Applying social business:

The repeatable patterns that improve business processes and provide return

IBM

Contents

A shift of power in commercial relationships from producers and sellers to buyers has changed marketplace and leadership thinking toward greater collaboration with customers, partners and employees. Fortunately, new capabilities in technology and business practices can help organizations adapt to, even harness, these marketplace dynamics. Social business can be combined with mobility and cloud to enable organizations to innovate and execute faster, better understand and serve their customers, and empower a more engaged workforce. This paper describes seven examples of repeatable approaches for using social business practices and capabilities to impact your business, to create competitive advantage and to gain identifiable and measurable ROI.

Social Business is much more than social media. A social business is an organization whose culture and practices encourage networks of people including employees, partners, customers and other stakeholders, to create business value. They will embed social interactions into core business process and apply analytics to gain insights from network interactions.
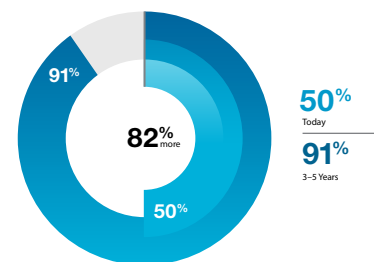
**CxOs plan to collaborate much
more extensively with customers**

96%more

90%

46%

46%
Today

90%
3–5 Years
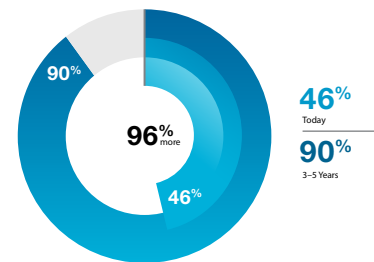
**CxO planned level of
collaboration with partners**

89%more

89%

47%

47%
Today

89%
3–5 Years
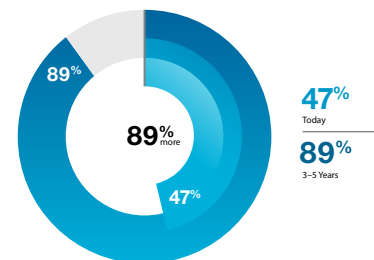
**CxO planned level of
collaboration with employees**

82%more

91%

50%

50%
Today

91%
3–5 Years

Source: "The Customer-activated Enterprise: Insights from the Global C-suite Study," **IBM Institute for Business Value, October 2013.**

Leadership in organizations have tuned into the opportunity. Nearly seven in ten executives in the C-suite recognize the shift to improved transparency in social and digital interaction. The C-suite is transforming all relationships (customers, partners and employees) by building social into their core processes.[1] Over half expect to meet an even more difficult demand: understanding and engaging the customer as an individual rather than as a category or market segment. The magnitude of the value creation potential of social business is estimated to be as much as USD1.3 trillion in just four industry sectors.[2] This potential is similar to that of the adoption of online commerce capabilities a decade ago. However, the same study found that, as of last year, just three percent of all organizations surveyed are deriving substantial benefit from social.

Many leaders understand that social business represents an enormous opportunity to transform their organizations and fuel substantial value creation.[3] Beyond content with just Facebook and other public social networks, their organizations are applying their own social capabilities to business processes that connect external and internal stakeholders: customers, partners, employees, communities and more. They are optimizing key business processes by enabling the human interactions necessary to produce results when the effectiveness of automated process activities has been exhausted.

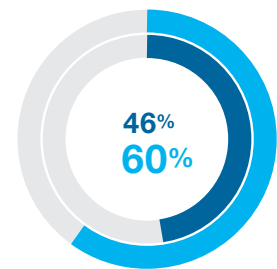Which socially-enabled business processes are producing meaningful value now?

- By socially transforming *customer service*, organizations have reduced their customer defection rates
- Being social has helped businesses cut as much as two-thirds from their new *product development* times.
- *Human resources* functions have reduced, by two days, new hire onboarding time.

- *Marketing* departments have achieved a 100 percent increase in market exposure via social.
- Some organizations have jumpstarted their *sales processes* while connecting sales people better with customers. These initiatives have increased sales manager revenue by 40 percent and improved sales efficiency by up to 50 percent.

Exactly how are organizations optimizing these processes and becoming social businesses? What best practices have emerged? Those questions are addressed by Social Business Patterns.

38%
54%

46%
60%
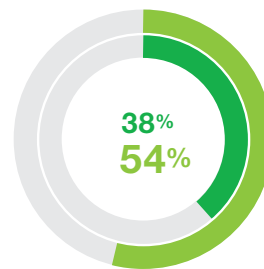
54% of companies expect to support their Customer Service processes with social capabilities within two years, up from **38% at present**[4]

60% will socially-enable their Sales processes in the next two years, up from **46% now**[5]

Social Business Patterns

Organizations with a solid foundation of social business experience and techniques are seeing real business benefits. These organizations started with critical business processes and are applying Social Business Patterns to drive the change program.

Social Business Patterns are repeatable methodologies to improve business processes by embedding social capabilities that create business impact.

These patterns are repeatable methodologies of business transformation that:

1. Start with the top 2-3 *business priorities*
2. For each business priority, identify the critical *roles, audiences and processes* that have the highest impact on success
3. Visually demonstrate the current pain by showing the *interaction between roles and audiences* for the process
4. *Embed social* into the existing process and core applications
5. Build the *business case* based on the process' standard metrics.

Table 1 summarizes seven Social Business Patterns that organizations can apply to quickly realize business results.

Social Business Pattern	Value producers
Customer engagement	• Provide a common customer experience to sales, service and marketing processes and channels (online, contact center, in-person, mobile and others) • Identify and connect with key customer influencers to establish broad and ongoing relationships
Innovation	• Increase innovation with a wider reach of ideas • Increase the success and speed of bringing innovations to market
Recruiting and onboarding	• Collaboratively find and connect the right candidate to the right position • Streamline assessment and hiring processes • Better connect, engage and retain new hires • Contextually recommend expertise to increase new hire productivity
Mergers and acquisitions	• Increase overall success rate of merger and acquisition activities • Accelerate creation of "one company" community and culture • Maintain customer focus and success by building rich social networks
Workplace and public safety	• Speed communication of new or changed safety regulations, policies and procedures • Minimize or eliminate project execution delays that arise from actual or potential safety issues • Improve innovation in safety procedures by increasing dialogue between safety experts and workers
Expertise and knowledge	• Create social networks aligned to organizational priorities to identify, create and spread knowledge and expertise • Connect the best possible resources to effectively respond to customer needs • Embed the identification of resources with relevant expertise and other related communities, documents and more into core applications and processes
Supply Chain	• Engage customer communities and leverage social analytics for improved demand forecasting • Build active supply chain communities (within and across companies) to benchmark and share best practices

Table 1: Social Business Patterns and how they produce value

"I've had more than 30 conversations with IBM customers who have not only implemented and benefited from social business IT implementation, but have quantified the results…the ROI is real."[6]

Customer engagement

Markets are conversations.[7] Because of increasing pressure from web savvy and empowered customers with ever improving mobility, businesses are reinventing how they engage customers (from online to contact center and in person). Improving customer engagement and loyalty is, after all, a critical concern of business leadership today. The number of executives planning to collaborate much more extensively with customers will double in the next 3-5 years.[8] In fact, outperforming organizations are 54 percent more likely to collaborate with their customers.[9] Improved customer collaboration enables organizations to treat customers as individuals first, rather than demographics.

Detailed customer profiles, combined with listening and analytics technologies, can uncover insights about behaviors that span multiple channels and sources. Organizations can then feed those insights into internal workforce collaboration systems and processes, which enable employees to use intuitive social tools to respond better to customers. The Customer Engagement Social Business Pattern reveals how organizations build lasting relationships with customers through all channels to increase revenue and customer loyalty. The benefits are seen in promotional successes and increased efficiency in customer service as well as in product and service development.

Primary business processes
The primary business processes for this pattern are sales, customer service, marketing and ongoing customer relationship management.

Most relevant industries
The industries for which this pattern is most relevant are retail, consumer packaged goods, banking, travel and transportation, automotive, media and entertainment, insurance, telecommunications and others that depend on loyal customers.

Business challenges
The common challenges faced by organizations that could benefit from applying this pattern include:

- Inability to understand the evolving needs of existing and potential new customers and markets, and meeting those needs with relevant offerings
- Struggling to begin or accelerate a shift from mass marketing to targeting key individuals whose influence reaches large numbers of additional potential customers
- Loss of customer loyalty or drops in satisfaction levels (66 percent of global consumers change service providers because of poor customer service, which represents USD5.9 trillion in potential revenue)[10]
- Need for brand management and reputation care by means of digital presence

Key stakeholders
The key stakeholders for this pattern are CMOs, vice presidents of customer service and sales, as well as product innovators.

Recommended actions
This pattern features these specific actions:

- Implement collaboration tools for conversing with individual customers and key influencers from customer acquisition and "onboarding" to aftermarket services.
- Deploy social analytics and monitoring tools to "listen" to and understand customer sentiment and gain insight into existing and future customer needs.
- Discuss insights about customers in internal collaborative social systems and identify, prioritize and develop new product and service capabilities.
- Consider deploying appropriate loyalty and reward programs.
- Enable rich media experiences that engage customers and aid service and call center best practices.
- Foster the developement of customer communities to engage clients and provide additional levels of support.

Potential benefits

Organizations that have applied the practices that constitute this pattern have observed these benefits:

- Nearly 50 percent reduction in customer or agent service costs[11]
- Almost 50 percent decrease in time required to develop new services and features[12]
- 20 percent reduction in man hours needed to create new product release information[13]
- 100 percent yearly average growth in new business premiums[14]

IBM experience

IBM has supplied its expertise and analysis capabilities to some of the premiere sporting events in the world, including the US Open Tennis and the Masters Golf tournaments. IBM works with event sponsors to help them quickly improve their understanding of the event's operations. Event sponsors can also learn from customer interactions with the event's website. IBM has run its own digital events, called Jams, which are online discussions that involve its employees, business partners, customers and others. IBM also plans and conducts Jams for customers who want to learn more about their employees and external constituents.

"31 percent of CEOs personally sponsor digital initiatives, up from 23 percent who said so in 2012. This growth illustrates the importance of these new digital programs to corporate performance."[15]

Reliance

A self-service portal called Lifeline delivers services to all of Reliance's key stakeholder groups, from customers and prospects to the company's employees and agents. The portal provides customers with a single experience for researching and purchasing insurance plans, managing their portfolios and paying their premiums. Because Reliance stores all customer and transaction information in a consolidated data warehouse, the company can see which product offerings are successful and which are not.

"Many corporate technology companies have social media or analytics products…But IBM has the early lead in marrying the two."[16]

Greater collaboration with customers translates into greater financial success
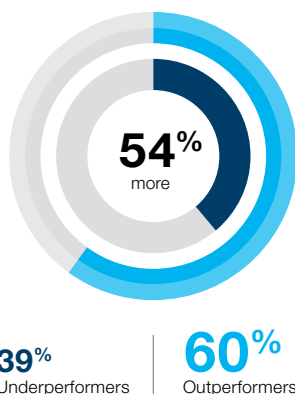
54% more

39% Underperformers

60% Outperformers

Source: "The Customer-activated Enterprise: Insights from the Global C-suite Study," **IBM Institute for Business Value, October 2013.**

Innovation

Innovation is strongly correlated with value creation and is a key factor in financial outperformance. However, only 25 percent of organizations are good at *generating* and *converting* innovations.[17] These companies align innovation goals with business strategy. Their efforts support the appropriate mix of product, operational and business model innovation that enables them to effectively grow and compete. And, their innovation activities are managed in a transparent program. Organizations that strategize and manage innovation in a collaborative, open and continuous manner create a source of competitive advantage and economic benefit. Collaboration includes seamlessly engaging all employees in the innovation process and securely including external business partners and customers.

The top ten most innovative companies had two-year compound annual growth rates of 60 percent more than the overall Standard and Poors Global 1200.[18] For these companies, innovation is much more than a "big idea." Innovation is an ongoing process of creating value from something new, such as new ideas, new technologies, new products or new processes. For example, 75 percent of successful companies rely on social networks to vet new ideas for success.[19] They use them for:

- Openly communicating strategy
- Openly generating and prioritizing non-traditional ideas for new products and services
- Innovating operations by teaming with external specialists and business partners
- Innovating business models by combining emerging technologies with business imperatives to redefine the value chain or move into entirely new industries

Future innovation will be conducted in more open environments and CEOs interviewed for the 2012 IBM Global CEO study corroborate this point.[20]

The Innovation Social Business Pattern is designed to increase innovation by providing a wider reach of ideas and to help organizations increase the success and speed of bringing innovation to market.

Primary business processes

The primary business processes for this pattern include research and development, product and service management, business strategy and operations transformation.

Most relevant industries

The industries for which this pattern is relevant are government, healthcare, financial services, energy and utilities, telecommunications, pharmaceuticals and life sciences, electronics and manufacturing

Business challenges

The common challenges faced by organizations that could benefit from applying this pattern include:

- Lack of revenue from new product initiatives
- Insufficient communication from leadership that is needed to guide the organization toward strategic priorities
- Long development times for new products or services
- Ineffectiveness in selecting the best products or services to commercialize
- Difficulty with operational transformation initiatives
- Lack of openness and the inability to measure performance
- Overcoming a risk-averse culture and silos in the business

Key stakeholders

The key stakeholders are research and development, product development, line of business executives, CMOs, CIOs and CTOs.

Recommended actions

This pattern features these specific actions:

- Deploy collaboration tools for more *open communication* and to guide innovation toward delivering the type of value desired, such as product versus business model (see figure 1).
- "Engage the crowd" (internal and external) to vet new ideas.
- Deploy a portal that combines content, social and advanced mobile features to provide an exceptional digital experience for customers, partners, and employees while managing access by role.
- Deploy social gamification and social rewards systems to improve engagement.

Potential benefits

Organizations that have applied the practices that constitute this pattern have observed the following benefits:

- USD40 million in manufacturing savings[21]
- The launch of new global products in 1/3 of the time[22]
- Improved creativity and competitive edge from enabling mobile communications and collaboration[23]
- On demand access to critical information for physicians including advanced social networking, video and simulation technologies[24]
- Identification of nine new markets with innovation crowdsourcing[25]

IBM experience

IBM is consistently recognized for its leadership in new patents. IBM's research and professional services organizations are excellent examples of knowledge-driven business. IBM employees are extremely knowledgeable in specific areas of research and investigation; they include Nobel Laureates and winners of other prestigious awards. Many of the researchers at the IBM Center for Social Business have been at the forefront of exploring how knowledge is shared in organizations and what can be done to improve those methods and tools. They actively participate in IBM client engagements in all industries.

Cemex

Given that it employs more than 40,000 people in nearly 50 countries, Cemex had to overcome barriers of language, time zones and disparate work cultures to launch a new product. Cemex built an internal social network called Shift based on IBM Connections, an industry-leading enterprise social software solution with capabilities such as activities, embedded experience, social analytics, discussion forums, blogs and global communities. Shift enabled employees to work together to solve local problems with global talent. Employees used real-time collaboration and interaction to test and prioritize ideas and encourage staffers to innovate.

Organizations are progressively opening themselves to both more and different types of people—from inside and outside.
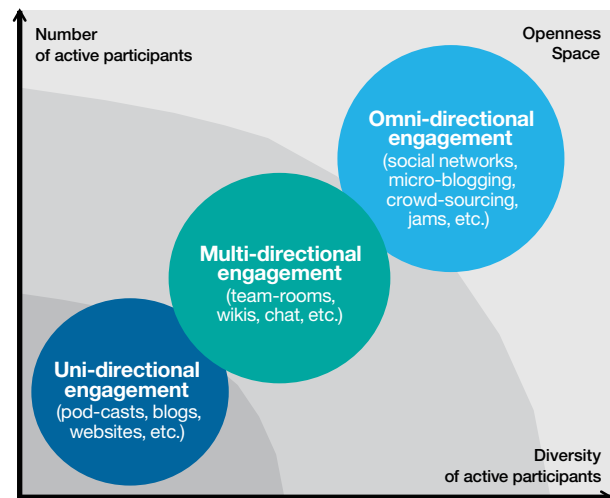
Openness refers to freeing up constraints on collaboration, communication and creativity. It is associated with empowerment of individuals to engage and interact, both inside and outside organizations.

Number of active participants refers to the number of people actively engaged in interactions – whether they be internal or external.

Diversity of active participants refers to heterogeneity of people actively engaged in interactions – beyond internal employees to customers, partners, the community and others.

Figure 1:
Source: "Insatiable Innovation," **IBM Institute for Business Value, June 2013.**

Asian Paints

The sales staff members of Asian Paints found it difficult to share best practices and innovative ways of supporting dealers. They also could not post issues of concern to the entire sales team. Now the sales department uses IBM Connections software and finds it an excellent tool for sharing innovations, expertise and best practices to solve challenges.

Recruiting and onboarding

Organizations must identify, hire and retain the best available talent if they want to gain and maintain a competitive advantage. Businesses must also increase the effectiveness of their onboarding activities so new hires are acclimated and productive quickly. The Recruiting and Onboarding Social Business Pattern shows how to meet those objectives by harnessing communities and social networks that connect:

- External candidates with HR staff and hiring managers
- New hires with direct supervisors, team members and other sources of expertise

Primary business processes

The primary business processes for this pattern include hiring, training and human capital management.

Most relevant industries

The industries for which this pattern is relevant include retail, banking, finance, healthcare, life sciences, government, telecommunications, and media and entertainment.

Business challenges

The common challenges faced by organizations that could benefit from applying this pattern include:

- Identifying and attracting the best possible candidates
- Accessing candidates in relation to corporate culture and matching their talents to specific, best-fit job openings
- Getting new hires started and making them productive contributors as quickly as possible

Key stakeholders:

The key stakeholders are CHROs, vice presidents of customer service, vice presidents of sales, CEOs and COOs.

Recommended actions

This pattern features these specific actions:

- Use internal and external social capabilities to connect HR staff, hiring managers and candidates in the recruiting process to new hires, HR staff, direct supervisors and others in the onboarding process.
- Align your social approach to target key skills gaps and proactively mine candidate data.
- Use internal social capabilities to connect new hires with team members and needed expertise to quickly develop productivity.

Potential benefits

Organizations that have applied the practices that constitute this pattern have observed the following benefits:

- 30 percent more candidate searches completed annually[26]
- 25 percent reduction in time needed to fill open positions[27]
- Two-day reduction in time to onboard new employees[28]
- 30 percent faster new hire time-to-value[29]
- At least 20 percent increase in employee retention[30]

Recruiting &
Onboarding

IBM experience

With a global headcount of more than 430,000, IBM has large-scale experience in recruiting, hiring and onboarding new employees. Its Human Capital Management processes are frequently optimized and have become socially-enabled in recent years. IBM uses LinkedIn, Facebook, Twitter and YouTube to support its external recruiting processes. Potential candidates can be made aware of country and role-specific positions for which IBM is hiring. They can also interact with IBM recruiters through these channels. IBM recruiters and hiring managers can learn about the candidate by conversing online with them and by visiting their social profiles on the web.

During the IBM onboarding process, new hires establish their internal social profile and connect with their supervisor and team members. New employees are also instructed on ways to find the information and expertise they will need to quickly become a productive contributor at IBM, including the use of social capabilities.

Wider lens: CHROs want to focus more on enhancing the customer experience. Many CHROs are planning to strategically hire to improve the end-customer experience
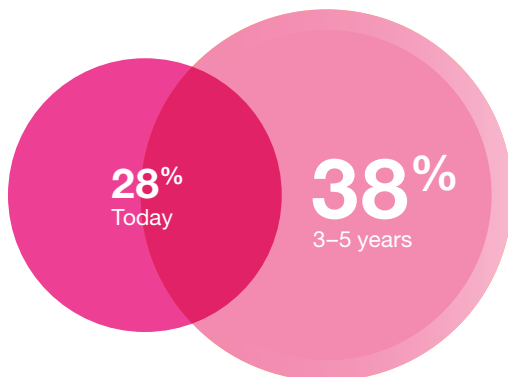
28%
Today

38%
3–5 years

Source: "The Customer-activated Enterprise: Insights from the Global C-suite Study," **IBM Institute for Business Value, October 2013.**

Regeneron

Working with Kenexa to use contextual targeting to find scientists in print and online, Regeneron found 400-600 scarce, highly skilled scientists per year. In a few short years, Regeneron rose from being unranked to being number 2 in the 2011 edition of Science magazine's top employers survey.

AMC Theatres

A new applicant tracking system helped AMC Theaters find candidates who could thrive in its culture by matching the right people to the right jobs. Theaters led by managers who most closely aligned with the "fit" strategy increased profits per customer by 1.2 percent. This increase translated into millions of extra dollars of net income. AMC increased candidate leads from 250,000 in 2006 to 1.4 million in 2008, and employee turnover rates have declined by 11 percent.

ZurickDavis

ZurickDavis uses a portfolio of IBM technologies to support their work placing candidates with clients. After socially-enabling their key processes, ZurickDavis completes 30% more searches annually and fills positions in 25% less time. Their profitability has increased by 100%.

NHS Leadership Academy

Because we have so many applicants, we needed a process in place that could manage huge numbers of candidates in a quick, efficient and fair manner. We needed an approach that would enable us to spot talent quickly and easily.[31]

"Think about it: much of what it really takes to get up the learning curve doesn't come from some dusty old policy and procedure manual. It comes from what you learn from the people around you." [32]

Mergers and acquisitions

Organizations can create significant value through carefully considered mergers and acquisitions. However, numerous studies show the failure rate (defined as not meeting the business objectives) to be in the range of 70-90 percent.[33] This Social Business Pattern demonstrates how organizations can use social networking techniques and technologies to:

- Create and communicate a compelling, shared vision.
- Improve merger and acquisition management activities.
- Connect experts that will positively influence both the single culture and operations of the combined entity.

Primary business processes

The primary business processes for this Social Business Pattern are marketing, customer service, sales, onboarding, corporate communications and talent management.

Key industries

The industries for which this pattern are most relevant are retail, financial services, healthcare, life sciences, telecommunications, and media and entertainment.

Business challenges

The common challenges faced by organizations that could benefit from applying this pattern include:

- Allocating the required effort to creating a common culture during integration (identified by 70 percent of surveyed mergers and acquisitions specialists)[34]
- Losing focus on customers and sales during the integration process
- Integrating functions on an organizational chart for its own sake and breaking processes and relationships[35]
- Difficulty understanding the strategic intent, personal value or tactical activities of the merger or acquisition
- Losing employees (often the loss of top talent)

Key stakeholders

The key stakeholders are COOs, integration executives, corporate communications, CHROs, CMOs and CIOs.

Recommended actions

This pattern features these specific actions:

- Create and use a social network that consists of senior leadership, HR and corporate communications to engage in a "conversation" on the vision and value of the new organization.
- Establish collaborative spaces for post-merger integration teams to work effectively.
- For the key areas of expertise and value, use social network analysis to identify the organizational dynamics and engage the "tippers" to create and execute plans to integrate and grow the networks.
- Build focused communities in sales and marketing to maintain customer focus and present a single message.

Mergers &
Acquisitions

Potential benefits

Organizations that have applied the practices that constitute this pattern have observed the following benefits:

- Lower integration costs attributable to reduction of task duplication
- Increased sales from a common understanding of strategy and access to sales experts and resources
- At least 20 percent increase in employee retention[37]
- Higher productivity and lower costs because of increased employee retention and engagement that stems from cultural alignment

IBM Experience

IBM has completed at least 120 acquisitions since 2001.[38] Through those experiences, much has been learned about establishing a common vision, creating a single organizational culture, managing integration activities and retaining engaged employees.

IBM uses social capabilities that span the range of merger and acquisition processes. IBM employees work together and with external partners to assess and value potential acquisition candidates. IBM teams build business cases together to justify specific action. Acquired employees participate in IBM onboarding processes that include social practices and capabilities.

TD Bank

At TD Bank, fast growth from acquisitions created more branches in the US than in Canada. The bank's solution was to deploy IBM Connections software to create an employee-driven social network. The network is designed to help employees connect to others throughout the far-flung enterprise and to improve access to needed expertise and information that staff might not know about. It also helps employees initiate communications, collaboration and social networking.

Omron Europe

Omron Europe was split into two divisions, with separate sales and marketing teams that served many of the same customers. Better division communications and collaboration would help ensure that customers recognized the company as "one Omron." "We are much more than the sum of our parts," says Michael Min, Strategic Communication and eMarketing Manager

"Companies spend more than $2 trillion on acquisitions every year. Yet study after study puts the failure rate of mergers and acquisitions somewhere between 70 and 90%." [37]

Workplace and public safety

The focus on safety in the workplace spans compliance, asset management, operational response management, cost reduction, incident management, proactive communication and collaborative innovation. The push to improve on these areas is important. For example, a study conducted by California's Division of Occupational Safety and Health showed a 9 percent drop in injury claims and a 26 percent average savings on worker compensations costs in the four years after the implementation of a safety program.[39] The implementation of a Social Business Workplace and Public Safety Pattern can help organizations transform safety from a source of liability to an asset by identifying and engaging relevant expertise and by improving real-time situational awareness, communications and decision-making.

Primary business processes

The primary business processes for this pattern are manufacturing, maintenance, safety, and organizational or citizen communications.

Most relevant industries

The industries for which this pattern is relevant are travel and transportation, government, automotive, industrial, and chemical & petroleum.

Business challenges

The common challenges faced by organizations that could benefit from applying this pattern include:

- The high costs of complying with rapidly changing safety regulations and procedures, in different jurisdictions
- Complex, distributed work environments that make it difficult to effectively communicate new safety practices
- Establishment of a culture that embraces safety
- Geographic and time differences that make it difficult for safety experts to quickly connect with and coach front-line workers
- Preventative measures that are difficult to implement because of a lack of awareness of all physical asset locations, maintenance status, contextual and situational incidents, and procedures that are related to dealing with incident management

Key stakeholders

The key stakeholders are COOs, governmental leaders, executive vice presidents of manufacturing, corporate communications, CHROs and CIOs.

Recommended actions

This pattern features these specific actions:

- Use existing applications and devices to provide line workers with the latest, relevant safety expertise automatically and contextually.
- Create communities that connect safety experts with workers so they can share new or revised safety practices.
- Speed prevention and emergency response with social communications tools that link employees with relevant expertise for on-the-spot decision-making.
- Use social analytics to predict the likelihood of incidents.
- Make use of culturally and personality-aligned onboarding and recruitment capabilities to recruit more risk-averse individuals for high accident-propensity roles.
- Deploy social knowledge management and training capabilities to enable adoption of safer practices and situational awareness of high accident situations.

Workplace & Public Safety

Potential benefits

Organizations that have applied the practices that constitute this pattern have observed the following business benefits:

- Three times fewer accidents among most highly-engaged dealer partners[40]
- Higher productivity attributable to shorter project execution delays and fewer hours missed by injured workers
- Better innovation in safety procedures because of increased dialogues between experts and workers

IBM Experience

For decades, IBM has owned and operated a number of manufacturing plants, many of which routinely store hazardous chemicals and use potentially dangerous equipment to produce products. The company formalized its commitment to workplace safety in 1967 and consistently demonstrates low workday case rates.[41] How IBM communicates workplace safety practices and procedures, along with lessons learned from assisting clients with safety issues, inform this Social Business Pattern.

Doncasters Group Ltd.

"We are always focused on keeping the number of accidents as low as possible, and we wanted to enlist the on-the-job expertise of our employees to find the best ways for maintaining a safe and productive work environment." —Adam Holbrook, Group European Environmental Health and Safety Manager at Doncasters Group Ltd.

Keyera

Keyera employees are widely separated by geography. Roughly one-fifth of them work at headquarters. The rest are dispersed among 16 gas plants. The organization uses IBM Connections software to provide ready access to company information. Employees can share knowledge and interact with their peers in other operational areas. As a result, Keyera can disseminate timely critical safety policies and checks.

"Organizational safety culture is largely determined by the effectiveness of safety communication." [42]

Expertise and knowledge

"The social network is the new production line."[43] That statement defines how leading companies achieve value from expertise and knowledge. Today, organizations operate globally; data speed, variety and quantity have exploded; and mobile devices are the norm. Competitive advantage requires connecting workers with relevant expertise 24 hours a day. Individual success is not about personal knowledge but how you share and enable others. Many organizations, however, struggle to locate the right people who can solve a problem or can share experience when needed. Many organizations endlessly reinvent solutions to identical problems because the knowledge is localized.

This social business pattern is unique because it is a common thread that underpins many of the other patterns. It demonstrates how organizations can build rich, social networks that are full of knowledge to serve as the foundation for creating the new production line. [44] It also shows how, by applying analytics and change management, expertise is available to all.

Primary business processes

The primary business processes for this pattern are human capital management, customer service, technical support, and other processes that locate relevant expertise, expand knowledge and provide organizations and customers with "rewards" for sharing.

Most relevant industries

This pattern is relevant to all industries.

Business challenges

The common challenges faced by organizations that could benefit from applying this pattern include:

- Employees do not perceive that knowledge equals power.
- Employees and business partners cannot locate the expertise needed to help them support customers and resolve internal process issues.
- Profitability drops because the same solution is "invented" many times by different employees and business partners.
- Excessive costs that are attributable to "not knowing what we know" lead to rework and solution duplication.
- Inability to execute quickly delays revenue recognition and creates unnecessary cost.

Key stakeholders:

The key stakeholders for this pattern are C-suite executives, as well as leaders of research and development departments.

Recommended actions

This pattern features these specific actions:

- Build broad social networks that are aligned to most critical organizational priorities to identify, create and spread knowledge and expertise.
- Make tacit knowledge as accessible as knowledge in documents by using expert recommendation and *always-available* social communication tools.
- Apply and mine social analyics to identify hidden pockets of expertise and identify high-performing units
- Embed the identification of resources with relevant expertise and other related communities, documents, and more into core applications and processes.
- Use gamification elements to provide social recognition to those who freely and openly share their knowledge.
- Reward and recognize the reuse and the contribution of expertise publicly and vocally.
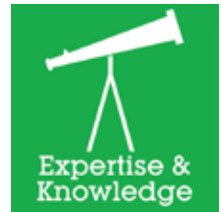
Expertise & Knowledge

Potential Benefits

Organizations that have applied the practices that constitute this pattern have observed the following benefits:

- 30 percent improvement in accessing experts quickly[45]
- 25 percent increase in staff productivity by making information more readily available[46]
- 55 percent increase in visibility of company's subject matter experts on its public website[47]

IBM Experience

By any measure, the cumulative expertise of IBM employees is staggering. To tap into that wisdom, IBM has developed analytics, expert recommendation and other expertise-location capabilities for internal use. Employee profiles, blogs, emails, content repositories and other information sources are automatically searched to locate expertise and knowledge on demand.

"Adding social features and mobile access to CRM applications increased the productivity of sales people by 26.4 percent."[48]

Lowes

Lowes built internal communities to share best practices and acquire greater knowledge of their human capital in all their stores. Clarissa Felts, Lowes vice president of collaboration, says that IBM Connections has improved their recruitment process and enabled their headquarters to find proven talent that knows the store environment from firsthand experience.

Russell's Convenience

Russell's Convenience needed an easy way to connect and share knowledge among its 25 stores and with its licensees, vendors and partners to quickly identify and resolve operational issues. The company adopted the IBM SmartCloud Engage services to enable staff members to communicate more seamlessly and transparently across stores and with external stakeholders.

TD Bank Group

TD Bank Group needed to improve internal communications and collaboration, standardize business processes and capitalize on its employees' collective knowledge and experience. The company deployed IBM Connections social business software to provide better business processes through knowledge and expertise uncovered by the network and more confident decisions that are vetted by experts and reflect past experiences.

Slumberland

With SlumberLink, all 2,300 Slumberland employees have centralized access to pertinent, up-to-date information and functional applications. Role-based access by department and store allows employees to easily find relevant, up-to-date information including areas such as human resources, sales administration, merchandising and marketing. Video content is uploaded, stored and delivered through Web Content Management to assist in training initiatives. SlumberLink also provides real-time product information including features and benefits, warranties, wood types, finishes, and fabric options. Sales associates have immediate access to advertising program details and special offers from both Slumberland and its competitors. Another portal application automates the flow of financial information from each branch through distribution centers and ultimately to the accounting department at Slumberland's headquarters.[49]

Supply Chain

Transforming Sales, Marketing, Customer Service, Change Management and other "customer and communication" processes has been the starting point for most Social Business programs. A still untapped and emerging area is the tremendous opportunities that exist in "operational" processes. For example, McKinsey found social technologies could add $170 to $200 billion in value annually for advanced manufacturing industries. They estimate that operations is 60 to 90 percent of costs in these manufacturing sectors.[50] In an earlier study by IBM, the Institute for Business Value found that 80 percent of Supply Chain Execs surveyed design products jointly with their suppliers,but only 68 percent do so with customers. Even in supply-chain planning, with all the demand-driven hype, only 53 percent of companies include customer input, while 63 percent invite supplier participation.[51] As further support of focusing on these operational processes to seek business impact, the Workplace & Public Safety and Mergers & Acquisition patterns show the benefits of social in more "operational" processes.

Predicting demand, increasing efficiency and quality in global operations, managing global suppliers, and increasing coordination and value with multi-tiered supplier relationships make the supply chain pattern central to transforming source materials into finished products (or services).

Primary Business Processes

The primary business process for this pattern are manufacturing, risk management, supplier management, logistics, sales, customer service.

Most Relevant Industries

The industries for which this pattern is relevant are automotive, industrial, chemical & petroleum, consumer packaged goods, retail, and aerospace and defense.

Business challenges

The common challenges faced by organizations that could benefit from applying this pattern include:

- Unreliable forecasts of product demand and source material availability

- Difficulties in matching demand and supply in fast changing markets
- Managing complex supplier relationships (including tiered suppliers not managed directly by company) that impact product fulfillment, logistics, customer satisfaction, quality and brand
- Geographic, time, language, and communication barriers complicate what needs to be an efficient, 24-hour-day operation
- A complex set of global laws and regulations often at the country level
- High turnover of the best talent in the growth markets

Key Stakeholders

The key stakeholders for this pattern are COOs, Executive VP Manufacturing, Senior VP Supply Chain, CSO, CHROs, CIO

Recommended Actions

This pattern features these specific actions:

- Engage customer communities and use broad social analytics to better forecast demand
- Establish broad supply chain communities (in and outside the company) to benchmark and share best practices
- Improve transparency and risk management with operational communities across tier 1 and associated tier 2 suppliers
- Augment logistics with real-time communications to match carrier availability with freight
- Branch into social design including communities that let engineers communicate through the manufacturing cycle with end-users
- Effectively turn engineering 'inside-out' to showcase contributor's expertise across departments and teams

Potential Benefits

Organizations that have applied the practices that constitute this pattern have observed the following business benefits:

- More accurate demand forecasting
- Mitigating risks of over or under purchasing which can cause losses or discounting
- React more quickly to disruptions in the supply chain
- Improved capacity planning

Supply Chain

• Improved customization through collaboration with end-users in assembly or production, leading to the potential for higher customer satisfaction

IBM Experience

To improve collaboration and service delivery, IBM Application Management Services (AMS) has used the Beyond Discussions collaborative deliberation system four times over the past two years in "Quality and Innovation Summits" to both source ideas from ground-level practitioners and to collaborate through all levels of the organization.

Consistently during these events, more than a thousand participants use the system to contribute their solutions to improve service quality, improve delivery, and to address hundreds of important business issues. The top solutions are then carried forward by task forces appointed by leadership to continuously improve AMS.

The success of these summits has led AMS to offer them as a service to their customers, and several external summits with clients have already been run.

Roland Corporation

The Roland Horizontal Enterprise Agora (RHEA) solution's core mission is to improve business processes through easier communication, cooperation and collaboration across geographic boundaries. In addition, this electronic public square provides a venue for making internal experts and knowledge more visible and accessible. It also facilitates informal sharing of concepts and ideas as they develop, helping harness the organization's collective creativity.

These capabilities deliver concrete business results to Roland. This is apparent from a recent initiative to introduce a new product worldwide. Nearly 200 employees in marketing and sales were involved, some 90 percent of them working overseas.

Supply chain planning largely remains an internally driven effort
The percentage who plan with customers—as compared to suppliers and their own organizations —should moderate significantly or to a very significant extent.

Very significant extent 5%
Significant extent 15%
No extent 19%
Moderate extent 33%
Minor extent 28%

Sales and operations planning (S&OP) — 78%
Demand planning with customers — 53%
Supply planning with suppliers — 63%

25% more
10% more
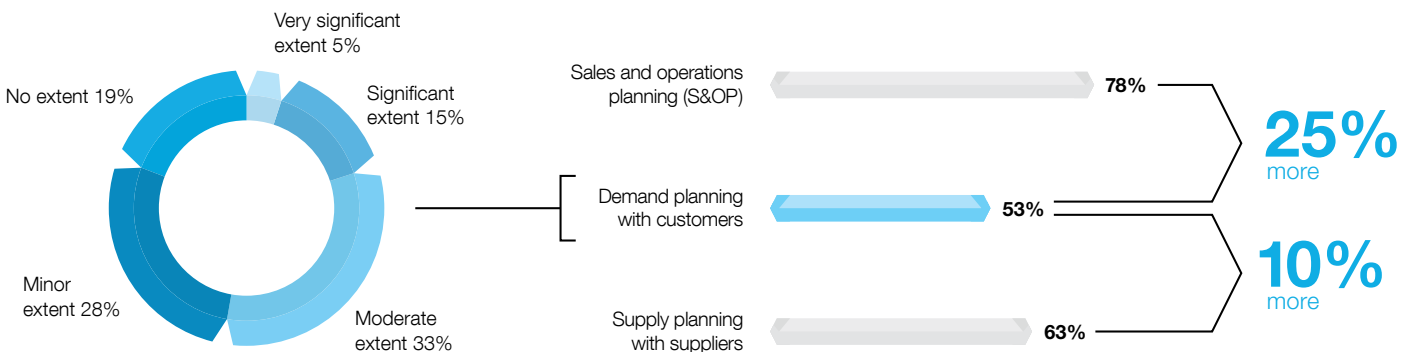
Source: "The Smarter Supply Chain of the Future: Insights from the Global Chief Supply Chain Officer Study," **IBM Institute for Business Value, 2010.**

IBM and social business

In early 2011, IBM publicly declared that it was becoming a social business by accelerating existing initiatives to connect the organization's employees, customers, partners and suppliers. These efforts to transform IBM culture, business processes and computing systems and, ultimately, its business outcomes have yielded global, firsthand experiences with and knowledge of social business.

Not only is IBM a social business itself, but the company has also helped others on their journey to becoming social. More than 60 percent of Fortune 100 companies have licensed IBM solutions for social business.[52] IBM consultants work daily with organizations from all industries and regions to help them tap the transformative power of social business. IBM Social Business Agenda workshops and Smarter Workforce Integration Services are just two examples of the kinds of tightly interwoven cultural, process and technology guidance that IBM can provide to clients.

This social business know-how has also informed the design, implementation and use of related IBM software and cloud-based services in the company and in client organizations. When IBM released IBM Connections in 2007, it was one of the first enterprise social software products in a nascent market. Since then, the IBM social platform has grown and can now be used to embed social capabilities in any business process.

IBM® WebSphere® Portal has proven to be an ideal container for role and process-specific social activity. IBM Content Manager and IBM FileNet® services combine traditional enterprise content management practices with sharing content in social channels. IBM unified messaging, analytics and web experience management technologies have also been integrated into the IBM social platform. With the recent acquisition of Kenexa® and its award-winning Human Capital Management solutions, IBM is able to offer socially-enabled talent management capabilities.[53]

Much of the IBM social platform is accessible on mobile devices such as tablets and smartphones. And, IBM social capabilities are available as native applications on a broad array of mobile operating systems.

IBM social business software and in-cloud services are frequently recognized as among the industry's leaders by the most influential analyst firms. Those acknowledgements include:

- IDC designated IBM as the Worldwide Enterprise Social Software Market Share leader for four consecutive years (2009-2012).[54]
- Gartner named IBM a leader in The Gartner Magic Quadrant for Enterprise Content Management 2013.[55]
- Forrester Research categorized IBM among the "Leaders" in its ForresterWave for enterprise social platforms and its similar assessment of providers of cloud-based collaboration services.[56]
- IDC named IBM a "Leader" in its most recent market assessment of providers of HR, learning and recruiting process outsourcing services.[57]

With a combination of social expertise, deployment and adoption services and social business capabilities, IBM can help organizations capture information, create insights and generate interactions that translate into real business value. With Social Business Patterns, IBM offers proven and repeatable approaches for using social business to transform your business, create competitive advantage and realize identifiable and measurable ROI.

"IBM paid close attention to customer feedback, feature requests and requirements while developing the latest iteration of its social enterprise suite. While the company has many point products in the social enterprise space, its new social business software suite brings all these products under a common platform, making them easier for companies to implement."[58]

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