The social business imperative – a time of radical corporate change

'Social business' is about the inspired use of collaboration technology platforms inside the company firewall to solve business problems. It has often misleadingly been described as Facebook or LinkedIn for the company, but it has a much more profound objective than social networking sites. It represents a technology-led paradigm shift that will reshape the culture and processes of organizations within five years. This article explores the very heart of social business: the emancipation, distribution and consolidation of knowledge – which aligns neatly with the traditional roles of publishers and libraries to date. It looks at the background, in terms of economic theory: increasing the value of 'labour' over 'capital', and the promise of social business: to make better use of the knowledge embedded around the organization, looking at examples from the real world and assessing the cultural implications, such as valuing patterns over process or influence over hierarchy. In conclusion, the article presents a final vision for social business: loyalty and gamification, the future of work and the end of the traditional workplace.

Introduction

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Cast your mind back around 15 years. Someone is writing about a new technology called the internet and they are arguing that this new technology represents a quantum advance in human communication and access to information. They say that things will never be the same again. The way we shop, the way we discover, the way we entertain ourselves, even the way we fall in love and get married will change in some significant societal way. Did you believe them then? There are unique moments in history where a technology advance brings much more than a mere efficiency improvement; it contains within that improvement a fundamental shift in the way mankind functions. Today we are at the cusp of a technology wave that will dwarf the internet wave, a wave that will change the way companies look and behave forever. The world of social networking and specifically its corporate incarnation, social business, is the new technology that is sweeping away the old rules of corporate culture and strategy. This article offers a vision of how companies will look and operate not in 15, but rather five years from now.

A publishing analogy: emancipation by printing press

Take the printing press as an example: this was not simply an advance in publishing from the slow handwritten works of a scribe to the mass production offered by set type. The printing press freed the individual from dependence on the few literate men who owned or had access to the even fewer handwritten books. Before the printing press, the majority of people were obliged to engage with the written word by listening to a literate person as they read out aloud. With mass production of the written word, not only did the barriers to access and ownership lower dramatically and literacy increase accordingly, but far more importantly for the majority, engagement with the written word shifted from the ear to the eye. This was radical because the knowledge contained in books could now be consumed directly (not vicariously) and as a consequence, opinion could be formed independently. So the real advance of the printing press was to emancipate man, to provide the conditions for the rise of the free thinker. And in that respect, as a society we have never really looked back.

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Background economics: the evolving dynamic between labour and capital

Today, for many people working with and enjoying the benefits of social business technology, we are witnessing a similar unique historic moment. In this case the technology advance is transforming the dynamic between labour and capital in a way that has similarly profound implications for business and society. Traditionally, the labour required to create information and knowledge has been paid for by highly organized capital (wages and infrastructure) which then insisted on majority ownership. So, for example, the books in a library are owned by the university who incur costs to maintain them, they are also partly 'owned' by the publisher who has the rights to recreate and distribute them and they are finally also 'owned' by the author who may retain some form of IPR.

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In this new world of social business, all of the above roles are brought into question and ownership is being renegotiated. You can today create a digital book at low capital cost and the role of publisher and author can be assumed by one entity. Social business provides the ability to have a theoretically unlimited debate and discourse on that digital asset with little or no capital input. The real value has shifted from the owner of the book (whoever that might be) to the social interaction around the book which enriches the original text and makes it known and available to a much wider audience. With this shift in value and accessibility, capital adapts to create value in curation of the original content and the discourse around it. This is why the fastest growing role in organizations who are embracing social business today is that of the community manager – or the social business librarian, if you like. As old capital struggles to derive value from the ownership of information, social business is attracting new capital that demonstrates the value in the curation of these largely unstructured interactions around content.

So, how is the dynamic between labour and capital changing? New tools and technologies mean that knowledge, insight and interaction have gained more power. The differentiator now is that knowledge, insight and interaction can outgun capital and can attract new capital as a result – this is a paradigm shift for sure.

The promise of social business: optimization of knowledge

Let's be perfectly clear, this is *not* traditional knowledge management (KM), which used technology to create an exchange of information via some form of digital file management. It could be argued that KM is more restrictive, being transaction- rather than purpose-driven, so there is no coalescence. And it is perhaps fair to say that the processes and tools associated with KM were never well aligned with people's wider communication habits, so they never really caught on in the way that social media has – so social business becomes much easier for people to get on board with because it uses tools they are already familiar with.

> "… knowledge, insight and interaction can outgun capital …"

This is about human interaction based on a common interest or purpose. As a result of the staggering adoption of social networking platforms like Facebook, Twitter and LinkedIn we have arrived at McLuhan's Global Village[1] – a place where humans who do not know each other can form groups, influence each other and then disperse at speed without any barriers and at virtually zero cost. In the current information economy, it is important that we make better use of the knowledge hidden in our corporate structure – sharing and repurposing data and influencing through social interaction. In many ways, social business offers benefits akin to those of text mining – extracting knowledge that is otherwise hidden, and bringing it together in unexpected ways that increase its value in solving problems.

Competitive advantage through social business: real-world examples

Social business began as a corporate response to the very public social networking revolution and a way to overcome the corporate e-mail overload that Thierry Breton (CEO of IT services company, Atos Origin) famously vowed (in March 2011) to free his global business of by 2014. Breton had commissioned a study of his own organization and found that his highly qualified, global management team were spending between 25 and 40 hours a month simply administering e-mails. This was not what he had hired them for and more importantly, this situation was becoming untenable. He likened the situation to the Industrial Revolution when factories had to be modernized to deal with the unacceptable levels of environmental pollution they were creating. At Atos, it was information pollution that threatened to cripple the company, so Breton's response was to insist that staff use social business technology to reduce the e-mail overload.

In the hands of some adventurous, modern, innovative brands like Starbucks and Dell, social business has provided the means to transform their organizations in completely unimagined ways which have begun to give them advantages over their competitors.

'Idea Storm' from Dell was a response from the organization to the rise of respected independent bloggers who started to write and foster debate around some of Dell's product failures. The key figure in this movement was Jeff Jarvis, who wrote a seminal blog called Dell Hell which struck a chord with 1,000s of disgruntled technical people who had encountered similar issues with aspects of Dell's technology offering. Rather than confront this dissatisfaction head on and try to dampen fire with traditional PR initiatives (which have no positive effect in social forums), Dell created Idea Storm as a place to share information and ideas with these passionate independent voices. In Idea Storm, Dell and its customers co-create solutions to the problems identified and so turn hostile voices into product champions. In this way Dell are able to keep ahead of the competition as their innovations have a large customer input and, of course, this inevitably leads to increased band loyalty.

With 'My Starbucks', the company followed a similar route to Dell, only this was not in response to any particular PR crisis. In My Starbucks, customers and company staff work together to not just improve service but also to take the company into new product areas beyond coffee and to discuss issues that concern customers. So, in My Starbucks you can join a debate on fair trade or you can help design a new Starbucks's drinking mug for your own town (e.g. Starbucks customers in Baltimore helped create an Edgar Allen Poe – Raven themed coffee mug).

In both these examples we see clearly how the dynamic between labour and capital is shifting and how labour attracts new capital. It is worth investing in. Careful management of these customer/staff communities, which are a hotbed of innovation, brand loyalty and product championing, can bring huge benefits to the company. These communities are the new libraries, publishing houses and digital coffee shops of the future. And they represent the new place where work will get done.

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It should be obvious by now that this is not the same thing as social networking, where any agenda tends to be sporadic and often unclear. This is about places that are actively sponsored and subtly managed by organizations and where the premium is placed on curating and structuring the content, debate and objective. It is this re-engineering of the corporate structure into a socially calibrated entity that is the real, unexpected advance of social technology. This, then, is the social business imperative. (NB: It is no surprise that recent IBM research estimated the social business marketplace to be worth $99bn by 2015.)

Understanding the value of pattern over process

When we look back at this era of radical corporate change, we will note that it was not simply the presence of a heady social technology cocktail (the internet, broadband, multi-

device connectivity, mobility and collaboration platforms) that precipitated this shift. The societal conditions had also to be right for this to happen.

In the industrial era, our working day was determined by the needs of the factory and its machinery. The 'nine to five' is a legacy of that era as the machines needed to be rested and restored for the next day's work. The weekend was necessary because labour (which was local) needed to be rested and restored.

Today, in a networked global information economy with 24x7 connectivity, the 'nine to five' model is out-dated and less appropriate to the way work happens. In knowledge economies, there are fewer repeatable processes. Have we reached an age where, to quote J P Rangaswami (Chief Scientific Officer, salesforce.com): '(information) patterns are more important than (business) processes'?

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Social technologies that pool insights, and perhaps more importantly, the attendant rise of social analytics, identify patterns from seemingly unstructured, unplanned human interactions. These patterns are providing organizations with a valuable compass to guide the direction of their strategy.

A good example of this is the recent tie-up between Facebook and Trip Advisor, whereby you are not only able to look up hotels, restaurants and other travel destinations and read independent reviews (which are largely out of the control of those businesses being reviewed), but you can now see relevant reviews from people who you know (and trust). By using permission-based matching of your Facebook friends with destinations of interest, you get a visual global map that reveals the pattern of destinations your friends are tending to favour and also who has been to perhaps more unusual, exotic locations. All this happens in less than ten seconds and in no more than three clicks.

Now pause and reflect on how this scenario is happening inside a corporate firewall. An oil and gas company, for example, encounters a new drilling problem in its Alaskan exploration initiative. At a cost of $250K per day, delays are costly indeed. Through its normal knowledge management, designated experts and consultancy route it may take several days to document, share the problem and wade through the possible solutions now contained in multi-threaded e-mail trails and attachments. There is the further risk that the best person(s) to solve this particular issue were not cc'd on the original e-mail circulation.

In a socially calibrated organization, there will be an organic, dynamic community for this same drilling in Alaska and other related problems. The community is a fluid entity where relevant skilled people from inside and outside the company are permitted access. When an operational problem as above occurs, the entire community is made aware of it by the member who posts it. More importantly, the person who owns the problem is able to identify others in the organization who appear to be well suited to assist and invite them into the discussion. Better still, when these others arrive, they can immediately see where the group's search for a solution is at that stage and so can add to that sum of insight at speed. And better yet, all of this community discourse is captured on the platform to be leveraged when a similar problem occurs again, or merely to advance the overall knowledge of the company.

The rise of the influence chart over the organizational chart

This is a far cry from the process-led management style that is the hallmark of many large companies today – a style of business that still pays daily homage to the organizational chart. In social networks, people who create content are 'rewarded' for their efforts by means of garnering followers or having their content passed on by others. Although in its early development, these open networks can easily show which people have a great deal of 'influence' in the public domain. The problem is that in the public domain, the nature and value of this influence is still too arbitrary and unstructured to have any reliable meaning.

This is because the focus of their content is too wide. So, for instance, both the Hollywood actor Ashton Kutcher and the US President Barack Obama have over ten million followers on Twitter, but their degrees and spheres of influence are very different indeed.

Interestingly and importantly, this is *not* the case when we look at the way content creators are rewarded in a social business context. In this world where the focus of interaction is already pre-defined as being directly related to the business, content creators are rewarded for their contributions to the business by having others view and comment on their content, download their content, and promote their content. In a social business context there may be two employees with a similarly large number of followers, but the nature and value of their influence can easily be determined and leveraged.

"… the Hollywood actor Ashton Kutcher and the US President Barack Obama have over ten million followers on Twitter, but their degrees and spheres of influence are very different indeed. "

Take, for example, a renewable energy company that is struggling with a requested innovation from a client in France. A newly recruited graduate engineer in the Aberdeen office thinks she has a possible way forward. She asks to join the relevant community and because of her junior status is asked to make her case for gaining entry. She puts forward her proposed solution which is reviewed by the community manager who thinks it has merit and grants her access. Once inside the community, the talented young engineer has access to relevant discussions, more company data, paid-for research and other people in the company to advance her learning. Where there is a need for someone to devote some of their own time to reading a particular technical piece of research and summarize it for the community, she is able to volunteer her services. Her summary is reviewed and commented on by her colleagues. All of these interactions (known as social gestures) are captured and scored against her openly viewable profile on the platform. As a result of her success on this project, the number of other engineers who follow her increases and so does her influence in this context. Someone in HR who covers talent management can spot the efforts of the new engineer and the recommendations of her peers and highlight this to the board.

Observe how this activity has taken place without reference to any organizational hierarchy. There are no reporting lines and very little in the way of requested authority and approval. This is how a socially calibrated organization looks and operates. This is how companies like Dell and Starbucks actively seek to operate, and not just with their employees but also their customers. Dell's Idea storm and My Starbucks are both ground-breaking social communities. In this world, the influence chart carries far more weight than the organizational chart and, more significantly, that shift is embraced and championed by organizational leaders. They know that this is the way forward. They can see how their companies will look in five years' time. They understand fully the social business imperative.

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The community is the company: cultural implications

As social business begins to take root in an organization, the level of adoption and usage becomes sustainable (NB: this varies on the size and nature of the organization; communities that can get to 1,000 members today are likely to survive and thrive as the aggregation of their efforts ensures freshness of content and overall momentum, but, as social business becomes more widely accepted, it is likely it will evolve to a point where the size of community no longer matters and its purpose is what drives it. Communities of even ten people who have a specific objective and who are au fait with social business technology will survive and thrive.) The beauty of social business technology is that the community is formed of members with no restriction on age, gender, location or even political persuasion – it is driven by its purpose. In this world, communities form and disband at speed, but the ideas are still relevant to smaller organizations.

With confidence in the platform established, the number of communities will mushroom as people with initiative realize that they can make a difference and be rewarded for their efforts at the same time. (NB: reward in this context is rarely about financial compensation, it is more about group recognition and influence). Community increase takes place not only in terms of numbers but also in terms of scope. The informal network (where work in companies has always got done traditionally) becomes the formal network. The role of the board and management to protect shareholder value and deliver margin growth is eroded as the communities demand a greater say in the issues that affect these top-level objectives. Company policy governing working hours, travel, expenses, sick and maternity pay, and others will *all* be debated and decided upon in communities. And for forward-thinking companies, this makes perfect sense. After all, if the people who are affected by a certain policy are involved in the debate, then they are more likely to adopt and support it.

The creation of its Sunday trading policy at one of the largest banks in North America, TD Bank is a wonderful example of where the community leads the company. Based on its research, the Board of TD Bank and its management team had decided that it made sense to offer their customers Sunday opening hours. Initially, they followed a traditional top-down policy implementation model and informed their staff that this was the decision management had taken. No surprise, TD staff did not respond well and there were large pockets of resistance across the organization. In a moment of inspired leadership, the Group Head of the Bank (Tim Hockey) decided to 'park' the directive and create a social business community to discuss the issue of Sunday trading. Access to the community was made open to all affected employees. The result was unpredictable and astonishing. People began to innovate working patterns around Sunday trading to accommodate the own lifestyle aspirations. So for example, an employee who had always wanted to take up ballroom dancing, but could not get to the week-night classes in time, was prepared to trade part of his working week day for some hours on a Sunday shift. A mum who was never able to do a school run because her journey to work began too early on weekdays could now find at least one day where she could manage this. The net effect was not simply that the Bank found a way to deliver its strategic objective of Sunday trading whilst keeping employees appeased, it was that in devolving the initiative to the community the policy was shaped, refined, and defended by those employees who now had a stake in its success. In this instance, the community truly was the company. And Hockey has gone on record as saying that it has set the Bank on a social business course now 'that will deliver unimagined innovation' for his organization.

A final vision: loyalty and gamification

As social business evolves, we approach at speed a world where a 12-year-old turns up for football training wearing a new pair of Nike boots. His coach and the other players have never seen this particular style of boot before. They ask the boy where he got those football boots. The boy answers without hesitation that Nike sent him the boots. Oh, you mean you bought them online, says the coach. No, replies the boy indignantly, I was sent them by the design team at Nike, I'm part of their R&D community. General derisive laughter follows until the boy pulls out his mobile phone and logs onto the Nike design community, and uploads a photo of him (wearing the boots), his confused team-mates looking on. He enters the comment: 'first impressions of the new boot at Saturday training'. A few seconds later, he shows his team-mates that he has gained a new badge from the Design Community site rewarding him for his contribution. He is on his way to moving up to a Nike Gold Product Champion in the football category.

Welcome to the next stop on the social business roadmap – 'gamification'. Pause and ask yourself this: in this scenario, what do you think the loyalty lifespan of that 12-year-old boy to the Nike brand will be? Who really is the owner of the brand? What does my sales force and my marketing strategy look like now?

Conclusion

Social business, then, represents another technology-led paradigm shift that will reshape the culture and processes of organizations within five years. At its heart is the emancipation, distribution and consolidation of knowledge – which aligns it neatly with the roles of publishers and libraries to date. As these roles and others in the scholarly information supply chain evolve, social business may not only become the way we do things, but may also become the things we do. Where large publishers and societies may benefit from adopting a social approach to business, librarians may find that their skills are as valuably applied to intelligence within their institutions as to the information they source from elsewhere.

" … social business may not only become the way we do things, but may also become the things we do."

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