

Facebook for the enterprise: hype or reality?



by Johan Rosius

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In our personal life we naturally gravitate to people with whom we share interests, and we form social groups based on this common ground. The Internet has made these groups migrate to the online world. Today we call these phenomena online social networks and recently they have exploded in size. Facebook has had an average of 250,000 new registrations per day since January 2007. MySpace, which was launched in January 2004, processes 50 million mails per day, more than Yahoo, Hotmail or Google. A new kid on the block, Reunion, caters to an older crowd that is seeking to connect with each other from school or work. It is already ranked at 664 in Inc. 5000 Top Companies¹. Nielsen/Netratings estimates that these sites now reach 45% of all Internet users.

In business we form groups based upon our expertise and role. We collaborate and share information in formal and informal ways. We form both organised and spontaneous business networks. Enterprises do realise that in times of global competitive pressure, their most precious resource is the experience of their knowledge workers. According to Thomas Davenport, President of the Information Technology and Management Group at Babson College, "it's already apparent that the firms with the highest degree and quality of knowledge work tend to be the fastest growing and most profitable".

Should enterprises care about social networking?

Should enterprises care about the online social networking world? Or in other words, are social networking capabilities the new generation of collaboration tools, and will they allow enterprises to increase the productivity of their knowledge workers? We vote with confidence a resounding yes. Here are the ten reasons why:

1. Pull Together The "Just-In-Time All Stars Team"

Creating the right set of skills to manage and execute a project to success does not necessarily mean engaging within the existing line management. An internal social networking system allows the "right" team to be pulled together, across functional borders, geographical locations, rank or title. People naturally like to make a difference, to share their knowledge and contribute to the success of the corporation. A more spontaneous, "on the job" formation of the project team transforms individual knowledge to team knowledge, positively impacting its operational agility.

2. The Self Learning Organisation

Basic subscription technologies, such as RSS, allow an individual to easily "subscribe" to updates from projects and colleagues. Knowledge workers share and consume knowledge within an organisation without additional effort. They also address the issue of email overload, as knowledge is pulled by those who have a need or interest in the updates, rather than the updates being pushed out to those who may have only tangential interest in the information.

3. A Satisfied Customer is a Buying Customer

Focus on "customer relationship management" is at an all time high. However, the traditional CRM application emphasises management of data rather than personal connections. Online social networks allow a prospective customer to easily facilitate a real, human-level, connection with individuals within an organisation. The authentic human face put on the interaction, changes the perception of an organisation from a sterile, faceless behemoth into a collection of individuals who are ready to help.

4. Are you Being Served (Well)?

Successful customer support achieves a number of goals. Online networks enable exceptional customer support that goes far beyond the basics. For instance

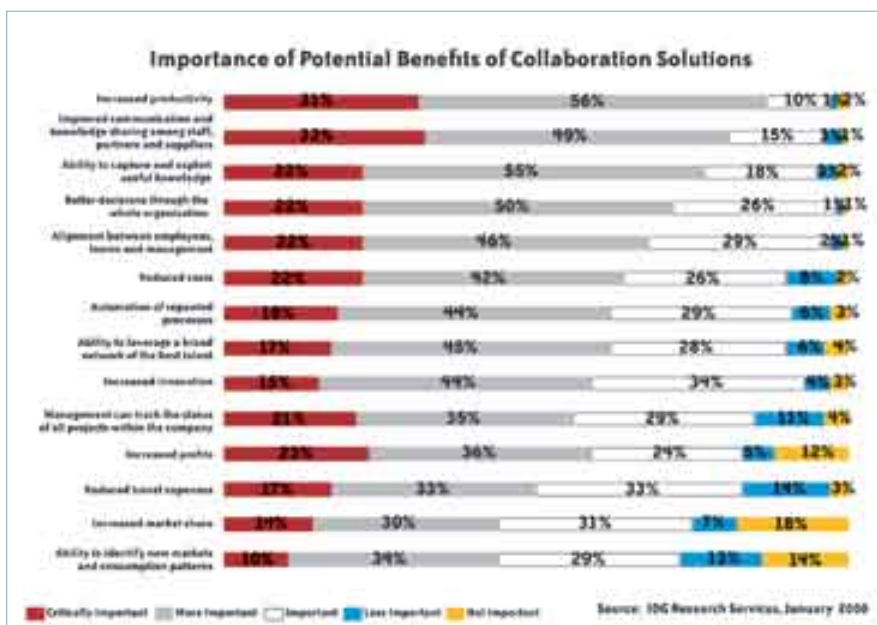


FIGURE 1

it allows customers to connect to the right experts in an organisation instead of having to find their way through anonymous call centre hierarchies. Similarly, a strong online network enables experts within an organisation to be alerted when a problem that requires their knowledge comes into the customer support queue, and facilitates the creation of strong communities in the form of valuable user groups and member networks.

5. “Google” the Network to Find the Right Expert

Only a fraction of an organisation’s “knowledge” exists in databases. Another fraction exists in the form of explicit documents and reports that may be found on an organisational intranet. The vast majority of organisational knowledge, however, exists only in the heads of its members. Inside an organisation, online networks with even basic profiles of its individuals’ experience, location and interests can greatly reduce the time required for organisational problem-solving, through enabling faster connection between a questioner and the person who has solved similar problems in the past.

6. Simplify the Corporate Organisational Jigsaw

Organisational change, whether caused by an acquisition, merger or internal reorganisation, is hard. The most common cause of failure is lack of alignment and understanding between individuals in the acquiring and acquired organisations. Online social networks, giving a view to the “real” individuals within the organisations, aids in the creation of understanding between both parties by allowing members of both organisations to view each other as a collection of individuals, rather than an amorphous “them”.

7. Provide the “Whole Product”

It is rare that a single organisational unit within an enterprise can provide all the pieces needed to complete a project successfully. For example, even though a real furniture designer aids in transforming customer taste into a real life object, an entire network of other service providers, such as construction companies, financial service providers, architects, fitters, and others, is required in order to fully meet the customer’s need. By creating a strong

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network of complementary providers with similar philosophies and business practices, a single service provider can provide a much greater proposition to a prospective customer than an individual working without the benefit of the network.

8. The “Living” Corporate Directory

While an organisational chart may show the reporting or budgeting hierarchy of an organisation, the connections in an online social network create the actual flow of information for an organisation. Explicitly creating a social network within the organisation can help all members better understand how information gets shared and highlights the areas within the organisation that are truly responsible for effecting change, turning the “company directory” into a living, breathing knowledge network.

9. The Virtual Flight from Point A to Point B and Back

Conferencing and collaboration solutions offer a reliable, scalable, cost saving and time saving alternative to help organisations better communicate and collaborate with geographically dispersed co-workers, customers and partners via virtual meetings and online events. What social networking software like Novell Teaming + Conferencing adds to point solutions like WebEx, is simplification. It takes all the collaboration interfaces you have to learn and brings them all together. The unfortunate part of meetings and conferences is that it always seems like you don’t run into the people you really want to meet until you run into them randomly at the coffee machine.

A dedicated online social network created before the event enables attendees to use their time at the event more efficiently, by enabling attendees to determine who they want to connect with before they even leave home. The CFO smiles as a medium sized international company, easily saves a

few millions in travel expense.

But there is more. Creating an online social network of event attendees extends the “shelf life” of a conference, enabling the attendees to remain connected and take action on the items discussed at the event. This can evolve a meeting, event or conference from a “one time” occurrence into the catalyst of a community that more effectively achieves its goals.

10. Recruit the Talent Bridge to the Future

Although online social networks are relatively new to business, the MySpace and Facebook generation has grown up with them. By the time these individuals enter the workforce, they expect online social networking to be simply part of the DNA of the company they are invited to join. Organisations

that have determined how to best integrate these into their operations will be more attractive to talented potential recruits. If your business suppliers or employees use the Internet, social networks are a great place to find them cheaply. Consider that a retained search can cost anywhere from hundreds to thousands of Euro’s. Recently I decided to use LinkedIn. The basic membership is free, and for \$24 I could upload a job posting. Within 24 hours I had more than 40 candidates and yes, I hired one of them to my great satisfaction.

tivity or be out. The traditional collaborative tools - file sharing, Intranets, instant messaging or e-mail do increase personal productivity, but do not sufficiently contribute to the desired team effectiveness, nor are they linked enough to the corporate goals. A new generation of knowledge worker tools is entering the enterprise: personal and team workspaces, wiki’s, blog’s, workflow automation and real time communication as a toolset to give knowledge workers access to essential information, colleagues and processes. “More than three-fourths of executives say they plan to maintain or increase their investments in technology trends that encourage user collaboration, such as peer-to-peer networking, social networks and Web 2.0 services [such as wikis, blogs, discussion forums and RSS feeds]” according to

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The High Performance Workplace

Ultimately any piece of software needs to comply with the simple rule of economics: to help lower costs or drive increased produc-

a recent McKinsey study².

For more and more business leaders, online social collaboration and communication is simply part of the fabric of business, and integrating them into their operations is a way to increase productivity and competitive strengths. Enterprise social software will be the biggest new workplace technology trend of this decade. No wonder the market of social networking software is growing with a compound annual growth rate of 41%³!

(1) Jeremiah Owyang, Senior Analyst Forrester Research.

(2) McKinsey & Company, How Businesses are Using Web 2.0: A McKinsey Global Survey,” Jacques Bughin and James Manyika.

(3) Gartner, July 2007.