# Enterprise Social Networks

*Create Something Employees Will Really Use*

*Three Critical Success Factors*

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**FROM THE EDITORS OF**

## CIO

BUSINESS TECHNOLOGY LEADERSHIP

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EDITOR'S NOTE

### Let's Try This Again

The first round of enterprise social networks were often failures. The goal was simply to get everyone signed up for a Facebook-like experience at work, and somehow, magically, valuable collaboration would ensue. But within months, activity waned. It wasn't compelling. Execs lost interest after their first internal blog post. There wasn't a business ROI. Crickets chirped.

Sound familiar? Now it's time to get it right: To figure out the business goal *first*, and integrate the social network with real business processes.

As a Forrester report recently put it: "Quickly putting information in the hands of knowledge workers is the competitive differentiator in today's service economy. However, the tools that CIOs give employees fail to do this because they sit outside business processes. CIOs who address this will help their organizations be more responsive to the market."

This report is intended to help guide you along the way.

Mitch Betts

# Create a Social Network Employees Will Really Use

Enterprise social networking software can improve communication and collaboration among employees, but most companies aren't implementing and using these products properly, leading to unmet goals, according to a new study.

Social network software can help organizations by boosting information-sharing among employees and improving cross-departmental collaboration, among other benefits, but missteps in planning and execution abound, according to the Altimeter Group study "Making the Business Case for Enterprise Social Networking."

The main mistake organizations make is not defining clearly the reasons for adopting enterprise social networking software, which offers features and capabilities like profiles, status updates and microblogging popularized by consumer social media sites like Facebook and Twitter, but adapted for workplace use.

"What is the pain point? What is the problem you're trying to solve? If that's not clear, then you shouldn't be using enterprise social networks," says Altimeter founder and the study's lead author Charlene Li. "This isn't easy. There is no magic bullet to it. It requires a rethinking of the relationships inside your organization, and therefore a rethinking of your culture."

Altimeter, which interviewed 13 vendors and 185 end users and surveyed 81 IT decision makers from companies with more than 250 employees, found that most enterprise social network implementations end up stuck in one or more significant roadblocks.

These include a sharp drop in interest and usage after initial enthusiasm; strong adoption in only one department; confusion about proper use of the software, due in part to a lack of executive involvement; and lack of clarity and maturity of the organization's social business strategy and goals.

# Three Critical Success Factors

*For enterprise social networks:*

- **Robust and widespread participation by all employees at every level**
- **Integration into daily workflow**
- **An environment of openness, information sharing and trust**

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Source: McKinsey Global Institute, 2012

Particularly surprising to Li was the finding that few organizations properly gather and analyze usage metrics for their enterprise social network software, focusing too much on raw engagement figures and very little on stats that show whether goals are being attained and problems solved.

Companies also often fail to integrate enterprise social

network software into the existing business applications already in use by their employees, like email, collaboration platforms, CRM, ERP and office productivity suites. Enterprise social network software thus becomes yet another stand-alone tool that is under-used.

Adding to the problem is that IT decision-makers tasked initially with evaluating enterprise social network software face a very confusing market, with many offerings that often vary greatly in features and functionality.

Vendors in this relatively nascent market range from "pure play" companies like Box.net, Jive Software and Socialtext to bigger players that are embedding Enterprise Social Network capabilities into broader platforms like Microsoft (which recently bought Yammer and has its own SharePoint platform), Salesforce.com, Cisco and IBM.

To improve their chances of success, organizations need to

# A few missteps can trip up even the most promising enterprise social networking effort.

define clear objectives for using enterprise social network software, and once it's implemented, they must monitor and analyze usage in a way that gives them an idea of whether these goals are being met.

Moreover, organizations need to devote the necessary staff and resources not only to implement but also to maintain and manage enterprise social network software, and also get executives involved in using it.

If implemented and used properly, enterprise social network software can yield significant benefits to organizations, such as encouraging employees to share

information, expertise and best practices; improve efficiency through better coordination and reduced duplication; and empowering employees by giving them a "voice" within the company.

"The organizations that have been successful at doing this are ones that are very focused on their culture: they understand it, they understand their shortcomings and are using these tools to solve these shortcomings," Li says.

## Avoiding the Danger Zones

On the plus side, co-workers can communicate through text, pictures, audio and video. Employee blogs and wikis form a knowledge base that lets employees find answers to questions in mere minutes.

"I answer one question for 18,000 people," says Bryce Williams, social collaboration consultant charged with making

social networking pervasive at pharmaceutical company Eli Lilly. "I never have to ask the same question twice. If someone asks the same question, I just link" to the answer.

Yet a few missteps can trip up even the most promising enterprise social networking effort. They include a poor internal marketing effort from the outset that leads to lackluster participation, as well as employees secretly seeking to undermine social networking.

A poor first showing of a social collaboration site or tool can put an end to the technology before it has a chance to take hold. That is, a social network needs to get to critical mass quickly. Think of it as a new-age twist on Metcalfe's Law: Greater participation means more value, yet newness means there's little or no initial participation.

Dan Pontefract, senior director of learning and collaboration at Telus, a major wireless telco in Canada, tried to get out in front of

this conundrum by putting together a site and video about collaboration and social tools that are coming to a computer screen near you. Called What If, this "movie trailer" was designed to inform and excite.

"Didn't go as well as it should have," Pontefract says. "People didn't have any idea what this was and got more confused. Lesson learned is that you need some of the tools" already in place.

Kevin Jones, consulting social and organizational strategist at NASA's Marshall and Goddard Space Flight Centers, had similar issues with NASA's Spacebook, an enterprise social network designed around Facebook and launched in the summer of 2009 to much fanfare.

"It failed because the focus wasn't on people," Jones says.

Spacebook's problem was that it began life as an IT project, one that didn't take into consideration an organization's culture and politics--"but that's the glue," Jones says. "No one knew how Spacebook would help them do

## Could a Social Network Help?

McKinsey Global Institute estimates that **"interaction workers,"** (managers, professionals, sales people, and others whose work requires frequent interpersonal interactions, independent judgment, and access to knowledge) **spend 28% of their workdays answering, writing, or responding to email**.

They also **spend another 19% of the time trying to track down information** (including searching through their own e-mail files) and **14% collaborating with co-workers**.

These activities could potentially be done much more **efficiently and effectively using social technologies – perhaps by 20-25%**.

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Source: McKinsey Global Institute, 2012

their jobs," as opposed to an existing method of collaboration, such as email.

Now Jones says the way to get people to use collaboration technologies is to force them. This means shutting down or restricting existing ways they collaborate. Companies that try to do both--new social collaboration and old email--won't be successful, Jones says. That is, people will naturally default to what they already know.

While employees might whine at first, they'll want to collaborate and eventually use the new tools. "It's like shutting down all the dance clubs except one," Jones says. "If they want to dance, they've got to go there."

### Look Who's Talking

Once people start using social tools, you're still not out of the woods.

IT leaders warn that some older workers might view the new

social tools with a skeptical eye. Social networking in the enterprise has been billed as a way to recruit and retain the younger generation. Older workers may feel social networking keeps them out of the conversation and undermines their careers.

Though this is a common fear, Pontefract denies that social networking has generational gap consequences. "That's absolutely balderdash," he says.

Another problem is workers who will try to take over the conversation.

Enterprise social networking experts need to be wary of these potential pitfalls, but this doesn't mean that they should stop people from making critical comments about the company.

At Eli Lilly, Williams worried that management would take a tough stance against an employee who posted critical comments.

As it happened, the critical comment received 88 replies. The issue quickly rose up the

# The Big Risks of Social Silos

Haphazard and disjointed efforts at social networking, while potentially successful in their individual silos, won't fully realize the power of social business and will expose the business to other risks, such as:

**Lost opportunities through untapped data.** The information collected in these social business tools can provide a business important information about employees, partners, and customers. However, if the information is housed in separated, nonintegrated systems, it is difficult for business leaders to compile and understand the data in their possession.

**Poor scalability**. A solution implemented among a small group of employees may work well for that group but fall flat when it is presented to the broader workforce.

**Failure to remain in compliance.** Social business technology experiments conducted within the lines of business may not adhere to the government or industry regulations that govern how they store, transfer, and publicize information. This opens the business up to potential action from regulators.

**Increased risk of security breach.** Employees interacting with partners and customers in the social arena expose the business to attacks from cyber criminals. These potential breaches could lead to data leaks that affect product development and customer relationships as well as risk potential litigation from parties harmed from said leaks.

**Higher costs for the organization.** Complexity, too much heterogeneity, and duplication of systems make technology more expensive. Integrations necessary to tie the tools to business processes and workflows create expensive-to-maintain applications. Furthermore, the lack of centralized contract negotiation opens the door for suboptimal pricing and contractual terms.

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Source: Forrester Research, 2012

command chain to the vice president of human resources. Within four weeks, Eli Lilly responded positively to the issue. "It's the value of working out loud," Williams says.

The flip side, of course, is the handful of employees who constantly complain, vent and bicker, usually on microblogging platforms. IT leaders advice: Let them do it. If you staunch their voice, then you destroy trust.

How do you avoid social networking problems? The trick is knowing how people interact, not necessarily the intricacies of the technology. For instance, social networking is self-regulating and self-outing so that peer pressure will often correct behavior without corporate intervention.

"You have a social reputation," Jones says. "When you have more eyes, there will be less complaining because [nobody] wants to appear as a whiner."

## The Big Picture

A report by consultants at Deloitte offers advice that is both hopeful and cautionary:

"Senior executives are skeptical of the value of social software. Their reluctance is understandable but self-defeating. Social software has the potential to address operational 'pain points' and significantly enhance business performance in the short-term and transform it in the long-term. Companies that embrace this opportunity will have a distinct advantage over their competitors; skeptics will likely finish last.

Yet skepticism persists, in part, because social software evangelists are their own worst enemy. They have failed to effectively communicate how social software can drive real operating benefits."

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Contributors: Juan Carlos Perez, Tom Kaneshige, Mitch Betts

CASE STUDY

# TD Bank Gets Social, Cashes In on Teamwork

Five years ago, TD Bank Group recognized that social media was on the brink of becoming big. "We knew social would be creeping into the workforce and we wanted to be ahead of it," says Wendy Arnott, vice president of social media and digital communication. The question was how to go about it.

"Our leaders have always been interested in hearing employee opinions," Arnott says. "Every time they met with employees face-to-face, they says how much more connected they felt, and how many great ideas there were. We asked ourselves, 'How do we amplify that?'"

**Glenda Crisp, CIO, TD Bank**

At that time, TD Bank's corporate intranet had the makings of something social, but it wasn't quite there. Arnott says employees were able to comment on items posted to the intranet, such as corporate news, accomplishments and process changes. But the company wanted something more, and started to consider an enterprise social media solution.

"Enterprise social media would give us a competitive advantage: If we got employees more use to using social tools at work, lots of good ROI would come of that, we thought," Arnott says. "Employees in our workforce are of many backgrounds and ages, and we wanted to capitalize on that knowledge."

## Building the Social Committee

TD Bank started by establishing a committee comprised of senior leaders from the company's main

businesses and departments, such as wealth, U.S. retail, Canadian retail, the HR department, TD Bank's CMO and its CIO, Glenda Crisp. This team, called Next@Work was tasked with rounding up requirements from the various business units.

TD Bank's IT department, which is made up of 8,000 individuals and services more than 85,000 employees, had a number of requirements it wanted an enterprise social networking solution to meet.

"TD has well-defined policy around vendor selection, so first we looked for a match against our business/functional requirements, which included security, compliance and privacy capabilities," Crisp says.

"Then we looked for alignment to our technology standards as well as scalability, flexibility and performance. Finally, we considered the capability of the vendor to continue to develop the product into the future. This includes their commitment and ability to
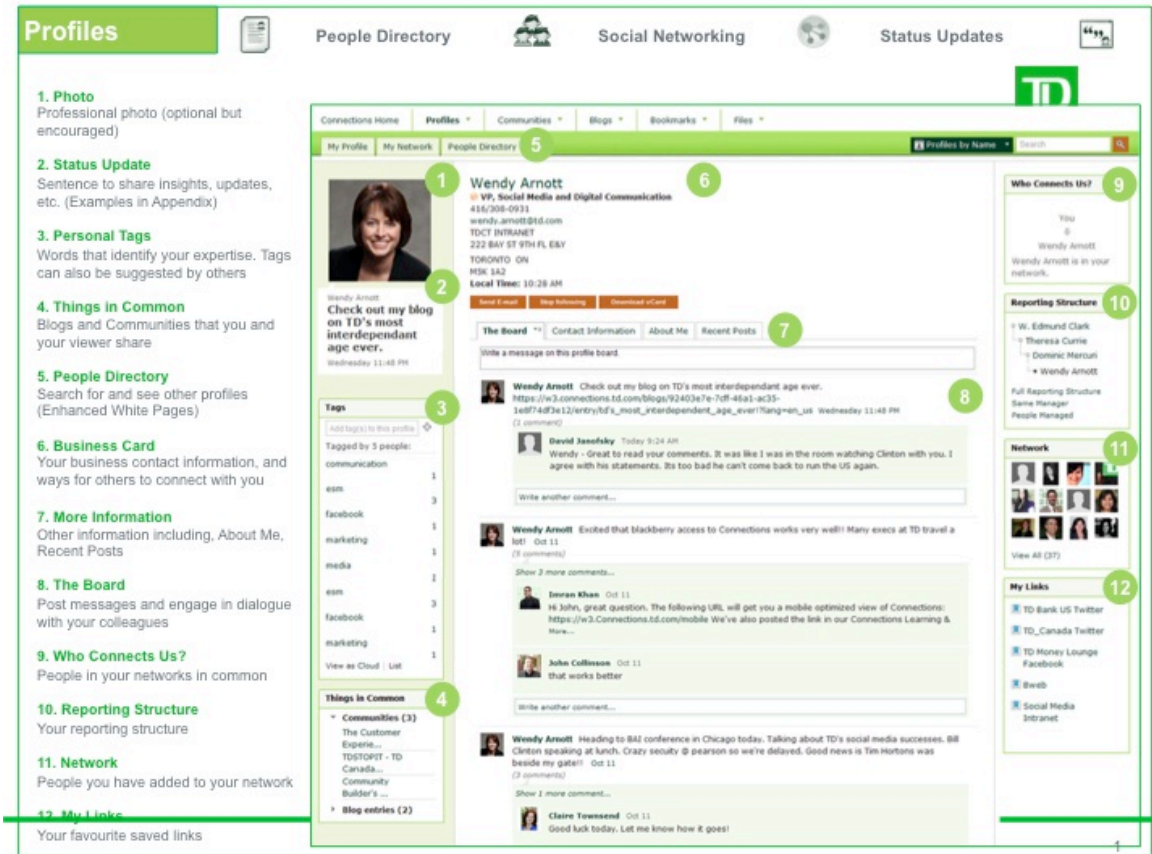


TD Bank's social network allows employees to create profiles, status updates, blogs, directories and organization charts.

partner and grow with us in the future."

Once requirements had been determined, Arnott says the two teams—Crisp's team and her own —came together to merge the requirements, focusing on what

the business really needed and what would actually work in their organization.

"We wanted to do this right and we knew the space was moving fast, but if we chose a partner that would fit in our

requirements and allow us to grow over time, that would be the ideal scenario," Arnott says. Ultimately, they signed with IBM, and the project got underway in January 2011.

## Laying the Social Enterprise Foundation

The first phase of the project was technical, Arnott says. This consisted of installing the software in the TD Bank environment, scaling and ensuring it wouldn't cause any unintended consequences.

"From a technology work effort, it was a fairly vanilla implementation that focused on ensuring all the physical environments were built and functioning correctly," CIO Crisp says. "We quickly stood up the development environment, made small enhancements to give it a TD look and feel, hooked it up to our internal directory structures,

> # As a result of TD Bank's enterprise social network, some business units have seen a drastic reduction in email—by as much as 40 to 1.

and then moved through our standard testing processes and into production."

The second phase was adoption planning and change management, which consisted of determining which business units and groups had collaboration needs and would get the most business value out of being in the pilot group.

To prepare the select groups for the pilot, TD Bank ran workshops with them to understand how they collaborated, then mapped back to

them the opportunities they saw with features from the enterprise social network, such as blogs, wikis and file sharing, Arnott says. "It was more of a validation process so they came to agree that it made sense to them." Crisp says they were able to go live with the pilot within eight months of signing the contract.

## Watching the Pilot Grow

Fifteen groups totaling 500 employees were initially enrolled in the pilot, and during this time, Arnott's and Crisp's groups tweaked and refined the tools. "It helped the technology because we had real people using it in real ways," Arnott says. By the end of the pilot, 2,000 users were enrolled. "The interesting thing about social networks is they tend to spread a little bit," Arnott says.

Crisp's group experienced some challenges with U.S. employees with single sign-on,

but they were aware of the issue early and adjusted the project plan to resolve it, she says.

Once the pilot concluded in November 2011, TD Bank brought on 50,000 users. Among the features the platform includes are profiles, which denote who employees are and their experience, among other items; tagging, specifically in profiles, lets others search for subject or skill experts; communities, which is TD Bank's collaboration forum; blogging; forums; and wikis.

## The Social Network Spreads, Email Usage Shrinks

Today, TD Bank's enterprise social network has more than 65,000 employees who have engaged with the system, and more than 4,000 communities, blogs and wikis have been set up. "Those are really high numbers because like many retail workforces, we have a lot of people coming and going," Arnott says.

As a result of TD Bank's enterprise social network deployment, some business units have seen a drastic reduction in email—by as much as 40 to 1, Arnott says.

The business is also a lot more transparent, and collaboration is at an all-time high.

"Employees are using the site for idea generation, suggesting policy changes and for project management," Arnott says. "Not only is it a more efficient way to work, but it helps when you work in a dynamic organization and not everyone is in the office every day. It's an easy way to bring people into projects and catch them up on the dialogue and what's happened."

Arnott attributes the project's success to a number of factors, but specifically points to its partnership with IT.

"If it had just been the business going off and trying to do this on their own, we wouldn't have had a good solution," she says. "It's a partnership."

Crisp agrees. "There were three reasons we were so successful: First, we had strong senior executive sponsorship. This was a project driven from the top. Second, we had a business partner that was 100 percent engaged and focused on driving adoption of the product," she says.

"And third, we had significant investment from IBM, which helped us resolve technical issues quickly. This was a strong example of how business and technology can work well together; how true partnership can drive business value."

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Kristin Burnham, CIO.com, July 2012