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What is Social Business Software

and Why Do You Need It?

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In simplest terms, Social Business Software refers to a web-based application for creating online communities that incorporates a broad range of features found in social networking software, community software, and collaboration software. Social Business Software applications are designed for use in a corporate context, typically to supplement or substitute for company intranets in internal instances and, in external instances, to supplement the web properties that companies use to organize their outbound communications.

Social Business Software fosters informal collaboration that usually falls outside the scope of transactional applications, formal workflows, or engineered teams. Peer interaction takes place primarily online, at the user's convenience, and in internal instances eliminating much of the need for meeting, conference calls, and email strings. With a few clicks, users create workspaces in their community dedicated to specific department or functional issues where they can initiate discussions, ask questions, post blogs, and create, co-author, and view documents.

External instances work in much the same way with members, usually customers or partners, self-organizing around areas of interest instead of workspaces. Technology companies, for example, typically have very active communities where peers form groups, ask questions, and exchange information on a variety of esoteric subjects.

In both instances, the expertise of members and their activities (discussions, blogs, and content created) are tagged so that expertise and content can be found quickly by simply browsing or searching the community. When members read or reply to what other members have posted, they can click on the profile of that person to understand their perspective and context. Although it is possible to create private and secret groups, most groups operate transparently so that everyone sees how everyone else responds to posted content and discussions. Employees who travel need only to peruse the content within their workspaces to quickly come up to speed on the work done.

THIS IS A FUNDAMENTAL SHIFT IN BUSINESS COMMUNICATIONS

Fundamentally, Social Business Software is about using online communities to establish better relationships. Businesses are based on relationships: relationships among employees, relationships with partners, relationships with customers. Relationships themselves are based on communication; increasingly—inside and outside business—that communication takes place online.

By taking business relationships, communications, and associated content and processes online, Social Business Software has the potential to have a huge impact on the way people work and businesses operate. It has an appeal at a number of different levels:

- It brings more employees into daily contact at lower costs, a benefit that is especially valuable for global organizations that need to transcend time and distance barriers.

- It fosters open, natural conversations and sharing of business practices and experiences, eliminating redundancy of effort. In many companies, their online communities become a central hub for the day-to-day tasks of operating a business.

- It enriches project work by making it easier to leverage cross-functional participation.

- It encourages the sharing of institutional knowledge and content: many companies today use Social Business Software to capture and centralize their pool of intellectual property.

- It leverages the greater scope and scale of the web to help organizations strengthen bonds with customers and improve communications with suppliers and outside partners. This, in turn, can decrease time to market.

NEW BUSINESS MODELS ARE FORMING

Today, new business models are forming specifically to exploit the ability to use Social Business Software for decision-making and competitive advantage. While we have seen many information technology advances in the enterprise, there still remains a huge gap that these systems cannot bridge: "the enterprise is still not whole." In spite of system integration in the backend and in the middle around processes, the enterprise still has huge fragmented domains that operate in isolation.

The dream of the "adaptive enterprise"—one that allows management to cut through tiers and clarify the effects of unforeseen business complexity—has not been fulfilled, since there is a limit to what you can achieve with processes. At the heart of adaptability, what makes enterprises "smart," is cognitive excellence. And that will come not from technology but from people, which is essentially why Social Business Software is the next frontier for enterprise software.

> "People are social animals, even at work (some would say especially at work)."
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> **CMS WATCH**
> THE ENTERPRISE COLLABORATION & COMMUNITY
> SOFTWARE REPORT 2009

ENTERPRISE SOFTWARE: THE BACKSTORY

More than a decade ago, Web 1.0 unleashed countless corporate productivity gains by unlocking our access to information and providing a number of similar silo-busting and centralization benefits:

- E-mail accelerated our ability to respond swiftly to problems and opportunities and made our existing communications methods more efficient.

- Intranet portals automated and centralized paper-intensive internal processes—a major leap forward in knowledge management.

- Enterprise Resource Planning applications brought new management visibility into the inner-workings and intra-workings of core business processes and functions—from manufacturing to inventory, from order-entry to finance, and from purchasing to supply chain.

- Customer Relationship Management software promised to pull enterprises far closer to their customers and ensure that customer knowledge didn't walk out the door with a departing salesperson.

However, as more companies have adopted these tools en masse, the performance differentiation they once heralded among early adopters has leveled off. Enterprise software focused on instrumentation and process automation has become table-stakes for the successful organization.

WEB 2.0: THE NEXT FRONTIER

A belief in the power of connecting with others motivates the hundreds of millions of people using Facebook to invite family, friends, professional contacts, long-lost friends, and brand-new acquaintances into real-time web circles. It also motivates people to post an average of 50 million tweets a day on Twitter.com and more than 45 million professionals to engage with each other on LinkedIn.

The impact of Web 2.0 on business has been nothing short of startling. Customers and prospects are connected and conversing, 24x7, and the ubiquity of the web turns up the volume on what they have to say. Every day, consumers bypass corporate websites and look to people like themselves for answers to questions and recommendations about products and services. It's a fundamental shift in how people connect and how they participate in the markets you're in and the markets you're trying to get into. This has turned into a mindshare and brand-control issue for businesses as well as a cultural transformation: an ongoing, fundamental shift in people's expectations about how they live, work, and communicate with others.

Social Business Software bridges those expectations with a platform enriched with social features for innovation, peer interaction, and any number of complex, dynamic business processes. As it reaches its maturity, Social Business Software has evolved into a central business hub that serves as a collaboration tool, meeting space, service portal, and strategic weapon. Companies who ignore these market forces, some analysts say, ignore it at their own peril.

There's no doubt that Social Business Software is an enterprise reality. Enterprises spent more than $1.24 billion on global enterprise Web 2.0 technologies in 2009 and will spend close to $2 billion in 2010. Enterprises embrace Web 2.0 technologies in the form of Social Business Software to drive change. These enterprises are counting on Social Business Software to support a number of broad business initiatives, including building markets, improving employee productivity, and improving customer service.

> "We knew at some point not having a collaboration platform based on Social Business Software would be similar to being among the last companies to have email."
>
> Anu Elmer
> Vice President, Communications
> Swiss Re

IMPROVING EMPLOYEE PRODUCTIVITY WITH SOCIAL BUSINESS SOFTWARE

The most common application of Social Business Software is to improve employee productivity by creating a transparent, enterprise-wide online community that serves as the company's central business hub. Social Business Software makes it easy for employees who may otherwise never cross paths to share ideas, best practices, and war stories. The online community becomes a rich repository of business intelligence that eliminates the need to solve the same problems over and over again.

Social Business Software also helps increase the efficiency of cross-organizational teams, who can be as productive in online communities as if they were sitting next to each other. Unlike rigid document or process-focused tools, Social Business Software gives equal emphasis to unstructured business interactions as to structured workflows, mirroring the way people more naturally work. The benefits to the enterprise are typically realized in the following general areas:

- Communicating corporate values and gaining alignment around business goals

- Driving business collaboration across organizations

- Making it easier for employees to find information and expertise critical to their jobs

Companies who have deployed Social Business Software to drive employee productivity usually share one or more of these characteristics:

- They have a geographically dispersed workforce and need to scale time and distance barriers.

- They are undergoing rapid business change (including consolidation or expansion), and need more effective alignment around business objectives.

- They have a high concentration of knowledge workers and need more effective tools for collaboration, knowledge sharing, and expertise identification.

BUILDING MARKETS WITH SOCIAL BUSINESS SOFTWARE

Growing existing markets and expanding into new markets relies heavily today on upgrading the experience customers have with your company. More and more marketing organizations use Social Business Software to add a social dimension to their website with a branded online community that allows them to engage directly with customers. Branded communities help companies improve the customer experience by providing rich content, giving them access to in-house expertise, and encouraging peer-to-peer connections. Some companies even use their communities to enlist product feedback and develop product evangelists.

Increasingly, marketing is using another dimension of Social Business Software to build their brand by following sites like Facebook and Twitter and engaging in online conversations around their brand and products. Marketing can often proactively use the social intelligence they gather to improve their marketing and sales strategies.

A number of marketing organizations are using Social Business Software to manage marketing events, such as customer and partner conferences, which are a staple for driving customer loyalty and developing product advocates. This allows them to trade in expensive microsites for year-round online communities. Online communities extend the reach of conferences to include non-attendees and add value while cutting costs.

The companies most likely to use Social Business Software for building markets typically have one or more of the following characteristics:

- They have complex product offerings, such as technology companies, and engaging with customers directly online makes them more efficient and effective.

- They have a significant online presence but no social component and are looking for ways to expand their online marketing efforts.

- Their products have low switching barriers, such as telecommunications companies, which makes improving the customer experience of paramount concern.

STRENGTHENING YOUR CUSTOMER FOCUS WITH SOCIAL BUSINESS SOFTWARE

Most companies know the value of being a customer-driven company but don't have the tools or processes to make that a reality. A number of companies use Social Business Software to:

- Become more customer focused, using online communities to connect with customers across disjointed channels

- Ensure that product innovation is customer driven by using online communities to directly engage with customers

- Foster peer-to-peer connections to increase customer satisfaction (and reduce support costs in the process)

Many companies give their key customers their own social group in the branded community to connect with one another, discuss common issues, and collaborate on specific solution requirements. Questions that arise on the customer community can quickly be shared internally to speed the delivery of well-informed responses and connect customers to product experts.

Other companies use Social Business Software to aggregate customer ideas wherever they originate—customer events, customer-facing teams, branded communities, or the web. Social Business Software gives internal organizations a venue to work collaboratively with key accounts in a private, secure setting to gather requirements, get feedback on potential solutions, and identify and prioritize their offerings.

A widely propagated application of Social Business Software is for self-support. Connecting customers with common interests and concerns in an online community where they can collaborate with their peers dramatically reduces direct inquiries while increasing customer satisfaction. Deployments in support communities often capture these conversations in an automated way that can be accessed by support agents from their internal dashboards and internal knowledgebases, improving time to resolution.

Companies who use Social Business Software to strengthen their customer focus typically share one or more of the following characteristics:

- They have multiple product lines and business units and/ or complex product/service offerings, which makes it much more difficult to provide the level of support their individual customers need

- They have recently undergone acquisitions, mergers, layoffs, or consolidation and need to provide one face to the customer—and often have to do more with less.

PEOPLE FIRST, COMMUNITY SECOND, TECHNOLOGY THIRD

As an enterprise application, successful Social Business Software deployments are framed around a proven set of best practices to avoid a number of common pitfalls suffered by enterprise applications, the most critical being lack of adoption. Even if the "people at the top" support the project, it's the people at the front lines who need to be the adopters and the sources of the viral and word of mouth promotion that will drive the project forward.

Best practices for making your community a frequent destination typically starts out with a series of questions about the people who form the center of your community:

- Why would your target audience want to come to your online community?

- Who in your target audience is most likely to actively participate?

- How can you tailor the site to them while still meeting the broad needs of other users?

- What would make your community preferable to other, similar communities?

The next step is usually to look at how the answers to these questions align with your business objectives.

- What specifically are you trying to achieve?

- What community engagement model works best for those goals?

Defining clear technology requirements for your public communities is the next order of business. Some companies have a narrow and deep application that supports a specific business objective—such as to augment an event. Others have a wider and shallower application, such as gaining additional market insights and better traction with customers. Still others want a specialized use of Social Business Software, such as integrating an online community into existing web properties. In general, organizations that deploy narrow or shallow deployments haven't prepared for the viral demand Social Business Software typically generates. The pent-up demand for the connectivity and collaboration capabilities has transformed many an organizational deployment into a company-wide networking initiative.

The blueprints for the actual design and implementation of your Social Business Software implementation are informed by a clear understanding of the marketplace you serve, how your business units and organizations interact today, the content each group owns, and how knowledge can best be shared. Typically, companies will leverage the expertise of consultants to drill deeper into understanding the target audience profile and site activities as well as their content management strategies, social interaction guidelines, and community growth plans. Consulting services are also very useful in determining how to roll out, promote, train, and energize your community—and what metrics to use to determine the success of the implementation.

IN SUMMARY

Social Business Software has quickly become the business imperative we saw email become in the 1980s and websites become in the 1990s. In short, Social Business Software is at a "tipping point," that point in time when small changes in the way people communicate and interact have reached a critical mass and a level of momentum that will make change inevitable.

Not all companies are ready to put on the mantle of Social Business Software just yet. But the companies who are investing—those who have a sense of urgency around creating better business leverage, maximizing organizational talent, fostering innovation, and gaining visibility into their extended enterprise and their marketplaces—they are investing now.