



Highlights

Social networking tools present the potential for significant business benefits and an engine to drive innovation.

Fifty years ago, your employees walked down the hall, sent a paper memo or picked up the phone when they wanted to share some information with a co-worker. Today, they can e-mail to colleagues' BlackBerrys, text message to their mobile phones, IM to them anywhere, post comments on their blogs or update their wiki pages — regardless of their location.

Many of these social networking tools may seem inconsequential — the type of thing that appeals to teenagers. So why should CIOs embrace them? Simple (in a way). They present the potential for significant business benefits and an engine to drive innovation.

Influencing the enterprise

Social computing — using open, collaborative technologies to develop communities, share knowledge, find subject-matter experts, complete tasks and solve problems — is penetrating the fabric of companies' operations, often to great effect.

Gartner recently concluded, “Enterprise social software will be the biggest new workplace technology success story of this decade. Thirty percent of enterprises will openly sponsor internal...social sharing spaces to help employees find others with similar interest, skills, backgrounds and experiences.”¹ Why the rush? Because these “social spaces” can improve business processes as diverse as employee training and product development.

As with many new technologies, social software frequently enters companies through their back doors. Employees start using Web-based tools that, far from being supported by their IT help desks, may even be officially frowned upon. Gradually those tools gain wider adoption and corporate acceptance.



Innovation

Collaborative software gives every employee access to every other employee's knowledge and experience.

But as companies begin to implement social software and its usage becomes more ingrained in the anatomy of operations, there is more evidence pointing to real savings. The Hillman Group, a wholesale distributor to 25,000 U.S. hardware stores, saved \$70,000 in travel costs for one event by using Web conferencing to connect its remote sales force. And because its remote staff can now use social software to immediately connect with the right colleagues and find the right data to investigate customer claims, the company was able to reclaim \$130,000 in unjustified fines faster than it previously would have.²

In addition, benefits are often seen in the increased productivity and better customer service that comes with sharing information. And that's the core of all IT endeavors: helping the business grow by getting the right information to the right person at the right time.

Where is social computing heading?

Collaborative software gives every employee access to every other employee's knowledge and experience — more quickly and more effectively than with traditional enterprise software. And that, analysts believe, leads to more innovation throughout the enterprise.

Are there governance issues to consider with the rise of social computing? Of course. Security and privacy concerns should be top-of-mind as employees start sharing information in new ways, either within the organization or with business partners and customers.

If employees use public, third-party social networks like Facebook to host business discussions, for example, they are putting their company's intellectual property at risk. Ditto for using commercial instant-messaging systems to collaborate on projects. But enterprises already have the governance and security tools they need as they bring new systems inside their firewalls.

organizational chart.



The future

In a broader sense, social computing may even point toward a flattening of traditional internal hierarchies.

In a broader sense, social computing may even point toward a flattening of traditional internal hierarchies. When employees work in the type of open, collaborative environment shaped by social computing, getting the job done quickly and effectively may become more important than lines on an organizational chart.

Many of your newest employees may even expect to use social computing on the job, because that's what they've always used in their personal lives. As IDC related to *Business Week* magazine, social computing software is "moving to the center fast because it's about how the next generation of employees communicate, and create and share ideas."³

To be sure, social computing won't make employees smarter, and it won't create new business ideas where there were none. What it will do, though, is enable employees to work together in new ways — to innovate together. And it will bring organizations closer to that mythical point where everyone knows everything their colleagues know.

¹Gartner, Gartner Predicts 2007—Big Changes Ahead in the High Performance Workplace, December 5, 2006.

²"Communication and collaboration portal helps The Hillman Group provide premium service," IBM case study, May 21, 2007.

³Hamm, Steve, "IBM's Social Networking Push," *Business Week*, January 22, 2007.