

Should Companies Embrace Social Business?

Social networking has never been more popular, with Facebook and Twitter continuing to grow at a breakneck pace. Over half of all adults visit social networking sites at least once a month, and many of today's employees are already well versed in the basics of public social networking. But when companies have tried to harness those same technologies within the enterprise, they have had mixed results. Forrester Research's study of nearly 5000 U.S. information workers found that only 28 percent of workers use any kind of social software at least once a month for their work, and many of those are only using a public social network such as Facebook.

A majority of business technology professionals consider their own internal social networks to be merely average or below average, and the biggest reason they cite is low adoption rates on the part of employees. According to InformationWeek's Social Networking the Enterprise survey, 35 percent of companies using internal social networking systems reported lacklustre adoption as a major obstacle to success. Moreover, enterprise social networking systems are not at the core of how most of the surveyed companies collaborate.

Why do so many of these internal social networks fail to pick up steam, and do these projects really offer significant return on investment? As with many technology upgrades, companies that have tried to deploy internal social networks have found that employees are used to doing business in a certain way, and overcoming that organizational inertia can prove difficult. IT leaders hoping to switch to a more social, collaborative office culture usually find that most employees, for example, still prefer to use e-mail. The employees may feel too time-pressed to learn a new software tool.

Employees who are used to collaborating and doing business in more traditional ways need an incentive to use social software. Most companies are not providing that incentive—only 22 percent of social software users believe that the technology is necessary for their jobs. You might join Facebook because all your friends are on it but, in the workplace, ease of use and increased job efficiency are more important than peer pressure to drive adoptions.

A report from the consultancy Altimeter Group analyzed 13 technology providers, 185 end users, and 81 social network decision makers from companies with more than 250 employees and found that only 34 percent of those surveyed believed that internal networks had made a "significant" impact on team and department collaboration. About half the respondents said that internal social networks had "very little impact" on employee retention, the speed of decision making, or the reduction of meetings.

IT organizations need to take charge to ensure that the internal and external social networking efforts of the company are providing value to the business. Content on the networks needs to be relevant, up to date, and easy to access, while users need to be able to connect to people who have the information they need and who would otherwise be difficult or impossible to reach.

Many companies that launch internal social networks find themselves with a host of features that their employees never use. The most commonly used feature of most enterprise networks are profiles. Forums, blogs, and wikis are all staples of most offerings but are rarely used. The ability to integrate the network

with e-mail is also a vital feature. E-mail alerts for new posts on the network, the ability to link directly from e-mails to locations on the network, and the ability to quickly respond to comments on the network via e-mail are all important ways to make contribution to an internal social network easy and natural.

Lastly, companies usually lack the analytics capabilities to measure the performance and value created by their internal social networks. Just 26 percent of the Altimeter survey respondents reported improvement in specific business processes, and only 7 percent tied these networks to financial results. No respondents claimed to measure their internal social network results very well.

Despite the pitfalls associated with launching an internal social network, there are companies using these networks successfully. The entry costs for deploying these systems are extremely low compared to other IT projects. CSC, a \$16 billion information technology and consulting firm, hoped to go social to instill a more collaborative culture in its large, global organization. The company has a higher percentage of knowledge workers than most, and capturing that knowledge in a centralized, accessible way is an important source of value. CSC launched an initiative called C3—short for Connect, Communicate, Collaborate—with a cutting-edge enterprise social networking product as the centerpiece. CSC quickly settled on Jive's Social Business Software solution.

Jive appealed to CSC because it is constantly innovating, with two major software releases each year, and CSC thought that Jive technology was likely to keep up with marketplace standards as a result. Jive also touted the ability of its Social Business Software to bridge internal and external communities—in other words, it allowed the company to network within the company as well as with suppliers, partners, and customers from outside the firm.

CSC launched a six-month pilot of Jive, available to all of the company's 92 000 employees. Within the first 20 weeks of the launch, 25 000 people began using the social business tool, with 2100 groups tallying an average 1 million page views. The rapid adoption rate, supported by user testimonials, helped convince management to make C3 a permanent collaboration platform.

CSC had to decide whether to actively promote the technology or let it grow virally. CSC took a passive approach, allowing users to form groups on their own. Twelve "champions" enlisted more than one hundred advocates to help formulate adoption plans, seed content and test more than two hundred groups prior to the pilot's launch. Group presidents and other executives set an example by blogging with the social tool. The company also used Jive to offer a "virtual water cooler" for non-work-related topics to help employees try out the tool in a more relaxed setting.

C3 had an immediate impact on CSC's revenue-generation process, which requires global team collaboration across different time zones to prepare bids and proposals for prospective clients. When a U.S.-based employee used C3 to request proposal-related information, the request generated 11 global replies and the right answer from a global colleague in 30 minutes.

Employee adoption is now at 100 percent, with significant amounts of frequently sought intellectual property generated within the network's communities and groups. One executive said of the network, "It really is how work gets done at our company."

Yum! Brands, the world's largest restaurant company with 35 000 restaurants in 100 countries and territories, chose Jive for its social networking needs as well. With franchises including KFC, Pizza Hut, Taco Bell, and Long John Silver's, all global leaders in their respective categories, the majority of the company's revenues and profits are generated outside the United States. Yum has a culture of building, recognizing, and sharing know-how to drive innovation, and it wanted a social solution to allow its employees to collaborate effectively across geographical borders. Yum also wanted a system that would let it "bring the outside in" or to use social media to drive innovation by harnessing customer sentiment.

Like CSC, Yum liked that Jive was constantly improving and updating its Social Business Software. Yum's Jive platform, titled iCHING, was launched just like a new product in one of their restaurants, and, unlike CSC, the company marketed the network to its own employees as it would with any of its products. The Jive platform was customized to allow community members to upload "badges" of achievement to individuals' profiles and to require that all contributions be tagged to increase search ability.

Though the approach was different from CSC's, the end result is expected to be the same; 100 percent adoption within the first year of the launch. Yum believes it is getting significant business value from iCHING. Managers can solicit input from other employees around the world and ask questions at no cost. The system has helped eliminate redundant resources and allows users to upload and download documents, many of which were too big for the company's e-mail system. More than 4500 documents were uploaded and a whopping 26 000 were downloaded within six months of the network's launch, suggesting that people are finding the content they need to be more efficient.

Chris Laping, CIO of the 30 000-employee Red Robin hamburger restaurant chain, sees a movement away from e-mail and collaboration portals such as SharePoint toward social networking and texting. He wants to let team members collaborate in a manner that is similar to the way they work outside the office, using a tool that lets people create conversations, perform status updates, upload and share files, and set up workgroups for small project teams.

The company decided to try out Yammer and use a viral approach to drive adoption. In the first month, 20 to 25 employees started using it and invited others, and about 400 people are now using the system. Yammer usage is not "overwhelming" at this point, and about 95 percent of Red Robin's information systems projects still use SharePoint. But people are experimenting, and Laping is convinced that if the right tools are available and the information systems department provides guidance, Yammer will eventually take hold. Yammer would be considerably cheaper than SharePoint, and, in Laping's opinion, closer to the way people actually collaborate.

In 2011, Air Canada executives charged members of the communication staff with creating an internal social network where employees could chat, provide feedback, and connect

with co-workers. Roughly half of the company's more than 7000 cabin crew employees belong to the community, where they often address sensitive issues with management. Any concerns are consistently met with thoughtful responses. Meanwhile, other posts take a more lighthearted approach, showcasing employees in locations around the worldwide. One employee said the Yammer community makes Air Canada "feel like a family again."

Even smaller companies are finding internal social networks to be a good fit. Den-Mat, a 450-employee dental equipment manufacturing company, hoped to update its severely outdated information systems in 2009. It was using a 30-year-old legacy system and mostly paper processes across the business. The company selected Salesforce CRM and Salesforce Chatter as the centerpiece of its system modernization efforts, hoping for an eventual increase in productivity after the inevitable growing pains at the outset.

Those growing pains never occurred; Den-Mat actually saw increased productivity from day one. Den-Mat had staggered the rollouts of Salesforce CRM and Chatter 30 days apart, first to the marketing department, and then to customer service and sales. After the rollout, teams received online training in the Salesforce system. Chatter enabled Den-Mat to switch from an e-mail-centric update process to one using Chatter updates. When a project status changes, it is noted in Chatter feeds. Teams communicated efficiently, location became less important for Den-Mat's employees to work as a team, and the company successfully cut expenses and slashed its turnover rate to just 7 percent. Staff used Chatter for discussions with consumer groups and third-party vendors. This had not been possible before. Because teams were collaborating so effectively using Chatter, Den-Mat was able to close an underperforming sales office in Indiana and allow some employees to work at home.

Sources: Justin Kern, "Enterprises 'Like' Social Networks, Don't 'Love' Results," *Information Management*, February 28, 2012; Kristin Burnham, "Inside an Enterprise Salesforce Chatter Rollout," *CIO*, February 2, 2011; Charlene Li, "Making The Business Case For Enterprise Social Networks" Altimeter Group, February 2012; Michael Healey, "Why Employees Don't Like Social Apps," *InformationWeek*, January 30, 2012; David F. Carr, "What Enterprise Social Success Stories Have In Common," *InformationWeek*, January 13, 2012; Michael Healey, "Rebooting the Anti-Social Network," *InformationWeek*, December 2011; "Yum! Brands Customer Case Study," Jive Software, accessed April 2012; "CSC Customer Case Study," Jive Software, accessed April 2012; "Air Canada Builds Family Atmosphere with Yammer Community," <http://www.ragan.com/Awards/SpecialEdition/56.aspx>, accessed July 15, 2013.

Case Study Questions

1. Identify the management, organization, and technology factors responsible for slow adoption rates of internal corporate social networks.
2. Why have each of the companies described in this case been successful in implementing internal social networks? Explain your answer.
3. Should all companies implement internal enterprise social networks? Why or why not?
4. Should all companies use public social networks (e.g., Facebook)? Why or Why not?