
STRATEGIES: Is your bank ready for “social business”?

Begin by reimagining your business with a social mindset

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Even today, business leaders may dismiss the potential of social business, either relegating it to the realm of internet marketing or ignoring the buzz as a passing fad. But that’s changing as boomers evolve into digital natives, millennials permeate the workforce and social media becomes a part of daily life. The doors are now open for social business.

Leading enterprises today are applying social technologies like collaboration, communication and content management to social network--the connected web of people and assets that impact on a given business goal or outcome--amplified by social media from blogs to social networking sites to content communities. Yet it’s more than tools and technology. Businesses are being fundamentally changed as leaders rethink their core processes and capabilities with a social mindset to find new ways to create more value, faster.

Forays into social business typically start with an organization’s external-facing concerns. Sales and marketing organizations, looking to understand customer sentiment and product positioning, listen carefully to opinions expressed in the social sphere. Similarly, organizations roll out internal micro-blogs that allow employees to broadcast and push interests, ideas and expertise to the enterprise. These types of efforts are excellent entry points, but not the only points of impact in the enterprise. Think across the full value chain. Compose “social” with a key business function such as Social CRM (customer relationship management), Social PLM (product lifecycle management) or Social Supply Chain.

Deloitte’s Tech Trends 2012

This article and the accompanying article that follows it comes from one chapter of Deloitte Consulting LLP’s Tech Trends 2012

whitepaper, which focuses on ten technology areas that have the most potential to impact businesses over the next 18 to 24 months across all industries. The paper splits the ten areas into disruptors (“technologies that can create sustainable positive disruption in IT capabilities, business operations and sometimes even business models”) and enablers (“technologies in which many CIOs have already invested time and effort, but which may warrant another look this year because of new developments”). Social Business is classified as a “disruptor.”

To download the full white paper, [click here](#).

Social business can shift an organization’s dynamic from isolation to engagement by providing vehicles for discovering, growing and propagating ideas and expertise. This shift requires organizations to take a more active approach to social. Beyond social monitoring and listening posts, leading organizations are establishing command centers to interact with consumers and the marketplace via the social sphere. Some interactions are transactional, such as customer relationship management, servicing or order management, while others seek to drive loyalty and brand activation. Functional areas such as Human Resources and recruiting are following sales and marketing’s lead, with customer service, product development and operations close behind.

Enterprise solutions are moving from communication tools to collaboration suites, white pages, yellow pages and expertise finders, where specialized knowledge can be found regardless of individual connections. Distributed teams can work together on deliverables without worrying about versioning or “over-the-wall engineering.” Communities can form and engage around topics based on individuals’ common interests--personal or professional, long-running or perishable.

Behind it is a simple truth: People are the core of business.

The balance of power has shifted from the corporation to the individual. Technology has made it easier to discover and participate in social networks, but it has not changed their currency: content, authenticity, integrity, reputation, commitment and follow-through. Social business allows organizations that share these values to fundamentally reshape how their companies run and serve their markets. A flattened world--allowing direct contact between customers and product developers, between divisional VPs and front-line workers, between salespeople and suppliers--could be inherently more effective and efficient. Companies that align the passions of their people with the interests of their customers hold the potential to capture the marketplace.

History repeating itself?

Social business inherits its associations--and perhaps misconceptions--from previous efforts in collaboration, knowledge management and content management. Similar-sounding terminology--social networking, social media, social computing and social business--only adds to the confusion.

What were the challenges?

What's different in 2012?

Social media (e.g., LinkedIn, Twitter, Facebook)

- Non-digital natives were slow to adopt public social media services, which made business leaders skeptical about their usefulness in a business setting.

- Security, privacy and compliance risks were real. Intellectual property could be compromised, competitive plans could be shared, and brands could be harmed by individuals' behaviors.

- Companies have invested in technology-centric pilots and systems that mimic the successful use cases of the consumer social sphere. Sometimes a "build it and they will come" approach, they didn't follow the successful pattern: articulate a business objective; map the related social network or graph; implement targeted social technology and media; evaluate results, tune and refine the focus. The most frequently missed step being mapping the right social network in which to act.

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The enterprise market for social collaboration, content and communication tools has exploded over the past 12 months; on-premise or cloud versions of social media tools can help balance openness with acceptable risk.

- Public social media sites are viewed as only one part of an overall social business strategy, used primarily as sources for social sentiment signals, vehicles for brand management and external communication, and channels for customer management and sales.

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Millennials joining the workforce are wired to use social and mobile channels to bond, socialize and solve problems¹. Organizations that lack internal, governed social media and computing channels may find their younger employees using public tools as a well-intentioned, but risky, alternative.

- Businesses large and small are now making focused investments in deploying social technology and media into well-mapped social networks for specific business objectives across the enterprise

value chain

Collaboration and knowledge management (KM) tools

- Many organizations confronted the inefficiencies of how work gets done and shared in their shops by implementing collaboration solutions for static or ill-defined groups. These solutions were mainly ERP workflow, or limited to content sharing or messaging. They don't embrace the necessity of allowing communication to evolve into community. They may be limited to one function, geography or job role and unable to tap the breadth and depth of the enterprise.

- Previous versions of content and knowledge management tools majored on collecting and managing the content without successfully capturing the context and workflows that transform that intellectual property into business value. KM systems became static repositories or libraries without curation or circulation.

- Social business inside the enterprise can facilitate discovery and connections among employees, real-time collaboration on tasks and documents, and a systematic view of who knows who, who knows what, and how work actually gets done.

- New social computing tools can support both collaboration and task execution, so contributors are motivated to use them in executing daily tasks. Context is preserved alongside the content to aid in both discovery and use.

- The categorization of knowledge, work steps and relationships can be used to document, mine and find information. Taxonomy discovery can bridge across structured, unstructured and semi-structured sources, finding new relationships between content and offering a way to both discover and create business intelligence. This can be especially important for organizations with aging workforces, where leaders are looking to ease the pain of large-scale knowledge transfer.

- The Curator and Moderator join the Librarian in harnessing content, communication and conversation into both long-and short-lived communities around key business issues and opportunities.

Technology implications

Social business taps into the shared interests of individuals to guide communal value. Technology can help make these interactions effective--aiding in discovering new information, sharing content, collaborating on ideas and work products, and potentially allowing parts of transactional systems and data to be used through social channels.

Topic

Description

Social computing tools

Implementation of internal collaboration suites, wikis, ideagoras, expertise finders, enterprise search and prediction markets are not trivial undertakings. Naming conventions, hierarchies, entitlement and privacy rights and archiving can inform the scope and usefulness of each solution. The value of social computing investments can be enhanced by integrating email for traditional correspondence, instant messaging and other converged communication tools, and content repositories for easy access to information that transcends geographies.

Sentiment analysis tools

Social media monitoring tools such as Radian 6, Mantis or Lithium reflect the broader shift in analytics where the mechanics of software configuration are not complex, but still require in-depth industry and modeling experience to help define and fine-tune models to obtain reliable, insightful results. Also, intelligent oversight is needed, because automated systems have trouble interpreting nuance, subtlety or sarcasm. Advances in contextual mining and artificial intelligence sense-making will likely lead to continuous product improvements, but today's offerings require specialized knowledge to set-up, monitor and maintain.

Digital content management

Product information, brand collateral, store/employee data and other content should be consistent across channels: brick-and-mortar locations, web, call centers, mobile, social, kiosks and tomorrow's innovation. This omni-channel world increases the importance of traditional digital asset management (DAM), content governance and stewardship, as well as the need to manage content and communities simultaneously across channels.

Digital identities2

Social business amplifies the potential value of individual personas and relationships, whether they are employee, customer, prospect or partner. Correlation of discrete identities across enterprises (both private and public) requires a federated or brokered digital identity service that should also have the ability to render individual, authenticated, non-repudiated assertions on who an individual is and what they have access to. Within the enterprise, a uniform approach to identity, access and credential management should be a must.

Lessons from the frontlines: Case studies

Quenching customer insight

Gatorade's mission-control center for social media can demonstrate the potential of social business³. A hub in the company's marketing department tracks tweets, Facebook activity and blog postings that mention the brand, its endorsers, competitors and broader sports-nutrition topics. Detailed sentiment analysis tracks products, campaigns and customers across their lifecycles. Brand attributes are watched, correlated with media performance, and used to reach out proactively to influencers and customers. The results drive strategic marketing plans and product development, as well as tactical activities, such as improving landing pages and content delivery⁴. Initial results are impressive, with claims of a 250% increase in engagement and 65% reduction in early page exits. Social activities likely contributed to Gatorade's U.S. volume sales growth of 10% in the second quarter of 2010, after three consecutive years of slumped sales⁵.

Forging the future of social commerce

Tesco, the United Kingdom's largest retailer, has been a leading proponent of social business. From early entries into social monitoring and command centers, to ambitious social commerce campaigns, to the acquisition of social marketing firm BzzAgent⁶, Tesco is embedding social sensibilities into virtually all aspects of its business, from loyalty programs to stocking and procurement decisions⁷.

More from Tech Trends

The Deloitte Consulting Tech Trends 2012 section on Social Business also includes a viewpoint section, "My Take," by Sandy Pentland, director, Media Lab Entrepreneurship Program, MIT Media Labs. It begins:

"For years I've been working in the field of "connection science"--studying how relationships and personal interactions shape society and business. Social business is a manifestation of that thinking, with companies transforming how they organize and operate based on individual roles, social networks and the power of connections. Social business can have huge potential inside and outside the enterprise, across employees, customers, prospects and business partners."

[Read the rest of Pentland's article](#)

Another large retailer also has ambitious plans for social business. In 2011, it acquired an organization that uses social-sphere signals to deliver relevant ads based on an individual's interests; and acquired a platform for real-time sentiment and social stream analysis. Beyond brand awareness, engagement and loyalty, its goal is to develop intent-based inventory and logistics driven by the buying patterns and signals of local residents.

Breaking down the research and development silos

A leading high-tech firm took a hard look at its software development process. Like many other companies in the industry, departmental stove-pipes and over-the-wall engineering approaches were the rule. The design and engineering teams worked on separate paths, even though their efforts were highly dependent on one another. In a typical scenario, engineering would create technical specifications for weeks and hand it off to design, who would go away and work on treatments and design concepts. They would then come together for two weeks of joint sessions, poking holes in each other's thinking while moving slowly toward consensus. This process would repeat, with the hope that next time would bring shorter cycles and fewer gaps at the end of each round. It was the epitome of sequential collaboration driven by a manufacturing mentality.

To break through business as usual, the firm shifted to an open collaboration platform across project teams, with progress documents openly shared using discussion boards and micro-blogs instead of deliverable review templates and email. Social business started to flourish. Cultural resistance existed at first, driven by fears that interim deliverables would be reviewed using the same criteria as finished products. But team members quickly came to understand the value of the new process, and finished products saw a quality boost and got to market faster. In this competitive sector, shorter product development cycles can have heart-of-the-business impact and, in this case, it was driven by open, collaborative, social business.

Where do you start?

Social business requires broader thinking than currently found in many organizations, and institutional biases can prevent it from receiving the priority status it deserves. Fortunately, there are some simple ways to help break through dated perceptions and cultural inertia and start the social journey. Pursue an incremental path that builds on experiments that may demonstrate potential.

Start at the beginning. Social business is about achieving specific business outcomes. Start with reasonable scope in early efforts. Map the individuals in your potential social networks, and know what behaviors you are trying to affect and how you might meaningfully engage these into persistent communities. Use this information to guide the development of tools, roadmaps and roll-out plans — not the other way around. Focus on results that can be measurable and attributable.

Deploy the basics. Certain aspects of social business are nearly universally relevant, such as social monitoring and listening posts for customer sentiment and brand positioning, as well as corporate yellow pages and social networking tools for experience-finding and leverage of intellectual property. These should be on each business's radar — and they can provide an excellent entrée to social business in R&D, PLM, HR, IT and even Finance. After all, "close the books" is an inherently collaborative and repeatable activity with clear business goals, a well-understood network of players and both structured and unstructured content use.

Move from sensing to actuating. With basic monitoring tools in place, social business can move from passive to active. Instead of just listening, establish a command center for social customer relationship management (CRM), social sales and social product lifecycle management (PLM). Move from experience finding to insight management by using micro-blogging and content management tools to promote sharing and re-use of knowledge and assets.

Break boundaries. The chief marketing officer, chief talent officer and head of sales are typically early adopters of social business. But it doesn't have to stop there. What about a social chief financial officer? How could reporting, classification and audit be transformed by linking finance and control to knowledge streams and trails of how, where and (here's the kicker) why work got done? How would a social plant manager run a shop floor differently? With social business, the individual once again matters in performance improvement. At many levels, organizations that align the passions of their people with the interests of their markets can have a strong competitive advantage.

Authenticity matters. Social business is about the individual. An anonymous corporate presence using social channels as a bully pulpit will not likely yield results. In recent decades, marketing or HR has sometimes evolved to mean what we do to people, afar cry from the original intent. Social business can bring us back full circle, thriving on personal voice and genuine interaction. Building those authentic relationships requires time and investment.

Bottom line

Social business is still in its early days. These initial waves are about unlocking insights based on people's behavior and relationships, and on supplementing the enterprise's traditional view of markets and employees. Even more value can be gained as companies restructure how work gets done through social engagement--and by customizing messaging, promotions and even products, based on individual and community desires. Social awareness can give way to social empowerment--once again placing people at the heart of business.

About the authors

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White is the Chief Technology Officer of Deloitte Consulting LLP's technology practice and the global technology lead for eminence and innovation. In his eight years at Deloitte, he has served clients in the federal, financial services, real estate, high tech, energy, transportation and other industries.

During his time at Deloitte, Mark has served in multiple leadership roles: program delivery principal for major federal programs and engagement delivery principal for global 100 financial services and real estate firms. His engagement focus areas include IT service management, IT service architectures, operations engineering, data center design and consolidation, and business intelligence systems.

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Briggs is deputy chief technology officer of Deloitte Consulting LLP's technology practice. In this role he has a lead role in researching and authoring the annual Technology Trends guide. Deep technology implementation experience and vision helps give Briggs perspective to help clients plan for--and implement--challenging technology-related projects.

Briggs has more than 12 years of experience at Deloitte delivering complex, large-scale transformation programs for clients in the financial services, healthcare, consumer products, and public sectors. Of particular interest to Briggs is the convergence of cloud, mobility and social computing technologies--termed CloMoSo--which has particularly powerful implications for organizations.

Endnotes

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