

# Jomer & Co

## **Enterprise collaboration and enterprise social networks** *Research report*

This research report highlights that a majority of the participating top executives believes their respective organizations have productivity potentials and significant opportunities to improve cooperation:

- 90% acknowledge that their organizations have a potential to significantly improve knowledge and information sharing, communication and collaboration.
- 85% state that they see an untapped productivity potential derived from increased knowledge and information sharing, communication and collaboration.
- 60% say they lack a clear strategy for enhanced communication, increased collaboration, and knowledge and information sharing.

Independent of whether or not the organization has an installed Enterprise Social Network, an overwhelming majority of the executives believes that knowledge and information sharing, collaboration and communication are not satisfactory in their respective organization:

- Technology is here and in use in many organizations. However, more than 70% are struggling to get their people to adopt the new ways of working.
- Adopting enterprise collaboration is not just a matter of finding the best technical solution; it is primarily a matter of creating and implementing a crisp collaboration strategy and concurrently driving and releasing change.

This report covers the typical challenges that many of the participating top executives share in how to create and implement a collaboration strategy in order to get the full benefit from an Enterprise Social Network. Previous research<sup>1</sup> findings suggest a huge potential for closing existing strategy-to-execution gaps, since close to 60% of researched top executives stated that their strategies fail to deliver the expected results. Knowledge and information sharing, collaboration and communication are all key ingredients to successfully close this gap.

The report is structured in four main sections: Introduction, Research findings, Research conclusions and Introduction to our thinking regarding Enterprise Collaboration and Enterprise Social Networks.

### **Introduction**

*How do we get our people to work across internal boundaries? How do we improve collaboration and information sharing across the value chain? How do we improve the productivity in knowledge and information intense work?*

These challenges are well known for most senior executives, but they are more urgent than ever in today's global and fast changing business environment. Globalization,

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<sup>1</sup> Jomer & Co Research: Strategy Creation and Implementation 2013.

increasing specialization and productivity of information and knowledge-based work, need for accelerated innovation, distributed expertise and external partnerships have made collaboration within and among organizations more important than ever. With the hypothesis, based on numerous interactions with companies and organizations in multiple industries, that most companies and public organizations have an untapped productivity potential derived from increased collaboration in all respects, we decided to launch the research project “Enterprise Collaboration and Enterprise Social Networks”. The intention was to increase the understanding of how leading executives view increased enterprise collaboration and the need for increased productivity among knowledge workers.

The challenge of increasing knowledge workers’ productivity has been around for long. The influential management thinker Peter Drucker was perhaps first, when he in the late 1960-ties coined the term knowledge worker, meaning a person who primarily works with information or who develops and uses knowledge in the workplace. Today, knowledge workers in developed economies populate over 70% of the workforce<sup>2</sup>, and most new jobs require profiles, which fit the description of a knowledge worker. Peter Drucker claimed that the single greatest challenge facing managers in developed countries is to raise the productivity of knowledge-intensive work. This challenge is still valid and relevant where tacit knowledge is required. However, it is substantial for sectors where tacit knowledge is a prerequisite for doing the job. Here, the gap between the “best and worst” performance is more than 60%<sup>2</sup>.

The information technology industry has played a leading role in helping organizations improve productivity and ease of information usage. Still, there are many barriers to pass before people have access to the right information at the right time and thereby being able to perform the required work more effectively. For knowledge workers, such as engineers, sales and support professionals, where information is hard currency and the main work component, barriers are even more frustrating and often a source of idle rich time. Barriers related to access to information are most of the time coupled with the legacy of the corporate information systems and the way those systems have created stow pipes in the organization. However, many of these barriers also have to do with old leadership styles, i.e. a hierarchical mindset on information sharing and behavior patterns.

The Web 2.0 revolution has shown us the real power of information sharing. It has impacted the way we socially interact with friends, family and the world. It enabled the Arabic Spring. Web 2.0 has completely reengineered the way we today predict the future. By accessing different information flows, we are now able to quickly detect trends, often measured statistically, giving us a good view of the future. This approach to information sharing has also influenced how information best should be shared in a company or a public organization.

There is an increasing interest of using social technologies to connect people more efficiently in organizations, and to effectively capture and reuse knowledge and information. The popularity and effectiveness of social networking sites as a group

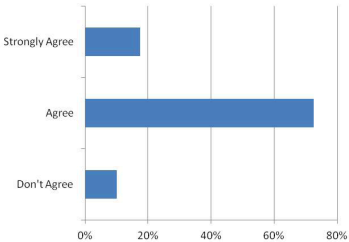
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<sup>2</sup> McKinsey research, 2008.

communication tool among consumers have prompted organizations as well as individual employees to demand that similar technologies be deployed at work. Even though the executives we researched compete with different propositions in different markets and geographies, they seem to share the view that their respective organization has a potential to significantly improve knowledge and information sharing, collaboration and communication. Our research findings are revealing and somewhat troubling.

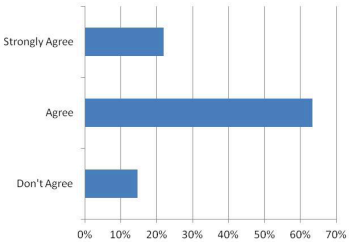
The result and conclusions from this research are based on the answers from an exclusive number of executives in top management positions in Sweden, together with a selection of reference companies and organizations in Norway and Denmark. This implies that the research result should be treated as qualified indications only, and that the conclusions are open for further research. Approximately 50% of the participants are in a managing director position and the remaining 50% are either in a position as head of a business unit/area or head of a business support function, e.g. sales, strategy, product management, human resources, finance and IT. The participating organizations represent a normal distribution of privately held and public organizations as well as the normal frequency of operating industrial and service organizations. We sincerely appreciate these individuals and organizations for taking the time to share their views and reflections.

**Research findings**



**Figure 1. Our company has a potential to significantly improve collaboration, communication and knowledge and information sharing**

90% of the top executives believe that their organizations have a potential to significantly improve knowledge and information sharing, collaboration and communication. See fig. 1. 85% of these executives believe that the organization has an untapped productivity potential derived from increased knowledge and information sharing, collaboration and communication. See fig. 2.

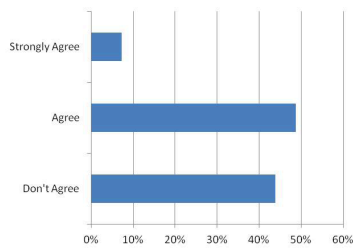


**Figure 2. Our company has an untapped productivity potential derived from increased collaboration, communication and knowledge and information sharing**

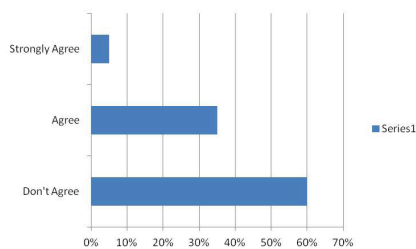
56% of the top executives say that their organizations have an articulated vision for enhanced communications, increased collaboration, and knowledge and information sharing. See fig. 3. However, 60% state that they lack a clear strategy for this specific area. See fig. 4.

93% of the top executives, who work in organizations without an Enterprise Social Network, believe that knowledge and information sharing, collaboration and communication are not done satisfactory. Interestingly, 88% of the top executives, who work in organizations, which have implemented Enterprise Social Networks, still believe that knowledge and information sharing, collaboration and communication are not performed

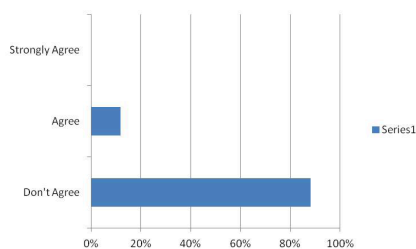
well in their organizations. See fig. 5 showing the views of top executives working in organizations with an implemented Enterprise Social Network.



**Figure 3. Our company has an articulated vision for increased collaboration, knowledge and information sharing and enhanced communications**



**Figure 4. Our company has a clear strategy for increased collaboration, knowledge and information sharing and enhanced communications**



**Figure 5. My overall assessment is that collaboration, communication and knowledge and information sharing is done well in our whole organization**

61% of the researched top executives' organizations have Enterprise Social Networks in use today and close to 60% have used it for more than three years. The first movers, among organizational functions, to use Enterprise Social Networks are; IT, Research & Development, Human Resources, and Corporate Communications.

The key considerations executives have before implementing an Enterprise Social Network are; information must be tightly controlled and secured,

customer privacy must be guaranteed, and critical data leakage beyond those who have been granted specific access and intellectual property leakage must be prevented.

The main barriers for deploying an Enterprise Social Network solution are; getting people to really use the solution as intended, justifying the business case for making the investment, understanding the needs and requirements for an Enterprise Social Network solution, and understanding how to integrate the solution with existing systems

The major effects gained so far from the use of Enterprise Social Networks are improved levels of collaboration between departments and teams, increased sharing of best practices and ease of finding experts in the organization.

The three most popular technologies, according to the researched executives, are Sharepoint, Lync and Yammer.

## Research conclusions

A majority of the top executives participating in our research believes that their respective organization has an untapped productivity potential and a significant opportunity to improve collaboration, communication and knowledge and information sharing.

The motion of work today has to a large extent become a motion of information. Most of the work-to-be-done either flows through the corporate information systems byte by byte or is kept out of reach for the people in need of just that vital piece of information. Hence, we must improve the ways information and knowledge are created, used, distributed and consumed. This untapped productivity source has a huge impact on most companies' earnings and most public organizations' yield, purpose, and in the end, the citizens' perceived value of the paid taxes.

The companies and public organizations, which use an Enterprise Social Network, have improved the way they are collaborating, communicating, sharing knowledge and information with 70%, but there is still a long way to go before the untapped productivity potential is harvested. The use of Enterprise Social Networks still carry the engraved stow pipe signs of a traditional functional organization, i.e. the solutions in place are mostly used in traditional white-collar functional areas.

There is still a long way before Enterprise Social Networks become the social “backbone” by forming a cross-organizational relationship layer to facilitate information sharing and collaboration. Therefore, it will take some time before companies and public organizations really can benefit from disruptive phenomena like “The Wisdom of the Crowd”. The corporate world are far from replacing traditional corporate intranets and email systems with an Enterprise Social Network as the most comprehensive and reliable place to find information and as the primary communication channel for noticing, deciding and acting on information relevant for carrying out the work. Email per se has boosted productivity and ways of asynchronous communication for long, but since emails by nature lock in information, they are obstacles in this respect. Just imagine if relevant people in the entire organization could share critical information, which today is locked up inside email repositories. That would be a real productivity boost.

A vision of how enterprise collaboration can be improved is just not good enough. A vision paired with enabling technology must be bridged together with some clear strategic thinking. A collaboration strategy, which clearly points out the direction, should be defined. Such a strategy should not be created in isolation from the overall strategy. On the contrary, it has to be well aligned and strive towards the overall objectives. Instead of focusing on only content and technology, the focus of the strategy should be on the ways of working and people behavior. Unless there is a clear, communicated and understood collaboration strategy in place, there is an obvious risk to fail when tapping into the productivity potential of knowledge and information sharing.

The leadership team needs to develop a strategy, which makes sense to the organization and tackles required organizational changes ahead. Successful Enterprise Social initiatives require both leadership and behavioral changes.

Many organizations do not acknowledge the importance of materializing obvious productivity gains, e.g. reducing the number of internal emails, decreasing the number of face-to-face meetings including associated travel costs, and utilizing the power of the wisdom of the crowd. Instead, they are merely trying to get their people to use the Enterprise Social Network software. This indicates that senior executives and the responsible people for Enterprise Social Network initiatives need to rethink their approach for driving change. They need to shift their emphasis away from what technology to use to figuring out how to improve work practices for staff and managers. Furthermore, they need to realize that an Enterprise Social Network initiative differs from traditional technology push deployments. Staff and managers cannot be forced; they must opt-in by engagement and see significant improvements in ways of working.

## ***Summary of research conclusions***

Every week, new tools, apps and web sites are springing up on the Internet, calling for knowledge and information sharing. Phenomenal inventions such as Wikipedia, LinkedIn and Facebook have paved the way for increased knowledge and information sharing. They have taught millions of users to use social networking tools in daily life. So, *why do many of these users hesitate to use the enterprise collaboration solutions as intended?* The blunt answer is the organizational culture, since these solutions are often out of sync with e.g. current leadership styles, layers of hierarchy, as well as cemented functional and process stow pipes.

At the heart of sharing lies the concept of creating win-win, “if you scratch my back, I’ll scratch yours”. Hence, if I have something to share, which someone else could use, and then share it, we all win at the end of the day. This is really the true motive for Enterprise Social Networks. The reason corporations have difficulties benefitting from the concept of Enterprise “Social” Collaboration is lack of a social approach in adapting to these new ways of collaboration. As said before, many organizations engage in Enterprise Social Network initiatives from a pure technology perspective and not from the people and ways of working perspectives. To fully release the potential of enterprise collaboration in order to create win-win situations, there has to be a call for a reengineered approach for staff and managers to embrace new and increased levels of collaboration, communication, and knowledge and information sharing.

## **Introduction to our thinking regarding Enterprise Collaboration and Enterprise Collaboration Networks**

### ***Harvesting untapped productivity***

As described above, by developing and streamlining ways of communicating, knowledge sharing and collaborating both within the organization, with other companies in the value chain and with customers, there is a significant potential for increased performance.

For example, to improve customer satisfaction you increasingly need collaboration among functions ranging from R&D to distribution. To offer solutions tailored to a customer’s needs, you need collaboration between product and service groups. Meanwhile, as competitive pressures continuously force companies to find ways to do more with less, few managers have the luxury of relying on their own dedicated staffs to accomplish their objectives. Instead, most managers work with and through people across the organization, where many have different priorities, incentives, and ways of doing things. In order to improve the performance, we must find ways to improve knowledge and information sharing and collaboration across complex processes, geographically widespread organizations and sometimes too well cemented silos within an organization.

### ***Motion of information is an accelerating productivity challenge***

Manufacturing or product testing groups could readily shorten product development cycles by applying concurrent engineering principles and participating during the

concept phase. In this way, their early input in the design could reduce the number of rework iterations. When such iterations are based on proximate tasks in the development cycle, the damage is relatively contained. However, often they occur far apart in the cycle, in separate organizations and the personnel responsible may not communicate well between each other. In some cases, they may not even be aware of the details of the other party's work and their close interconnection with the evolving design. When this happens, not only does it generate rework between the two activities, but also there is almost certainly a significant, probably hidden, rework penalty embedded in the work of all the intervening tasks.

**Enterprise collaboration**

Enterprise collaboration is a process in which the right people connect with the right expertise or information at the right time to make better and more informed business decision. Getting collaboration right promises tremendous benefits; a unified face to the customers, faster internal decision-making, reduced costs through shared resources, and the development of more innovative products.

**Enterprise Social Network**

The enterprise use of Web 1.0 changed the work scene and dramatically accelerated information flow in a networked way with emails and electronic files replacing interoffice envelopes and file cabinets. We were suddenly able to get information in support of our work very quickly and from multiple sources in multiple places. Today with Web 2.0, the information flow is changing from a networked model to a more collaborative setup. The term collaboration is practically synonymous with Web 2.0, since so many of the tools and Web sites springing up today are seeking to improve workflows and synergies between knowledge workers. Increased adoption of Web 2.0 technologies in an enterprise social context is also fuelled by the falling cost of communication.

An Enterprise Social Network is the realization of employees collaborating through Web 2.0 tools to improve communication, information sharing and cross-departmental cooperation, which provide a potent compound for knowledge, innovation and problem solving. If implemented and managed correctly, an Enterprise Social Network encourages employees to share information, expertise and best practices, improves efficiency through better coordination and reduced duplication, and empowers employees by giving them a "voice" within the company.

**Potential benefits from Enterprise Social Networks**

Individual, team and enterprise productivity, from a well-functioning use of an Enterprise Social Network, could come from a number of areas ranging from improved decision making and reduced rework to a more robust innovation pipeline and fewer suboptimal decisions based on imperfect information. See fig. 6. The ability to quickly test new ideas and make necessary

Encourage Sharing	<ul style="list-style-type: none"> <li>• Creates two-way dialog</li> <li>• Makes business personal</li> <li>• Reduces power distance to leaders</li> <li>• Connects globally, person by person</li> <li>• Forms key interest groups</li> </ul>
Capture Knowledge	<ul style="list-style-type: none"> <li>• Identifies expertise</li> <li>• Avoids duplication and enhances coordination</li> <li>• Transfers knowledge</li> <li>• Improves best practices</li> </ul>
Enable Action	<ul style="list-style-type: none"> <li>• Solves problems faster and better</li> <li>• Brings outsiders in</li> <li>• Streamlines processes</li> </ul>
Empower People	<ul style="list-style-type: none"> <li>• Gives employees a voice</li> <li>• Makes meaningful contributions and innovations</li> <li>• Increases engagement, satisfaction and retention</li> </ul>

**Figure 6. Possible drivers of business value from Enterprise Social Networks**

iterations is a strategic advantage. Fast-to-failure is often as important as fast-to-success. Examples of areas for potential cost reductions:

- *Content recreation.* Time lost associated with unnecessary recreation of documents and format manipulation.
- *Search efforts.* Unsuccessful and time wasted on basic tasks such as searching for content.
- *Travel and printing.* Replace internal meetings and live events with virtual, collaborative events, wherever appropriate.
- *Application and licensing.* Reduce cost driven by overlapping and redundant use of applications.
- *Data storage.* Reduce production and archival costs incurred by end users, e.g. managing emails, as well as backup and storage costs incurred by the IT organization.

### ***Considerations and potential risks***

It is important to remember that one of the key risk areas of social technologies is also one of the key safety factors, read transparency. Information shared in a social networking environment is very public. In an enterprise setting, it is also attributed to an author. Hence, if something inappropriate is posted, the other users of the network could quickly flag it as a problem and have it removed, i.e. social networks tend to self-police. Since the author is responsible, appropriate action could be taken if necessary. Key considerations are:

- *Security.* Certain types of information must be tightly controlled and for many organizations, regulatory compliance is a major consideration with regard to security of any system.
- *Customer privacy.* Organizations often maintain customer information. Hence, it is imperative that critical data does not leak beyond those who have been granted specific access.
- *Employee privacy.* There is often a need to ensure that employees' private information is not compromised.
- *Intellectual property.* The value of a trade secret is always vital and therefore to prevent leakage of intellectual capital is crucial.
- *Inappropriate and offensive content.* Every employee has the right to work in a safe environment, and that includes freedom from exposure to inappropriate and offensive content.

### ***Challenges to get Enterprise Social Networks working***

There are at least three challenges when it comes to widespread adoption of enterprise collaboration:

- *Misaligned corporate culture,* e.g. lack of sharing/co-operative culture, lack of executive sponsorship, and generally misaligned incentives.
- *Mismanaged data.* The volume of data is growing rapidly in most large organizations and most of this data is unstructured and unmanaged.
- *Unknown and untapped expertise.* For large organizations with a global or international footprint there is a real challenge to find the right people.



These challenges should be put in context when considering deploying an Enterprise Social Network. Key high-level steps for an Enterprise Social Network initiative are:

1. Strategy creation and alignment
2. Select a sustainable platform
3. Implementation – pull instead of push

### *Strategy creation and alignment*

The collaboration strategy must support the overall strategy. Since the most likely objective for any collaboration strategy is to improve the levels of enterprise collaboration you must start to increase the situational understanding of why, what, where and how collaboration can be improved. This focused situational analysis on collaboration is essential to gain the insights needed for making the right strategic collaboration choices.

The collaboration strategy should be linked to a clear vision, which pushes people to work together to reach their objectives. Without a vision, most people will not be able to connect their daily work to an expected outcome. Without a clear collaboration strategy, most organizations are unable to benefit from the technology they have chosen. Once the vision and strategy are in place, a realistic plan needs to be created to reach the vision through the strategy. A key activity in implementing strategy is aligning the organization behind the strategy in order to secure that employees understand how their job impacts the overall goals. The way is to align the employees with the company's core processes and create an adaptive, transparent and collaborative enterprise.

One of the primary goals of an enterprise social networked company is to support everyone to make good choices and to provide feedback on those choices from a broad selection of key stakeholders, such as employees, partners, suppliers, and customers. Instead of information silos and closed conversations, open discussions how to improve performance should predominate, and involve all the relevant people. The alignment of culture, resources, people, technology, structure, processes, measures and reward systems behind the strategy is a key to success. You also must select capable people to implement and execute the strategy. Hence, it is really about empowering a bottom-up organization to make top down business goals successful. See fig. 7.

Product development	<ul style="list-style-type: none"> <li>• Derives customer insights</li> <li>• Co-creates products</li> </ul>
Operations and distribution	<ul style="list-style-type: none"> <li>• Leverage demand information to forecast and monitor</li> </ul>
Marketing and sales	<ul style="list-style-type: none"> <li>• Derive customer insights</li> <li>• Enable new ways for marketing, communication and interaction</li> <li>• Generate and develop sales leads</li> <li>• Enable e-commerce</li> </ul>
Customer service	<ul style="list-style-type: none"> <li>• Increases speed and levels of personalised customer care</li> </ul>
Business support	<ul style="list-style-type: none"> <li>• Improves collaboration, communication and knowledge sharing</li> </ul>

**Figure 7. Possible value add from Enterprise Social Network in a company**

### *Select a sustainable platform*

From a technology point of view, the Enterprise Social Network market is still in its nascent stage and the need to make a well informed decision on a sustainable platform is essential. In order to sustain the benefits from an Enterprise Social Network, the organization should choose an all-encompassing platform, which supports the collaboration vision and strategy and allows workers to connect, communicate, collaborate, and share information securely across multiple lines of business applications. You need to determine your strategic objectives, evaluate your current technologies, and determine the gap between where you are and where you want to go.

To increase productivity, clarify upfront how to intelligently integrate related current technologies to the Enterprise Social Network platform to be selected. Once in place, the collaborative tools should seamlessly integrate into day-to-day work activities, projects, and processes.

There are some key investigative questions that need to be considered when evaluating the options of software solutions, explaining why the investment should be made and how and when the business will see a return on the investment:

- What are you doing?
- Why are you doing it?
- What will it cost?
- What are the benefits?
- What are the risks that need to be managed?

Select your Enterprise Social Network technology solution based on the type of collaboration you want to nurture, not on features. Our experience tells us that companies, which approach vendors with a committee-generated list of features, are the ones most likely to fail in their implementation. Begin your discussions with potential Enterprise Social Network vendors by explaining your key objectives, gaps, and the type of collaboration you want to enable. Prioritize technology and software options based on your objectives. Take a hard look at the gaps you are trying to fill, and understand the underlying sources for each of them. Then look for Enterprise Social Network solutions that will enable the organization to create the improved level of collaboration, which will close the gaps and result in the greatest impact for your organization.

#### *Implementation – pull instead of push*

Enterprise Social Network represents a fundamental change, simply because, at its essence, it encourages sharing. Even though it seems easy to turn on an Enterprise Social Network for all employees, please resist the temptation to do so until you are ready. While the IT department most certainly will be involved, find a senior executive sponsor and engage a team or department that you know will pick up the advantages and make the most out of using an Enterprise Social Network.

The goal is to create evangelists who will disseminate Enterprise Social Network use cases and best practice examples to other parts of the organization. Investing in and ensuring that strong cohesive relationships are built early will help take the Enterprise Social Network to the next level.

## **Jomer & Co**

We help clients close the strategy-to-execution gap by creating and implementing winning strategies.

Jomer & Co is a boutique advisory firm, focusing on strategy creation and implementation. Our focus on employing professionals with extensive experience provides us with the executive resources of a larger organization while still being flexible and responsive in the relation to our clients' challenges.

We are devoted to knowledge and situational insight and are aligned to the shift in demand for management consulting services by its way of leveraging knowledge, experience and giving advice. Our experienced Consulting Associates work closely with clients throughout the stages of strategy creation and implementation.

For contact and more information, please email [info@jomer.se](mailto:info@jomer.se).