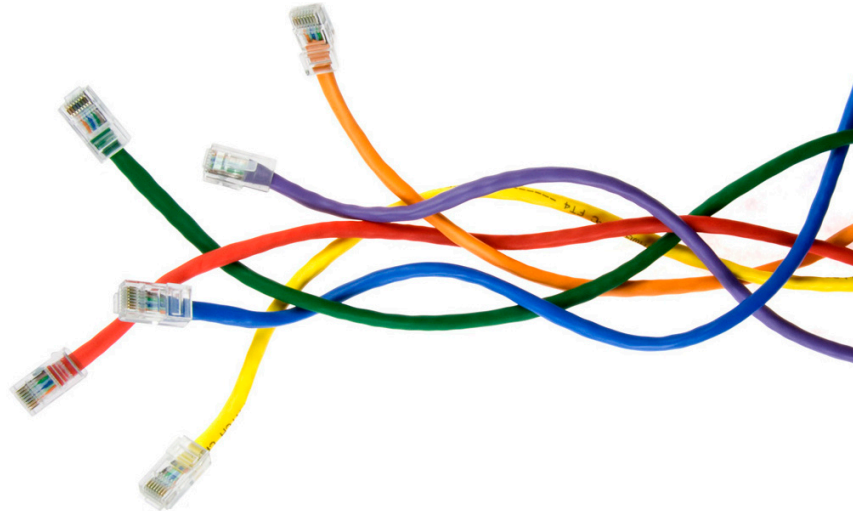


Social software for business performance

The missing link in social software: Measurable business performance improvements



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 can have a distinct advantage over their competitors. 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.

This paper highlights case studies on the experiences of early adopters that have created a focused approach for deriving tangible business performance improvements—short-term impact with a only a modest investment in tools.

Profound changes are underway. We live in a world of near-constant disruption as defined by the Big Shift, where rapid technological innovation, globalization, and liberal public policies drive heightened competition¹. One consequence of the Big Shift is that, increasingly, employees encounter non-routine issues which break the standard processes. These “exceptions” impede operating

processes and drag down business performance across all parts of the organization. Employees spend hours, or days, attempting to find relevant information and expertise in an environment of proliferating information flows. The current technologies support standard business processes, but fail to support the dynamic informal communications needed for resolving exceptions. Employees need tools that enable them to navigate organizational boundaries, connect to the right people, and accelerate exception resolution.

Skeptics will finish last. Companies can improve their business performance substantially by using social software for exception handling. Examples in the paper point toward a strategy for deriving tangible operating performance improvements and achieving competitive advantage through the intelligent and targeted application of social software tools.

Exceptions are not exceptional—they are the norm.

Focusing on adoption is a dead-end strategy. Many companies are implementing social software², but few have demonstrated any tangible enterprise-wide performance improvement as a result of using the software. So far, most measurable success has been confined to small teams and other outliers. In examining

¹ John Hagel III, John Seely Brown, Lang Davison, et al., *Measuring the forces of long-term change: The 2009 Shift Index* (San Jose, CA: The Center for the Edge, 2009), p. 9.

² G. Oliver Young, *The Enterprise 2.0 Buyer Profile: 2009*, Forrester Research, 7 May 2009, p. 4.

enterprise-level deployments, we find that most companies define success in terms of adoption. They do not focus on specific pain points and they do not provide a clear proposition for how using social software will help employees improve their own performance. It is no surprise that in a recent survey 64% of companies implementing social software faced resistance from management and 72% faced resistance from users³. Adoption metrics have not historically addressed what matters most to employees, managers, or executives. As long as adoption is the primary measure of success, resistance, at all levels, will likely block successful social software deployment.

Companies must be strategic. Focusing on something tangible, broadly relevant, and widely acknowledged as a problem is key to overcoming initial skepticism. Employees must have a clear and compelling motivation for using the tool; they will use the tool if doing so will help them meet performance targets, receive recognition, or be rewarded. Aligning the organization requires focusing on something everyone cares about – key operating metrics. Proliferating exceptions cause “pain” in operating processes and dealing with them gets in the way of improving those key business processes. Social software, applied against the problem of exception handling, can directly and measurably impact operating metrics and improve business performance.

³ Carl Frappaolo, *Can Enterprise 2.0 Crack Through the KM Culture Barrier?*, a presentation at The Enterprise 2.0 Conference, Boston, MA June 2010. Research developed by Information Architect and The 2.0 Adoption Council.

Companies must be decisive. Too often, companies implement social software without clear business objectives or a strategy for moving the needle on organizational performance. These efforts typically fail. The focused approach outlined in this paper can help executives select the exception-handling opportunities that will have the greatest impact on operating and financial metrics.

Companies must act now. By more effectively targeting high-impact opportunities to apply social software, companies can generate tangible, near-term operating results. As the organization builds confidence and proficiency using social software, it can expand use of the tool to address additional attractive opportunities where the potential impact and the employee engagement are high. Companies that move quickly can reap significant financial rewards and develop skills and experience that have the potential to help them build a stronger competitive position over time.

Visit www.deloitte.com/us/socialsoftware to access the full report and to learn more.

For additional information on Deloitte’s Center for the Edge and to view additional reports, please visit www.deloitte.com/centerforedge.