



# From valuable to vital:

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## Why companies are getting serious about social business

Social media is a loaded term that means different things to different people. Facebook® and Twitter®—or perhaps Instagram® and Pinterest®—are what spring to mind. But those vehicles are far from where social media ends. The lines between emerging technologies and ones so common they are now regarded as "traditional" (like email or even instant messaging) are blurring, expanding, and continually changing.

This evolution has brought the social media conversation to a pivotal point. Now, the question is: What role, if any, does social media have to play in the way employees interact with each other in a business environment?

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## The new norm in business

Most executives are dubious when the subject of social media comes up. Many of them struggle to see the value in it, and worry that it might actually cause harm. They already find it difficult to keep employees from posting personal social media updates during work hours. Why provide yet another vehicle for wasting time?

While it's easy to understand why companies want to approach social platforms with caution, there's also considerable risk in dismissing them altogether. Misperceptions about what these technologies mean could cause businesses to miss out on a major opportunity to reinvent the way their employees work together—and generate potentially lucrative benefits in the process. The key is to apply the concepts of social media in ways that have inherent value in a business environment.

In this paper, we'll examine some of the fundamental differences between social media in the consumer and business worlds; why companies should care; and what social technologies mean from a practical perspective within a business environment. We'll also discuss strategies for building a successful social business strategy.

## What social media isn't

Perhaps the place to start is with what social media does not mean for businesses, which brings us right back to the beginning. While popular social media channels can be important (even vital) for connecting with customers, they have little to do with the way businesses are starting to incorporate social technology.

Social media and social business certainly share some of the same concepts. Social media is, after all, innovative and transformational, whether we like it or not.

But the end game is where social media and social business radically diverge.

If asked to choose a single word to describe the guiding principle of social media, the best option would probably be *connection*. Social media allows you to connect with all groups from loved ones to customers, who use this technology to share moments and communicate in new ways.

On the social business side, replace connection with collaboration, again with people, but more importantly, around processes that directly impact your bottom line. Social business is about embedding collaboration within people's everyday work environments, delivering capabilities so far superior to existing ways of working that they become simply the way things are done.

While the applications for social business and its potential impact are still evolving, this opportunity to create a sea change in the way employees think, work, and get things done is causing businesses to take a hard look at what social technologies offer in terms of results. In a recent Forbes article, author Daniel Newman stated:

*In a data driven world, almost anything can be measured. Social businesses are measuring their activities with the goal of being able to most efficiently put their resources to use.<sup>1</sup>*



That connection between social business and key organizational metrics is what companies are now seeking, as the race to establish this technology as a competitive differentiator heats up.

## Why social business matters

Despite the potential of social business, many companies are still asking the question of why? They wonder “between email, instant messaging (IM), SharePoint®, and LinkedIn®, don’t we have the collaboration angle covered?” There’s no question that these technologies have been brought into the fold as standard ways of doing business, but the reality is, they are imperfect at best.

One major problem is the massive loss of information that accompanies tools like email and IM. While these technologies are excellent for facilitating communications, they’re abysmal at capturing the context of communications.

These interactions take place outside of organizational systems, so information tends to reside in silos that depend not on established processes for tracking it, but on individuals.

From the details behind why a project succeeded or failed to the reasons for choosing a particular supplier, this information (or what could be more accurately described as institutional knowledge) holds the key to making better decisions, ensuring mistakes aren’t repeated and, in short, improving the overall health of a business. The fact that it is lost has become an accepted part of the way we work.

A second significant issue is the sheer volume of information that employees are faced with these days. Email, which is arguably the original business collaboration tool, is so enmeshed in daily work life that people are becoming overwhelmed. McKinsey analysts report that knowledge workers typically spend 28% of each day (some 13 hours per week on average) reading, writing, and responding to emails.<sup>2</sup>

### Social media vs. social business

Social media is about:	Social business is about:
People	Processes
Connection	Collaboration
Moments and experiences	Plans and projects
Spontaneity	Structure
Entertainment	Productivity
Thought sharing	Knowledge capture

These challenges are causing companies to look for better ways of communicating and collaborating. Social business technology is beginning to lead the charge, and is an essential portion of the *SMAC*—or social, mobile, analytics, and cloud services—phenomenon that’s transforming B2B business.<sup>3</sup> A recent Gartner report reveals:

*Total software revenue for collaboration/social software suites was approximately \$1.2 billion worldwide in 2013, reflecting a growth rate of 16% from 2012. It is forecast to grow to \$2.3 billion in 2018, with a five-year compound annual growth rate (CAGR) of more than 13%.<sup>4</sup>*

Analyst Tom Eid goes on to elaborate on what distinguishes this type of software:

*A shorthand way to distinguish teaming platforms from social software is that teaming products focus first on the objects that are shared and the places that are stored, such as the team workspace. In comparison, social software starts with people, relationships and conversations, such as activity streams, and how people engage.<sup>5</sup>*

While the benefits of social technology may initially have been considered important but not exactly measurable, companies are now looking at social business initiatives because of their potential to drive bottom-line benefits, such as:

- **Increasing productivity**—The terms *productivity* and *social media* aren’t often joined in a positive way, but helping people work more efficiently is one of the major promises of social business technology. Reducing email loads, putting information where people can find it easily, and allowing employees to collaborate in context (of data, conversation trails, project plans, etc.) should indeed make them more productive—and improve overall performance in the process. A McKinsey study suggests that the 28% of time employees spend on email could be cut by about 8% through

intelligent use of more advanced collaboration tools.<sup>6</sup> That result is far from a complete solution, but would represent a significant start.

- **Retaining vital corporate knowledge**—Social business allows companies to take advantage of information that is currently lost through technologies like email and instant messaging. This information represents the “why” and the “how” of the qualities that make a company what it is and can hold the key to uncovering new opportunities.
- **Attracting and retaining top talent**—Expectations for technology have changed, most markedly for employees just entering the workforce. Millennial workers—those aged 21 to 35—will become crucial to companies, with over 20% of baby boomers reaching retirement age by 2029.<sup>7</sup> But even those with decades of work experience have come to take for granted the technology they use in their personal lives. Employees of all ages now expect business software to deliver the same intuitive, easy-to-use experience that they enjoy with consumer software and devices. Social business and other technologies like mobility, analytics, and the overall user experience allow companies to meet these higher expectations. A recent Quick Poll from IDG Research found that 50% of enterprises are building a “sense of community with cloud-based collaboration and social media tools” in an effort to attract employees.<sup>8</sup>
- **Improving decision making**—Social business technologies make collaboration among employees easy, but they also deliver information that aids decision making in ways that tools like email and instant messaging simply cannot.

## Social business in action

To crystalize the concept of social business technologies, it's helpful to build a picture of how those technologies are actually being used. One of the most critical points to understand is that with social business technology, a collaborative platform is embedded within critical organizational systems, like enterprise resource planning (ERP) and supply chain management (SCM). Access is not limited to individuals who typically interact with those systems, but is extended across the enterprise, making the platform a company's primary vehicle for all employee interaction. Documents, videos, photos, plans, and, most importantly, conversations are all captured, organized, searchable, and auditable. Employees can easily share and find information and also have information come to them, through both automatic notifications and business intelligence that is displayed directly on desktops or mobile devices, based on their specific roles or responsibilities.

In its report *The Value of Upgrading ERP: Maintaining Modern Technology*, the Aberdeen Group found social streams to be an effective component of an advanced enterprise resource planning solution:

*Upgraded solutions also facilitate collaboration throughout the organization. Many ERP vendors introduce social collaboration through new updates. As a result, those on the latest version are almost twice as likely as those that are not to have the ability to collaborate in real time.*<sup>9</sup>

Let's look at an example. Company X has just won a contract to take over management of all networks for a major retailer. Joe Smith is managing the transition and has 10 members on his team. Using the collaborative platform provided through his company's social business technology, Joe can create a group, with controlled access, where all the conversations and information for this project can reside. One of the

first steps is to finalize contracts with suppliers. Joe and his team can hold conversations about various vendors, with information about existing vendors' invoices, performance ratings, etc. displayed automatically within their collaborative environment. (And when the next new deal comes around, they'll be able to search communications about this one to identify any issues or advantages associated with particular vendors.) The team can also post vendor contracts to the site and have their legal team review, comment on, and approve them.

Later in the project, when additional staff needs to be hired to meet contract requirements, HR can get input on job descriptions and resumes. And if the customer agrees to publicity, the PR team can get approval on the press release and share information about coverage. And when one of Joe's key managers leaves suddenly in the middle of the project to take another job, there will be no need to try to piece together the work she has done; it will all be stored on the collaborative social business platform.

Finally, when the project goes live, Joe can be automatically notified of any issues that arise. All of this can be done securely, keeping vital competitive information safe and in the right hands.

This is just one scenario that illustrates how social business can make collaboration standard not just within departments, but among them. In most organizations, collaboration within departments is

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Social business makes

# collaboration

across the enterprise a reality.

strong, as skill sets and activities tend to be fairly congruent. But the big achievements, such as a product launch, new business acquisition, or organizational improvement, usually require full communications between production, accounting, marketing, and logistics. Social business makes collaboration across the enterprise a reality.

## Building a social business strategy

With any new technology, there is inevitably a learning curve for how to implement and use it most effectively. For social business, some lessons are still being learned; more questions will undoubtedly be raised as adoption rates rise and applications for the technology continue to grow and expand. There are, however, some factors that are critical to consider when evaluating this technology.

To maximize the benefits of any social business initiative, look for technology that will allow you to:

- **Integrate systems across your business, regardless of origin**—Most companies have highly complex technology landscapes, with systems and the information they store sitting in silos. Until recently, this problem was incredibly difficult to solve, requiring complex customizations and integrations to make disparate applications work together. However, middleware technology has evolved to make integrating systems straightforward and simple, and allow them to work together without being dependent on each other. Similar to the Internet, one system can be upgraded or even go down without impacting others. Integrating your systems maximizes their value, but also makes social business technology a highly powerful tool. Employees can get the full picture across all areas of your business, so they can quickly zero in on what matters most and stop making decisions in isolation.

- **Embed social business within organizational systems**—The biggest benefits of social business come from making it an integral part of employees' work environments, so they can collaborate alongside the critical information that resides in your systems, whether that information is an unpaid invoice or a detailed product launch plan. Collaborative tools that simply sit on top of core organizational systems are more likely to create additional information silos and duplicated effort, rather than increased productivity.
- **Find information quickly and easily through powerful enterprise search capabilities**—As many businesses have come to realize, having more information doesn't necessarily translate into better performance. With the amount of data available to companies growing exponentially, the goal is no longer just to get access to information; now, the goal is quickly finding the right information. Social business technologies must incorporate robust, organized, and structured search capabilities to address this issue.





- **Deliver information directly (and automatically) to users**—In addition to making it easy for users to find information, also look for technology that lets information come to your employees through what is known as contextual intelligence. A concept that might have sounded like magic a few years ago, this technology delivers customized, pre-analyzed key performance indicators (KPIs) automatically to those who need them. This capability allows users to make decisions in context of supporting data, with employees collaborating based on up-to-the-minute information.
- **Ties mobile and social together**—The use of mobile technologies has exploded in the business world, with more core organizational systems being made available via mobile devices. As adoption rates continue to grow, the combination of social business and mobile technologies has the potential to be quite powerful. The ability to upload an image to a social business platform via a mobile device (much like one-touch uploads to Facebook) is but one example of how these technologies can work together to provide capabilities that cannot be delivered in any other way. The possibilities are nearly limitless.

While identifying key criteria on the technology side, it's also critical to understand that technology is but one piece of the puzzle. It's essential to consider up-front the challenges that may arise from a launch and adoption perspective, and then establish a detailed strategy that allows social business to become an accepted part of your culture. Because the concepts involved are new to many—and old ways of working are so engrained—the process of converting hearts and minds will be vital to your overall success.





## How to generate value

Social media has irrevocably changed the way generations of people interact, and its influence will undoubtedly continue to grow. While the concepts that social media has given us hold great potential for the business world, building a successful social business strategy must consist of more than simply tacking a Facebook-like collaborative platform onto existing organizational systems.

To truly generate value, social technologies must integrate seamlessly with business processes to make working within a collaborative platform as common as sending an email. And ultimately, social collaboration should replace emails all together. The results can be transformative, with the biggest benefits coming from the ability to harness corporate knowledge in ways that are simply not possible with the tools most companies employ today. Although the future of social business technology is still being written, there is little doubt that it is poised to change the way people work forever, leaving us all to one day marvel at the way things used to be.

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