The business value of social software

We lay the hype and fear to one side to find the truth

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At Lotus/IBM's Lotusphere the words 'business value' were repeatedly uttered by keynote presenters, but none really had time to expand, beyond talking in terms of 'efficiency'. Freeform Dynamics went in search of answers that could help our readers in their assessment of collaboration initiatives.

The first and most obvious thing relates to culture. Not every organisation actually welcomes collaboration. It really does result in a flattening of hierarchies, the breaching of the silo walls and the by-passing of those who add no value. If you've been in the game long enough to remember the advent of email, you'll remember the fears of those middle managers who suddenly found themselves 'disintermediated'. So nothing really new, except that the kind of collaboration that is becoming increasingly popular has the potential to tie anyone directly to more or less anyone, regardless of internal or external boundaries.

Fortunately for the CIO, some systems are more manageable than others and, with the organisation's blessing, an approved collaboration system provides a measure of control without inhibiting the participants' legitimate actions. The alternative, to let anyone use whatever public systems take their fancy, is a recipe for inefficiency at best and trouble at worst. One thing that won't work is an outright ban. People who need to reach out will use this stuff anyway.

Many business folk fail to see the commercial benefits. Especially if they are used to seeing their kids using social software to superpoke their friends or share party pix. They might associate such software with frivolity and are afraid that their staff will use it just to waste time. In fact, within a business environment where full names and profiles are used, all posts are technically traceable and such abuse is fairly unlikely.

As the name implies, the whole point of social software is to help people find each other quickly and in a fashion most suited to the task at hand, while respecting the availability wishes of the participants. It's a wheel-oiling process on a grand scale. But what are the bottom line benefits?

Enter stage left, Luis Suarez, who's part of a team which provides guidance to a 600-strong volunteer social software evangelist community within IBM. This work is additional to their day jobs. While it's easy to explain and enthuse about the elements - profiles, communities, wikis, blogs,

bookmarks, activities, instant messaging, and so on - it's quite another to remember to build the business case.

IBM reckons it saves £12.9M in improved search productivity and reduced travel per year. And this figure is probably growing. To get this in context, here are some usage statistics for IBM's social software activities from October last year: 515,000 profiles are accessed 6.4 million times a week; 1,800 online communities contain over a million messages and have 147,000 members; over 25,000 wikis are used by over 320,000 readers; 260,000 blog posts have been made and these have over 30,000 tags; 580,000 bookmarks have been stored by 20,000 users - these have over 1.4M tags; 50,000 activities (think of them as projects) have 425,000 entries and 80,000 users; and over four million instant messages are exchanged daily. That represents one heck of a lot of shared knowledge. IBM is something of a special case. Its sheer size pretty much guarantees that whatever resources staffers want, people or information, they'll be able to find it when they want it. But a company doesn't have to be that big to get similar advantages.

Suarez sat down with me to hammer through some of the main value-related benefits. Here are just six of them:

1) Find: people, places, information - quickly by using profiles, and other people's tags and bookmarks as accelerants.

2) Validate: people especially. What have they posted? What do others make of them? You could arrive at a shortlist for a project team much more quickly and at greatly reduced cost than before.

3) Direct dialogue: with customers (and suppliers), internal and external. This eliminates filtering and politics and leads to more rapid understanding. It could mean fixing things that have gone wrong or identifying new product and service opportunities.

4) Capture information: from people as they're working or reviewing online material. This could prove especially valuable if faced with staff churn or retirements.

5) Connections: spread internal innovation widely and rapidly - bad ideas don't get traction but good ones do.

6) Communities: increase staff morale and retention through a sense of belonging and recognition.

About Freeform Dynamics

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