Sales software
- Supply chain
- Business process management
- Workforce performance

What metrics did they track?

- Business process performance
- Revenue
- Cost reduction

Who is most involved?

Decide: CEO
Fund: IT/Sales
Use: IT
Assess: CFO

What can we learn from their experience?

- Plan ahead—this is the most challenging ambition
- Embed social ways of working into business applications

The last social ambition centers on embedding social in business processes to reduce costs and increase sales. The early adopters have focused on financial processes such as accounting, performance and strategy management, governance, risk and compliance, or supply chain management processes such as procurement and order fulfillment. This brings several advantages. With a socially enabled supply chain, for example, an organization can leverage social analytics to forecast demand more accurately, create communities to enable real-time communication with suppliers and use internal communities to benchmark and share the best supply chain practices.

Many of those we surveyed also said it's imperative to understand that embedding social isn't just a case of bolting a few extra components onto an existing business process. When it comes to transforming processes such as accounting and supply chain, companies must build in social capabilities as an integral part of the underlying system: 43 percent of respondents told us their company systems are now set to automatically use these social capabilities. Because of this complexity, companies are tackling this advanced ambition more slowly.

Social transforms the international trading process

Finding and engaging with new partners in other countries can be very difficult. Eurobank, one of the largest banks in Greece, has taken steps to help its customers tackle the challenge, with the launch of a cloud-based digital platform for online international trading that includes user-friendly social tools. The solution comprises a business-to-business Web portal with powerful social capabilities and various e-services designed to facilitate trade with new partners, including a directory of some 1,400 Greek exporters and 6,500 international traders. To date, the site has generated more than 2,300 new partnerships.[7]

Lessons from the front lines

No matter which social ambition an enterprise chooses to concentrate on first in its journey, it needs to consider four key dimensions: strategy, implementation, involvement and metrics.

☑ Pursue an enterprise-wide social strategy

Although social adoption is an evolutionary process, that's not a reason for siloed or haphazard approaches. An enterprise-wide strategy is critical to accomplishing major business objectives through social. Only 8 percent of respondents currently have such a strategy, but 45 percent plan to put one in place during the next few years.

- What are your most pressing organizational issues or pain points?

- What's your biggest social ambition?

☑ Create a deployment plan that drives continuous adoption

One of the most common concerns among respondents, across all social ambitions, is whether the capabilities they implement will get enough use.

- How will you encourage people to use the social technologies you deploy? What design features will you build into them, and how will you manage the rollout?

- How will you identify employee evangelists who can show others the way?

☑ Engage leaders across the business

The CEO is often the final arbiter in major social deployments, respondents told us. But executives from other functions – including Finance, HR, Marketing and IT – are also involved in funding, using and evaluating the capabilities underpinning each social ambition.

- How will you get line-of-business and IT executives working together?

- How will you create a network of social leaders and proponents?

☑ Prove value through metrics

Many respondents worry that the return on investment from their social initiatives won't be clear. Yet only 34 percent have established formal measures for tracking the value generated.

- What metrics will you use to track your progress?

- Which decisions will these metrics affect?

About the authors

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