Enterprise Social: Your Future Neural Network

Using social platforms internally, organizations can unlock their potential, break down hierarchies and foster a collaborative and open culture.
Executive Summary

While the benefits of social media tools and techniques are well-known when it comes to engaging with customers, organizations still face challenges when it comes to internally using social platforms to enable open collaboration across business lines and hierarchies. However, with approximately 90% of companies that use social technologies reporting some degree of business benefits, according to McKinsey & Co., it is increasingly a mistake to overlook the use of internal social platforms. Indeed, McKinsey finds that social technologies, when used to improve communication and collaboration within and across enterprises, have the potential to raise the productivity of high-skill knowledge workers by 20% to 25%.

This white paper identifies the common communication problems that large enterprises experience, and explores the role of social tools and techniques in establishing the “neural network” of the organization. We also look at how digital technologies — both systems of record and systems of engagement — can help overcome these obstacles, as they allow businesses to draw unprecedented value from organizational data. Of course, the best platforms alone will not ensure success; rather, organizations need to articulate a coherent strategy, develop a business case, identify and engage sponsors who can communicate the tangible benefits of internal social networks and, importantly, integrate the many ingredients of the system of engagement: the platform, the social data, social listening and analytics.

We also share some of our clients’ first-hand experiences to provide an overview of emerging tools and solutions, as well as the risks faced by companies seeking to build their digital futures, today.
ENTERPRISE SOCIAL: YOUR FUTURE NEURAL NETWORK

World Wide Web

The world wide web is a system of interconnected hypertext documents that are accessed via a web browser. One can view pages that may contain text, images, and other multimedia and navigate between them serially or sequentially.

E-mail

Connect

World Wide Web

Tweet

Like

Share

Chat

How to Connect?

Worldwide

Internet

a global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols.
Social Networking Transformation: From Personal to Professional Pursuits

According to McKinsey, 70% of companies use social technologies. However, many of those who have implemented social platforms for internal employee use often wonder “what’s next?” or struggle to justify the value they are receiving from the use of the platform (see Quick Take).

In our view, the enterprise social platform is an idea whose time has come; we believe that by 2015, organizations will begin to consider a new model of enterprise social. Moreover, there is an old new kid on the block, as Facebook recently announced the launch of Facebook at Work, an enterprise offspring of its consumer platform. Similar to Yammer, the offering is intended to help companies create social spaces for employees to interact within virtual corporate walls. Profiles are created automatically based on data from employer databases, overlaid with personalized information. Time will tell if historical security concerns, as well as the company’s strong association with leisure use, will diminish its potential as a professional platform.

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Overcoming Common Communication Concerns

Much of the interest in enterprise social platforms revolves around the common communication problems that exist inside large organizations. First, information flows are typically locked into engrained hierarchies, with cross-function information-sharing at least partially restricted, depending on the industry, organization size, culture and norms. For instance, information-sharing across departments of a regional newspaper might occur with very little interruption, while an established global investment bank is likely to exert more control over how it channels information, with systems, policies and procedures geared toward restricting the flow. This is true of most corporate cultures and represents a significant inefficiency.

Second, most companies’ reward systems are typically not aligned with corporate values that emphasize a more collaborative work culture. Consequently, behaviors such as team cohesion, promotion of two-way feedback and open communication are often overlooked in favor of sales targets and hard performance figures. An example is a utility company that wants to maximize customer satisfaction and its Net Promoter Score (NPS) but continues to measure the performance of its services team based on its number of daily client interactions. Given typical resource constraints, this could be detrimental to the business over the longer run. This is a problem that WorkAngel, a London-based startup, seeks to solve; with its employee rewards platform, work colleagues can recognize and reward employees for going above and beyond, such as a field engineer taking a few extra minutes at a customer location to ensure customer satisfaction.

An additional challenge is the difficulty of measuring the internal transaction costs of doing business. For example, to create a proposal or deliver a project, organizations typically need to involve a dozen people from different teams and departments. Transaction costs include the time to locate the right person, and the effort involved in completing
Quick Take

Articulating the Benefits of Yammer at a Major UK Retailer and a Leading Oil & Gas Company

A large UK retailer has quantified the return on investment (ROI) of rolling out Yammer Enterprise across its more than 3,000 stores. While the full commercial benefit is difficult to capture, it was possible to document localized examples of the value created by Yammer, such as the ability to share success stories, improve product placement on store shelves and speed problem resolution.

A global oil and gas company, meanwhile, articulated nine distinct use cases for Yammer, including executive communication, external collaboration and global conversations. For each of these categories, relevant roles within the organization have been identified, as well as individuals in those roles, helping to bring the use cases to life. In addition, a brief extract of the Yammer conversation supports the benefits for each use case. Adopting our approach helped this client formulate and convey Yammer’s overall value to internal stakeholders, consumers and decision-makers.

Another challenge that is particularly common to organizations as they grow larger and more global is the tendency to conduct localized problem-solving. Many organizations cannot tell if a problem they are trying to solve at a local branch, store or outlet has been solved elsewhere in the company, or whether the needed expertise exists somewhere in the enterprise. With no way to capture intellectual capital, this valuable information can easily be lost. An example is a hospital volunteer who has the insight that could make a big difference to an initiative under way at the organization, but her expertise is not in her CV or the healthcare provider’s systems. Furthermore, consider all the conversations between people that spark new product ideas, but rather than the brainstorming session leading to a new product, the team becomes sidetracked with other projects and priorities, and the momentum – and intellectual capital – is lost.

A last but important challenge is developing an IT foundation to support the trend in today’s business world of “bring your own self” – the idea that the line between the personal and professional is blurring, to the advantage of the individual and the business. Smart organizations are encouraging the development of a tightly knit workforce in which employees interact on overlapping, multidimensional webs of connection, friendship,
hobbies, sentiments, etc. The idea is that individuals no longer need to leave their personalities, hobbies and unique characteristics at home because they represent pools of capabilities or knowledge that add value to their work and the overall business, whether it's the languages they speak, the regions and cultures they have lived in, the practical skills they may have developed, etc. This trend also means employees are encouraged to integrate their personal networks with their professional relationships. While the lines between these two worlds blend, our information systems remain inadequate to reflect and represent our whole selves at work.

So, Where Do We Go From Here?

The embrace of digital technologies requires businesses to shift their focus from systems of record to systems of engagement (see Figure 1). Implicit in this is a move from structured to unstructured information.

**Transitioning from Systems of Record to Systems of Engagement**

FROM …

**Systems of Record**

- Structured information
- Data- and transaction-centric information
- Process-based information

… TO

**Systems of Engagement**

- Unstructured information
- Relationship and conversation-centric information
- Context-based information


Figure 1

Seen in this context, the enterprise social platform can serve as a new and complementary layer that provides a centralized place to conduct and store conversation-centric, context-based, human-oriented information, with the goal of addressing the common communication challenges of businesses, especially large, dispersed enterprises.

Social platforms are inherently non-hierarchical. Although some, such as LoYakk, are designed around certain types of hierarchies, most are intended to encourage serendipitous or interest-based discussions, or are organized around specific problem domains. Hierarchical organizational structures are typically not replicated on the social platforms, which are geared toward the democratization of information, opinion and discussion, and are supportive of cross-hierarchical and cross-departmental conversation. We have found Yammer to be very effective for this kind of discussion. For example, a query we fielded on how to create an internal enterprise blog resulted in three appropriate responses in just 30 minutes of posting a one-line question.

Next-generation social platforms, such as ProFinda, Vmoso and WorkAngel, go to the core of the social challenges outlined above. Vmoso, owned by Broadvision, looks to unify
communications into a single hierarchy, addressing the typical problem of creating and managing multiple systems across e-mail, file systems and enterprise social platforms. ProFinda uses an algorithm that works on all organizational data – structured and unstructured, internal and external – to identify patterns that traditional tools don’t or can’t discover, such as relationships between employee data from human resources databases and content generated by colleague engagement on a social platform. Making sense of all this information can produce informative insights to support, for example, corporate talent and retention management.

All of these platform types need to be licensed and installed, which distinguishes them from consumer-oriented social technologies and social media. They also support mobile capabilities and analytics, which are critical to today’s business needs.

From Platforms to Results

Despite their growing capabilities, the best platforms will not deliver success if they are treated as the answer in and of themselves. We recommend that organizations start by establishing clear and measurable business objectives for the social platform. To that end, we worked with a client to develop a “mind map” that identifies different types of problems that could be solved by an enterprise social platform, from providing support on HR issues to driving execution across functional teams (see Figure 2).

Business Value Achieved through Social Tools
Quick Take

Social’s IT Implications

Social media introduces IT management challenges, including these four common issues:

• **Sourcing the platform**: With continuous platform innovation and ever-shortening product lifecycles, businesses need to consider an ever-growing list of criteria when selecting a tool.

• **Security**: Organizations need to strike a balance between being collaborative—internally and externally—and enabling employees to access enterprise data on private devices, while maintaining control over sensitive data.

• **Governance**: Businesses need to establish best practices for governing content and access to it, while also reinforcing common engagement rules and principles.

• **Implementation**: Fast-changing technology and user empowerment requires new levels of engagement between business and IT.

Organizations can expand on this thinking until they see a clear path to value, in terms of either cost savings or revenues. While clear answers may not immediately emerge, this approach can ultimately produce clarity of thinking and enable businesses to obtain the right data as they move forward. The move to internal social networking will also require changes across the enterprise, including in IT (see Quick Take).

Because of the difficulty of this work, senior sponsors should be involved who can recognize social’s less tangible cultural, communication and engagement benefits, such as:

• How transparent is the information within your organization?
• How easily can you connect with colleagues beyond your immediate team?
• How easily can you find a solution to a problem?
• Is your organization characterized by innovation and risk-taking?
• How possible is it to carry out the values and behaviors defined in your organization’s strategy?
• How connected do you and your colleagues feel, especially those who work remotely or are dispersed across numerous sites?

Above all, organizations need to avoid what some call “provide and pray,” in which the business invests in a platform and hopes some good will come of it.
Experimenting with New Models

It might sound contradictory to both be compelled to innovate while also needing to establish a clear business case before proceeding. But building and learning from a business case are integral to proper planning and execution.

Common questions that organizations ask when building the business case include:

- **Can social experiences truly be engineered?** Probably not 100%, but they can be curated. Choosing the right platform, with the right implementation, underpinned by clear goals, will go a long way toward getting your organization there.

- **Can true collaborations across hierarchies actually take place in large companies?** It is probably less possible in highly dispersed business cultures or in very hierarchical enterprises. A major success factor is the way in which your organization enables junior people in the business to be heard, and social tools certainly offer the ability to push hierarchical cultures beyond their traditional boundaries.

- **How can the organization establish work/non-work balance on the enterprise platform?** This will continue to be one of the key debates as we move away from traditional office environments that clearly demarcate the lines between work and personal. As social mores and operational guidelines evolve, it is entirely possible that people will err in both directions. Organizations should continue to gather data on these behaviors to help create guiding principles specific to their culture and goals.

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Looking Forward

Unless there is a specific need for point-to-point communications between individuals in the workplace, the publish/subscribe model of enterprise social networks is a far more efficient and effective way of communicating in the workplace. Thanks to social media platforms such as Facebook, most workers are comfortable with the notion of reading a news feed, posting, following, engaging and responding, and require little education or training before moving onto an internal social media platform.

Done right, the social layer will be the neural network of the enterprise. We clearly observe an increased desire among business users for unlimited, boundary-free access to collaboration. Whether it is point-to-point or point-to-multipoint, existing hierarchies and organizational barriers are being torn down with a variety of social enterprise tools. In addition, as these applications, in combination with BYOD and mobile, are being adopted across more organizations, they are blurring the lines between organizational structures and our personal and professional lives. Increasingly, both worlds co-exist, with the same user experience on the same hardware in the same physical space and at the same time.
Footnotes


About the Author

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