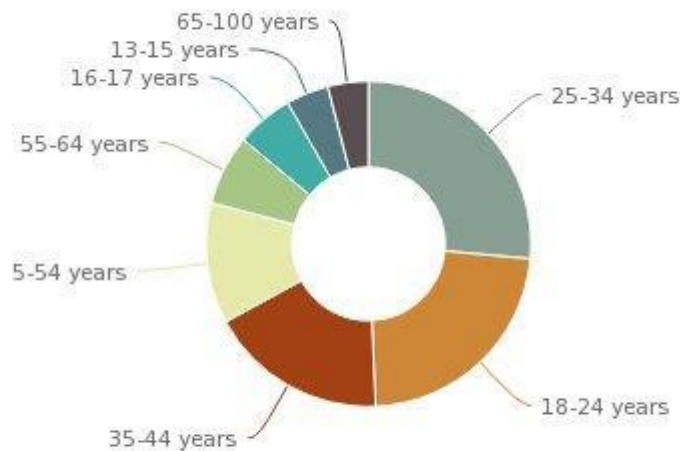# CIS Newsletter

Corporate Social Networking –
What does it mean in the emerging social economy?

Social networking is part of a broader evolutionary change that is sweeping across the corporate landscape, creating fundamentally new ways to work together.

Social networking outside of the workplace has been growing at an astonishing rate for the last 5 years where the current numbers for the leading proponents are: Facebook - in excess of 1B users, Twitter >200M active monthly users and LinkedIn nudging 200M. The interesting thing to note here is the subtle shift from purely social use to more business and strategic. More and more CEOs are turning to Twitter as a means of connecting with customers, employees and suppliers. Arguably, one of our most successful CEOs Rupert Murdoch is an avid Tweeter, with over 300K followers.

The other point of note is the change in demographics. For many of its formative years Facebook was solely in the domain of 13-17 year olds. This and Twitter now see their pages being frequented by a mature aged set as well as businesses looking for ways to get closer to their customers. The following graphic illustrates the movement and also highlights that the largest group is the 25-34 year olds, the group that is becoming our next C level executives.

socialbakers

Current Facebook demographic breakdown.

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Whilst the above numbers are quite staggering they don't necessarily mean anything to a business if there isn't a business imperative to support the investment of time and resources into exploring the tangible benefits of becoming a social business. Social networking sites like Facebook and LinkedIn are extremely useful as tools for engaging more closely with consumers as they gather information via profiles, allowing for much more targeted interactions. Within a corporate sphere the same capability exists for company leaders to reach out and understand more about their employees. Underpinning any strategic decision to embrace "social" is software. All social business software vendors provide functionality that both encourages and exploits information added to user profiles. This fundamental shift in knowledge sharing at the personal level drives greater collaboration through employees gaining an understanding of who does what within the organisation they work for. These software platforms then provide the facility to link people to places and content, providing a foundation for finding answers, faster than ever before.

As mentioned social networking is a component of becoming a social business and to achieve that a fresh, transparent, inclusive way of doing business needs to be embraced. Social networking encourages conversations and with the right contextual links can provide significant returns, particularly in the areas of; employee empowerment and satisfaction, customer retention, ideas generation, collaborative participation and profit growth through previously untapped insights.

REA Group (ASX:REA) is the operator of Australia's No.1 residential property website realestate.com.au and others around the world. The company implemented a social intranet in 2009 as part of a communication strategy that aimed to facilitate their ambitious growth plans.

The REA Community Intranet is all user controlled with employees writing blogs and creating discussions, polls, documents, groups, photo albums, videos, leaving comments and more. This openness is 'controlled' through self-censorship, as all users have a profile, and abide by our intranet usage policy.

The REA Community Intranet has become a crucial business tool that enables communication and collaboration, as well as a knowledge management. The other powerful benefit of the Community Intranet is the impact it's had on creating a company culture that appreciates diversity, individuality, fun and transparency.

Melissa Hendry, Internal Communications Manager explains, *"In the evolving knowledge economy and workplace; a social intranet gives our team a tool to connect, share and collaborate - and achieve the flow of information and knowledge required to get the job done."*

The role of the CIO in an organisation becomes even more poignant as an agent of change. CIO's are in the unique position of (a) understanding the technology and (b) able to articulate the benefits to the broader organisation. A very good insight into how CIO's can be instrumental in transforming their organisation is here. **Transformational CIO's need to promote Business Social Networking**.

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Price Waterhouse Coopers (PWC), one the largest professional services companies in the world went social at the start of 2012 with this goal "To provide **one** common social networking and collaboration platform that **accelerates** our ability to **connect** with each other and **collaborate** together to **create** value for ourselves and our clients".

In less than 6 months after its launch the social networking initiative (known as SPARK) had over 50% of PWC's entire 180K workforce using the platform across 141 countries and 771 locations. Business results have been: new and previously unreachable heights of employee peer to peer engagement, answers to questions in a fraction of the time before SPARK and a level of collaboration on customer proposals that significantly reduced time to produce and submit the proposals.

Simply put SPARK is transforming the way PWC works.

So what does it take at a practical level to get your organisation to benefit from a social business through the use of a socially connected network? Clearly, as was pointed out in the PWC case study, a clear and unequivocal goal. As stated by renowned social business author and leading consultant Dion Hinchcliffe "**Strategy first, validated by experiments.** Having clear business goals--such as better customer satisfaction, higher quality leads, and more productive workers--tied to a specific plan to use social business techniques to achieve those goals is one of the most important steps in becoming a mature adopter. In other words, make sure your social business strategy attains more than incremental returns. Then make sure you're on the right track with closely managed experiments that can be scaled up when they succeed, or retired quickly before much is spent".

In essence to improve the lives of the organisation stakeholders and if a for profit based company, the bottom line. There are several steps in the maturation process but as a guide you should consider:

1   **What is the current managerial style?** For example authoritarian & hierarchical or democratic & collaborative. Clearly the more authoritarian and hierarchical will mean there is more work to do in introducing the concept of peer to peer input and decision making, however the objective is to know what you're dealing with.
2   **Is there any evidence that the corporate strategy is aligned with the new social landscape?** Dig deep here and you may find that some executives are keen participators of external social media, like Facebook and Twitter, but only in a social capacity. Identifying them will help to identify who can assist with presenting business cases and assisting with cause championing.
3   **How switched on to the business of social is your IT department?** Does your CIO have a Twitter and/or LinkedIn account? Whilst many new social business software offerings are increasingly Cloud based there will always need to be a strategy of integration and alignment with existing application platforms. IT facilitates this.

4   **What degree of collaboration is supported within the organisation?** Social business is underpinned by a strong collaborative element. Enhanced collaboration is an enabler as it offers a chance for people from all parts of the organisation to commence conversations on a wide range of contextually relevant topics, opening up transparent lines of communication and problem solving.

Answers to these and other strategically focussed questions, will form the basis for a successful business case justification for a social business platform that will enhance the working lives of your fellow employees and potentially customers and suppliers.

Trends for 2013 and beyond

Industry experts broadly agree that 2013 will see a continued evolution of the social economy with particular emphasis on:

further incorporation of social on mobile platforms
integration of legacy and other business applications with the new social platform
continued shift toward Cloud based hosting of corporate social initiatives
increased sophistication and extension of the linking of people to places to content, utilising advanced search (see recent Facebook announcement)
improved and available analytical tools for measuring the success of the adoption of social
increased boardroom discussion demanding evaluation of corporate social networking
pervasive and at times invasive exposure to social networking for everyone, whether you're consciously committed to it or not