

# Executive Summary: The Social Media Management Handbook

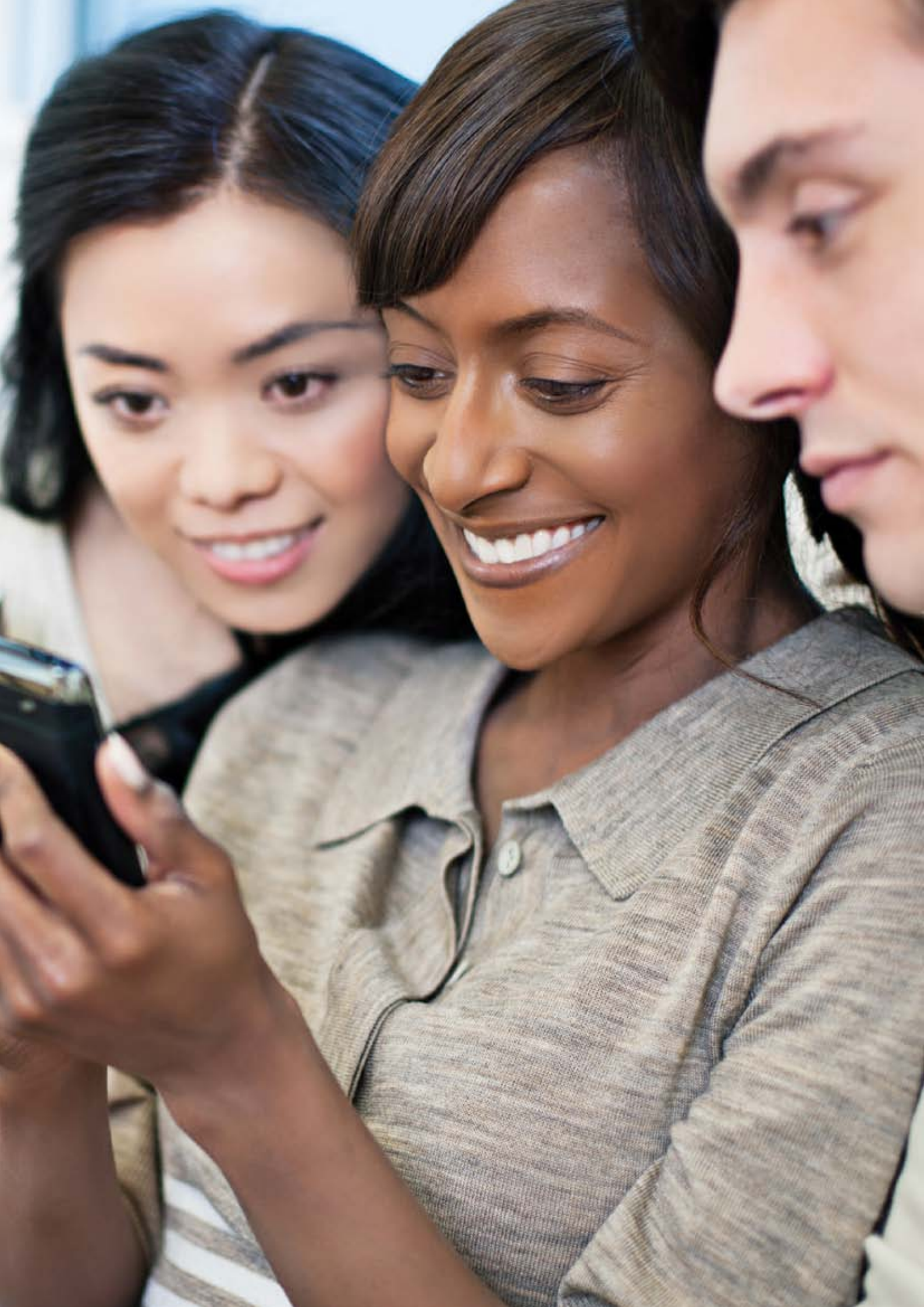
Everything You Need to Know to Get  
Social Media Working in Your Business

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# Making Social Media Pay

## Five Crucial Aspects to Capitalize on the Promise and Overcome the Challenges of Social Media

Accenture's recently published book, *The Social Media Management Handbook: Everything You Need to Know to Get Social Media Working in Your Business*, is designed to help executives and managers in any business capitalize on the promise, and overcome the challenges, of this powerful new medium.

Social media has captured the attention of companies large and small. As more and more people are taking to their computers and mobile devices to connect with friends, post their opinions and engage in conversations, it's vital for business leaders to understand this phenomenon and how to prepare their organizations to thrive when customers wield more power and influence over businesses than ever before. Some companies have made major strides in leveraging social media to develop more effective growth strategies. In studying these leaders, we have found success requires attention to five crucial aspects:

### Pick a Strategy Before It Picks You

Drawing from chapters one to four of the *Social Media Management Handbook*, this aspect covers developing a robust social media strategy that aligns to the overall business strategy and that is supported by appropriate metrics, as well as getting the entire organization behind the effort.

### You're Not on Stage Anymore; Welcome Into The Crowd

With reference to chapters five through eight of the book, this aspect discusses the effect of social media

on marketing and sales, and the new collaborative nature of the customer-company relationship made possible by social media.

### It's Not Just a New Channel; The Catalyst of Change at Business' Core

Chapters nine to eleven of the book explore the implications of social media on how companies run their customer service operations. While many companies recognize that social media can transform how they market and sell, fewer understand the profound ways in which social media can help them respond to customer inquiries.

### New Rules for Tools; The Social Media Technology Platform

At its core, social media is made possible by technology. With chapters 12 to 14 as a background, this aspect shows how an integrated social media technology platform is the engine that enables a company to provide the next-generation customer experience.

### The Time for Experimenting Is Up; Act Now and Expect Wide Changes

While the front office is most closely associated with social media, that doesn't mean the rest of a company is immune to social media's impact. Based on chapters 15 through 18, this aspect describes the varied impacts of social media on other business functions including R&D, HR and IT.

# Pick a Strategy Before It Picks You

Social media is rapidly coming of age, as the massive acceleration of social media adoption around the world can attest. Real people all over the world are having real interactions by the millions every day—conversations that often begin with a simple trigger, then escalate quickly and broadly into something that often takes on a life of its own. In fact, studies show that approximately one-third of individuals are active in social media, which puts companies at great risk of having their social media strategy chosen for them by default if they don't act promptly.

However, organizations that wade into the social media waters unprepared are likely to find themselves quickly overwhelmed by the complexity and speed they encounter. The "fire, ready, aim" approach can, at best, result in failing to fully capitalize on the benefits of social media. At worst, it can lead to a public relations and customer relationship nightmare. Likewise, bottom-up, fragmented approaches to social media simply do not permit large organizations to operate social media at scale, with appropriate controls and consistency across the enterprise. Such approaches create significant risks, including inconsistent customer experiences, an inability to ensure regulatory compliance, and redundant investments in technologies and human resources.

As they consider their approach to social media, companies must first understand the benefits of engagement, as well as the risks of not engaging. For most organizations, social media offers significant opportunities to accelerate their ability to launch new brands, incrementally strengthen customer relationships and drive revenues from existing customers, new customers

and new local/global markets. But social media also poses considerable risk. Ignoring social media will not make it go away or lessen its impact. If a company chooses not to engage, it will find competitors rapidly filling the gap—and, potentially, could see its brand and reputation damaged by critical comments that "go viral." Thus, it's critical for a company to identify very early on the specific goals it wants to achieve with social media and the business benefits of engaging.

Just as important as the "why" behind engaging in social media is the "how": How can a company bring structure and commercial return to this new and vibrant global conversation, and how can it invest resources sensibly into something that is neither fully accountable nor controllable?

Answering both the "why" and the "how" of social media begins with getting the organization, and especially senior executives, behind the initiative; and creating the right strategy and associated metrics.

## Getting the Organization On Board

Getting C-suite executives behind social media requires a deliberate approach, one that requires a unique blend of engaging both "the heart" and "the head" of the executive team to succeed. In other words, a social media enthusiast who wants to capture the attention of senior executives must make an emotional connection with those executives around social media while demonstrating the return on investment social media can generate for the business. Failure on either count will make it virtually impossible to convince senior executives to get fully behind social media—and, thus, make it an important part of the organization's operations.

Engaging the senior executive team requires much more than statistics on how much customers and competitors are using social media. Facts and figures about broad trends alone are unlikely to convince executives to act. In our experience, top management needs a visceral case—a personal interlude with social media—to recognize its importance. Thus, the first thing the enthusiast should do is to ask the critical question, "What exactly sparked the initial motivation to consider social media?" In other words, what emotional connection did social media make in the enthusiast that inspired them to believe in its power and potential impact on the company? Whether the initial spark came from a competitor's actions, a board member's insight from another company, or a personal connection with another brand, all provide a valuable starting point for the conversation with the rest of the executive team. This step is often overlooked, yet we find it to be one of the most crucial to getting executives' support.

After sparking social media interest in someone on the executive team, the enthusiast must then get other executives on board. This requires turning the spark into a "North Star"—a mechanism that will connect with others who are critical to social media's success in the company and will broaden the base of support to move forward. Once again, appealing to both the heart and the head is critical to bringing others on board and maintaining momentum as social media is adopted.

There are a number of commonly used ways to create interest and enthusiasm among the broader executive team. The first is polling the senior executive team about recent experiences they've had on Facebook, LinkedIn or other social media sites with which they're

familiar—a situation in which they've either complained about or complimented a company, and then ask, "What if someone did that to our company?"

If such a personal experience can't be found among an executive or board member, the next best thing is creating one by pointing out what customers are saying about the company via social media, or by getting executives to participate in panel discussions with social media-savvy customers discussing how they use social media to engage, interact with and buy (or not buy) the company's products.

Appealing to executives' heads requires compiling a fact base—an engaging business case for why a company must launch a comprehensive social media initiative and where it will have the most impact. Successful business cases provide the financial and competitive justification for diving into social media, and are most effective when developed collaboratively by players whose functions will be affected most by social media (typically marketing, customer service, sales, HR, IT and product development). There are at least three layers in a fact-based, social media business case: a focus on areas that executives value highly and easily understand (such as attracting and retaining customers); a discussion of benefits for downstream opportunities (for example, developing new products, creating brand extensions, and improving the way the organization engages with its employees); and the links between the social media initiative and broader corporate programs (for instance, reducing operational complexity or improving customer service efficiency).

## Creating the Appropriate Strategy

Yet even with an engaged executive suite and supportive champion, a company will fail in social media if it doesn't take the time to develop a strong social media strategy that is tightly aligned with the overall business goals.

Indeed, to be successful, social media, like quality, has to become embedded in the fabric of the organization because it affects every functional area. Doing so requires a comprehensive approach to ensure consistent customer experiences, reliable content creation, compelling insights through analytics, appropriate data governance, and sufficient regulatory compliance.

To help leaders chart a path through the opportunities, threats, and risks of social media, we developed a comprehensive list of the factors critical to the success of building large-scale social media capabilities. These factors form the core of a social media management framework that can help organizations create or improve their social media strategies. It can help ensure a company gets a significantly greater positive impact from social media and delivers a prioritized road map for instituting the process, technological, organizational, and cultural changes required to effectively implement its social media strategies. The framework contains six elements:

**Context:** External considerations such as regulations and competitive dynamics as well as the information that an organization gathers through its social media listening activities.

**Culture:** Critical input into a successful social media strategy development that includes habits, behaviors, ways of working, and subcultures within an organization.

**Processes:** The processes a company uses to manage social media across the organization.

**People:** The impact on the people involved in the processes and the new roles that social media requires an organization to create.

**Metrics:** The indicators used to gauge the aspects of the business that social media is expected to improve (including an important, new integrated return on investment (ROI) measure called customer health, which provides a holistic approach to predicting the impact of social media investments to increase revenue, profitability, and long-term customer loyalty).

**Policies:** The policies that define acceptable, unacceptable, desired, and undesired behaviors among internal and external audiences, including employees, contractors, vendors, customers, and prospects.

Importantly, once the initial strategy is defined, a company must test and refine it over time. Social media is still a relatively new domain, and no one knows specifically which tactics will achieve results with audiences, who are, by definition, unique.

The "fire, ready, aim" approach can, at best, result in failing to fully capitalize on the benefits of social media. At worst, it can lead to a public relations and customer relationship nightmare.

# You're Not on Stage Anymore; Welcome Into The Crowd

While a company lays the groundwork for social media by engaging executives and developing a social media strategy, the effects of social media are felt on multiple areas of the organization. Marketing and sales are two functions that are intimately linked with social media.



One of the most visible impacts of social media on the marketing organization is how it affects the traditional “four Ps of marketing”—promotion, product, place, and price. When the four Ps were created, customers gathered information about their purchases mostly through their direct contact with sales channel providers, such as retailers, and information provided directly by the maker, like product labels or advertising. So it made sense for marketers to base their sales-growth efforts on manipulating those four attributes of their offerings to find the right combinations that would entice customers to buy.

While the initial four Ps still apply, social media requires the addition of a fifth P: people. The distinction here is that the original four Ps relate to proactive things a company does to its customers, while adding the “people” element recognizes the new collaborative nature of the customer-company relationship made possible by social media. In other words, prior to social media, people were on the receiving end of a company’s actions while, today, they have joined the conversation and play a more significant role in shaping what is “done to them.” Within this context, we can view the additional fifth P as having five key elements—the “five Rs”: reputation, responsibility, relationship, reward and rigor. The five Rs, which we discuss in more depth in *The Social Media Management Handbook*, are the guideposts for how companies engage with their audiences in today’s collaborative world.

Another area that social media is rapidly changing is the process by which companies understand the “voice of the customer” (VoC), which should be at the heart of every company’s marketing and sales efforts. Social media is a powerful source for understanding the VoC for four reasons:

**Social media can give companies a torrent of highly valuable customer feedback.** Every day, millions of people around the world are blogging, participating in social networking sites like Facebook and LinkedIn, and providing opinions on products and services on sites like Epinions.com, Amazon.com, and ConsumerReports.org.

**Such input is largely free.** Unlike focus groups and surveys (which often must pay consumers to participate and often require the services of a market research firm), consumers give feedback at no charge.

**Customer feedback issued through social media is qualitative data, just like the data that market researchers derive from focus group and in-depth interviews.** Such data is the best type of customer feedback because it gives companies a better chance to get inside the customer’s head—something that structured surveys, which force consumers to choose from predetermined answers, simply can’t do as effectively.

**Such qualitative data is in digital form—in text or digital video on a website.** The advent of text-mining tools—software that combs through voluminous customer comments to find patterns and problematic issues—means companies now can analyze huge amounts of qualitative data much more efficiently than focus group discussions or one-on-one interviews. In the past, companies would have been overwhelmed had they asked 10,000 customers to each write several paragraphs about their feelings about a product. It would have been too time consuming and expensive for an analyst to determine what the collective input really meant. Text-mining tools enable a company to easily “quantify” qualitative feedback.

Of course, making sense of this input requires a new level of customer analytics capabilities.

To capture the insights hidden in social media conversations, companies must refresh their processes and systems for collecting and analyzing data. Data collection and analytics processes are no longer linear in progression, historically focused, or project-oriented. Analytics that leverage social media must be more iterative, real-time, predictive, fine-grained, and collaborative. And they must be able to deal with the increased volume and complexity of data (as most social media data is in unstructured rather than structured form, which is often difficult to use directly in traditional customer analytics tools).

But giving companies the opportunity to learn more about what customers are thinking and feeling is only one way social media benefits companies’ marketing and sales efforts. Social media also enables enterprises to create more meaningful dialogues with customers by moving from a mass-marketing model (in which the goal is to acquire as many customers as possible) to a more targeted, tailored approach (in which the aim is to start a conversation with customers and increase the richness and depth of those conversations over time).

Capitalizing on social media in this way typically requires a phased approach, with each phase being dependent on an increasing level of customer insight, but also resulting in deeper and more profitable customer relationships.

The first phase, *Listen*, is where a company joins relevant social communities to begin hearing what their customers and prospects are talking about. Using these early insights, a company can pinpoint initial opportunities for service or product improvement initiatives. Once it is comfortable listening, a company can begin interacting with existing communities and establishing its presence on a few of the major social networking communities.

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Insurance company USAA for years has done a great job of anticipating customer needs before they surface and taking advantage of social networks to interact with customers. For example, through Twitter (<http://twitter.com/USAA>), USAA lets customers know about tools for managing personal spending, tips for surviving storms, advice on talking to adult children about financial matters, and guidance on how to prepare their children going off to college or university. It also offers an accident checklist iPhone application that guides customers through the process from reporting an accident to securing a rental car.

In the second phase, **Engage**, a company is ready to build its own network—to establish its own customized community to learn from customers and actively promote products and brands. Once the community is active, a company must interact with it—publishing content, executing activities, polling community members, providing new services, and identifying and influencing respected and active members of the group.

For example, eBay established a social community network on its corporate website that is made up of eBay members, buyers and sellers, as well as eBay staff. The eBay

community encourages open and honest communication among all its members, and the community page serves as a valuable information hub. It provides several resources—including chat rooms, answer center, discussion boards, and eBay blogs—to help members stay informed about the latest events, programs and news. In doing so, eBay enables community members to resolve issues among themselves without having to engage the customer care department.

In the third phase, **Optimize**, a company uses its social media presence as part of its multi-channel customer engagement—developing strategies that engage and empower customers and business partners to participate in the company's day-to-day business operations. As part of this effort, a company starts by linking several platforms and integrating them with their digital and CRM applications, and connects social CRM with other key functional areas. This increasing level of integration across the enterprise provides the backbone for truly tailored experiences that will stand out from competitors.

Best Buy's Twelpforce is a great example. The consumer electronics giant encourages its employees from across all operations to help handle customer service issues via Best Buy's Twitter account. Using their company and Twitter ID, employees can register for the service, after which their tweets will be displayed in a single stream on the same

page. Once registered, any tweeting Best Buy employee who encounters a customer tweeting about a bad Best Buy experience can respond to the customer by sending a message from the @Twelpforce account. The Twelpforce service enables Best Buy to spot and engage an unhappy customer more quickly, which not only strengthens the bond with that customer, but also keeps the issue from spreading.

To capture the insights hidden in social media conversations, companies must refresh their processes and systems for collecting and analyzing data.



# It's Not Just a New Channel; It's The Catalyst Of The Change At Business' Core

For many organizations, social media is seen primarily as a new marketing and sales channel, a way to stimulate greater demand among existing and potential customers. However, social media is also a powerful tool for helping organizations excel during critical "moments of truth": when customers require assistance with a problem or question about a company's products or services. How well companies deal with these moments of truth can go a long way toward determining whether customer word of mouth will propel a company and its brand to stratospheric heights or catastrophic lows.

Unfortunately, most companies aren't prepared for an increasing number of customers using social media as their service channel of choice. Why? The first reason is that they have applied a one-size-fits-all customer service model across every customer segment and response channel including social media. They view social media in the

same way as they view the phone, fax, e-mail, or their website—just one more way for customers to contact them. As a result, these companies use the same traditional complaint-handling processes for social media, and that's where the struggle begins. Companies quickly find they can't respond fast enough or appropriately without dramatically increasing their resources. The one-size-fits-all model doesn't factor in the speed with which the social media complainant wants an answer. People who use Twitter, Facebook, or another social channel regard timeliness as far more important than getting a polished answer. The complaint-resolution policies of most companies are anything but speedy.

In addition, the one-size-fits-all model typically means that each channel is offered the same information. Some companies have a philosophy of making all the capabilities for one customer

feedback channel available to all their channels—call centers, e-mail, regular mail correspondence, and so on. This makes adding a new channel expensive and time consuming because everything must be accessible for all people. It often forces customers to plow through volumes of information and options that cover all possible service issues to register a complaint. Maintaining all channels equally becomes expensive and onerous, and often is not necessary.

The second reason why many companies are struggling with social media is because they have tried to handle the burden of responding effectively themselves. They become daunted by the expense and number of people they believe they must hire to respond to thousands or even millions of customer messages coming in through social media. And yet they don't realize that outsiders may be as capable as their own employees in answering customer

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questions. These companies shy away from using, as part of their service capability, the people who spend time on social networks and love their brands. They worry about the risks to security, corporate culture, and brand reputation from enlisting the help of outsiders.

Other companies fall down in responding to the social media chatter because their left hand doesn't know what the right hand is doing. In many organizations, sales, marketing, and service are autonomous functions that don't work closely with one other. For example, customer service employees may be on top of a product quality issue that customers are sounding off on in Facebook, and yet marketing may continue to operate as if there is no problem at all, running adverts that don't address the issue.

Despite the numerous missteps in the marketplace, a number of companies have successfully incorporated social media into their customer service models. In our research and consulting experience, we found these firms share a number of common practices. They are able to define a unique customer service channel strategy for social customer relationship management and truly understand the investment period required to build this channel. They are also adept at getting marketing, sales, and service

to operate in a unified channel and in creating online communities that enable customers to help each other. And they allow many employees be a face to the customer, not just a few. Finally, they are never content with their success and continually work to improve their social CRM channel. As a result, these leaders consistently use the social channel to surprise and delight their customers.

Of course, social media also can present major customer-service challenges when an individual or group is determined to use social channels to disparage an organization or its brands. Companies that don't act quickly to contain consumer outrage fanned through social media can watch their brand reputations get tarnished rapidly. Indeed, companies now must play "defense" against the "offense" of such "aggressive consumer activism." How? We have found three actions to be especially important.

The first action is to establish criteria for determining which complaints to respond to and guidelines for how to respond. A complaint-handling "decision tree" can be helpful in that regard. Such a tool helps companies recognize the nature of, or reason for, the complaint; and then determine how to respond based on a combination of the value of the complaining customer, the potential damage to the firm's reputation, and the "noise level" or extent to which the complaint could travel.

The second action is recognizing the different roles of people who are willing and able to respond to social media-generated complaints—and having in place the right procedures that enable those people to mobilize quickly to address them. Responders could include not only "official" customer service professionals, but also employees outside of customer service and even customers who care about the company.

The third action is designing a measurement system to gauge how well the company is responding to social media complaints and a feedback loop for instituting necessary improvements. Three metrics—different from those used in a traditional call center setting—are especially important. The first is the "mood" of the people who talk about the company via social media channels. If the mood is good or positive, the social media response team has done its job. A second metric is the level of advocacy among customers. If the number of supportive comments posted by customers about the company's products or services outnumbers negative ones, and customers increasingly help other customers resolve issues they are having, the team has been successful. The third metric is "handoff." By this we mean how well a company can identify complaints that stump the social media crowd and bring those issues in-house for effective handling. The more quickly the company can accomplish the handoff, the less time an issue sits unresolved.

There's no doubt that marketing and sales are the functions that most companies commonly think of when considering adopting social media to improve the business. In reality, however, there's just as much potential to be found in the customer service area—both in terms of improving the overall customer experience and reducing service and support costs.

People who use Twitter, Facebook, or another social channel regard timeliness as far more important than getting a polished answer.

# The Time for Experimenting Is Up; Act Now and Expect Wide-Spread Changes

Beyond the traditional customer-facing functions of marketing, sales and service, engaging other functions early in the process are critical to success –including Technology, HR, Legal, R&D and others.



The scope and scale of social media is such that all functions of a company—not just the front office—are affected, albeit to varying degrees. One way to think about impact is to consider a spectrum of influence, such as that in Figure 1.

At the far left of the spectrum are functions farthest from the customer—such as legal and finance. These functions are likely to be least affected by social media.

In the middle are functions that experience moderate impact. They include R&D and the supply chain, which, while not directly connected to customers, play an instrumental role in fulfilling customer demand and will require new levels of agility to accommodate the always-on, fast-paced nature of social media.

The R&D function, in particular, can be influenced significantly by social media, as social media creates a whole new way for customers to form an emotional attachment to a company's offerings. Social media enables a company to stimulate and then tap the collective passion and insights among its customers, identify new needs, test solutions to meet those needs, create customer buzz, and get customer acceptance—even before a new product or service hits the market. Social media also helps companies harness additional resources and expertise to complement and bolster their internal development capabilities—in effect, making the entire world a potential rich (not to mention low-cost) source of new ideas.

For example, Dell Inc. for years has used online tools to solicit ideas from customers, which has helped improve its computer hardware, software, services, and customer service. The computer manufacturer was one of the early adopters of the crowdsourcing concept with the launch of its IdeaStorm web site ([www.ideastorm.com](http://www.ideastorm.com)) in 2007.

According to the company, IdeaStorm was created "to give a direct voice to our customers and an avenue to have online 'brainstorm' sessions to allow you the customer to share ideas and collaborate with one another and Dell." Dell reports that three years after the launch of the site, more than 10,000 ideas have been explored and nearly 400 implemented.

When people think of social media and product development, most think of the front end of the innovation process, or the ideation stage. And as the Dell example illustrates, social media can be very effective in gathering and brainstorming new ideas to be explored further. But what about the other steps in the process? We've found that companies that are truly leveraging the power of social media to boost product development are using social media in many steps of the process, not just in ideation. For example, some companies are using social media to more precisely understand the demographics behind a certain customer segment or better divine their needs—that is, to listen better to the voice of the customer. This is important in trend-driven markets where needs change rapidly due to peer interaction.

Other companies use social media to hasten and improve the step of getting feedback on product prototypes. One example is the campaign conducted by Marmite, a Unilever-owned brand famous for its yeast spread (similar to Vegemite, the version sold in Australia) that incites either lust or disgust, depending on one's palate. Looking to create a new "more mature, extra strong" version of its standard spread, Marmite identified a set of customers who were extremely active and passionate about the brand on social networking sites. The 200 lucky individuals, dubbed "Marmarati," were then given beta versions of the new product and asked to provide their views on various aspects of the samples. Their feedback was sent along to the

product development team to help determine the formula of the product that ultimately went on sale.

Still others are using social media in an often-overlooked part of the product development process: the experience customers have in purchasing and using a new product. Companies traditionally have collected feedback on the customer experience through surveys—phone, in-store, and online. In all cases, the data may not be timely. Social media lets companies acquire customer feedback on the buying and post-sales experiences in real time and begin to assess and correct potential issues immediately, before they become problems. Furthermore, social media allows companies to hear or read consumers' unvarnished, real words and get an appreciation of the emotion and context involved, unhidden by a survey firm's interpretation of them.

A great example: In the days immediately after the launch of Apple's iPad, hundreds of thousands of tweets were sent containing the word "iPad." Was this just meaningless chatter? Quite the contrary, as an editor at Harvard Business Review discovered. Scott Berinato, working with software developer Jeff Clark, evaluated the more than half a million tweets containing "iPad" during the product's launch weekend and found that while some proportion of the tweets certainly had no value, the vast majority of them, if analyzed correctly, offered a gold mine of insights that Apple could use to improve various aspects of the product and the company's support of it. From a product development standpoint, for instance, the tweets offer an unflinching look at users' experiences with the product. By pairing up attributes of the iPad (such as "keyboard," "display," or "weight") mentioned in the tweets with positive and negative words in the same communications, Apple's product development team can quickly

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pinpoint what's turning users off and, thus, prioritize fixes they should consider for future releases.

At the far right of the spectrum are functions that are highly affected by social media. As discussed previously, these include the front-office functions of marketing, sales and service, as well as human resources (HR) and information technology (IT).

From an HR perspective, the impact of social media is twofold. Because social media can effectively make every employee a spokesperson for the company, HR must determine how to manage the ways in which employees engage in social media conversations about the company and how they represent the organization in these conversations. This is substantially different from years past, when public relations and HR only had to concern themselves with the limited number of "official" spokespeople who were authorized to interact with the media, had the appropriate training, and conducted their interviews in controlled environments.

Today, while employees aren't holding press conferences, they do have the ability to do good or cause harm online, so they must be much more aware of the nuances of their communications and have clear boundaries regarding what they say and how they say it. Thus, all companies need a strong social media policy to help employees understand the boundaries of their social media activities relating to their

employer. Every organization likely will need multiple social media policy documents for different purposes and audiences. For instance, one document typically includes broad guidelines for the entire employee base on the appropriate use of social media relative to making specific references to company matters or presenting themselves as "speaking for the company." A separate document provides more operational guidelines for workers who use social media as part of their job. There also are policies for users of a company-operated online community and guidelines for managers on how to handle social media.

Importantly, policies should not be designed to "control" employees. Trying to control what employees say about their company in social media would essentially require controlling employees' thoughts and actions every hour of every day. It's just not possible (and why would anyone want to do that, anyway?). Instead, leaders must provide the right balance of empowerment and accountability. After all, trust and empowerment are inherently less expensive than control. Trust and empowerment do not require reporting, audits, or processes. In addition, trust and empowerment obliterate fear and diminish politics in the workplace. Moreover, every policy should be unique. Companies must create social media policies with an understanding of the processes they intend to impact, the employees who will carry out those processes, the measures of success, their unique culture, and their context (regulations, business objectives, organizational history and other factors).

Just as important from an HR perspective is the talent question. As companies increasingly use social media in multiple business functions, HR must ensure that employees possess the appropriate social media skills and capabilities. Doing so requires considering such skills, where

relevant, not only in the recruiting process, but also in the training and development of existing employees. Indeed, companies aggressively adopting social media will find that not only are new roles needed to manage specific aspects of their social media initiative, but also many existing roles—including those in the C-suite, brand and product managers, sales and service representatives, HR and learning professionals, and legal teams—must change in response to the opportunities and challenges social media presents.

Furthermore, social media is playing an increasingly prominent role in how organizations attract employees. Prospective candidates are using social media to get a composite picture of an organization to determine whether it is a good fit for them (which means companies need to make sure the employee value proposition they present via social media is appropriate and compelling). Companies can also use social media to find and vet candidates, which requires people in the HR function who are adept at incorporating social media searches into their overall recruiting process.

The IT function, by virtue of the technology-driven nature of social media, is also in the "high-impact" zone. While the job of the chief

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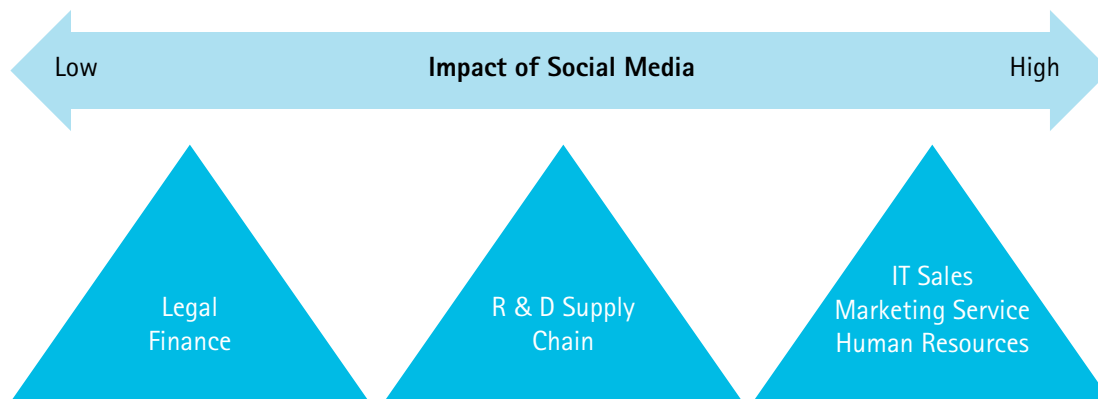


Figure 1: The Impact of Social Media

information officer (CIO) has become broader and more influential in the past two decades, social media expands the CIO's role even further. It ups the ante for CIOs, making their jobs more consequential. The reason is that social media connects the company directly to customers, creating an unprecedented opportunity to market better, service customers more effectively, improve product development, and accomplish other competitive mandates. In this way, social media is one of the best things to happen to CIOs and their IT departments, as they now play a more direct and strategic role in the success of the business.

But social media also makes the CIO's role much more complex. For instance, CIOs now need to determine how they will capture, organize, analyze, and leverage the vast amounts of data social media generates. They also have to understand how to

work with "disposable technologies." Social media introduces all sorts of technologies that aren't necessarily going to be around for 15 years, so they're not infrastructure per se. But still, the organization needs to have a plan for how to acquire and retire them as well as how they fit within the overall IT portfolio. They must figure out how to adapt the overall planning and execution process for technology in the business—for instance, shifting from annual to quarterly planning for technology to accommodate rapidly evolving social media tools and large shifts in customer bases. And they need to rethink their innate desire to decrease the complexity of the technology footprint as well as the need for stable technology platforms that can be integrated easily with a company's present and future systems.

In short, the time for pilot projects related to social media is over. Now,

companies must determine how they're going to generate value via social media and avoid the significant potential risks that are inherent in poor execution. Doing so involves understanding the important role each function within the business plays in "getting social media right" and enabling the enterprise to fully capitalize on social media's promise.

# New Rules for Tools; the Social Media Technology Platform



Arguably one of the biggest challenges companies will encounter in embracing social media is the technology aspect. This is especially true as companies move from experimenting with social media to making it a core part of their enterprise.

To date, companies have instituted social media technology in two phases: experimental and business transformation. The experimental phase was all about the tools. Companies deployed components of social media such as blogs, product ratings, discussion forums, and customer comments as one-offs— isolated and often uncoordinated initiatives that paid little attention to the existing technical infrastructure.

But we are past the experimental stage. Social media must be seen in a larger, more strategic context—in the way companies manage their entire customer relationships. This is the business transformation phase of social media, and it requires much more planning, resources and experience than the experimental phase that preceded it. The business transformation phase moves past stand-alone, outside-the-firewall skunkworks initiatives and focuses on linking social media technology with a company's core information systems.

Indeed, integration is absolutely critical to making social media work. Without an integrated approach to technology, a company's responses to and interactions with customers will be disjointed, which ultimately will erode the firm's reputation and jeopardize customer relationships. Yet many companies today struggle with the remnants of their original, un-integrated experimental approaches to social media. Their data from online customer interactions resides in multiple silos. They installed social media applications as point solutions to point problems—for example, a blogging tool, or customer discussion

forum site, or a product review webpage. Each one has its own rules. Each one focuses on its part of the CRM process. A customer who tweets a complaint may be the same customer who sounds off on the company's product review site. But because the applications were implemented separately, the company doesn't know that. Another customer may post gripes on the company's new online customer forum. But that system isn't linked to the CRM system, so the company can't positively identify the source of the gripes.

What's the solution? The Social Media Handbook delves into this topic in considerable detail, but at a high level, we believe managers need to take a more thoughtful approach to selecting the right technologies, building a sustainable and scalable infrastructure, and developing and delivering applications in the constantly changing world of social media. And a key element of that approach is what we call a social media platform.

A social media platform is technology that enables a company to identify and aggregate in one place all of its interactions with customers as well as the social media chatter of those customers about the firm (in addition to noncustomers who take to blogs, discussion boards, and the like). The role of this platform is clear (although not easy): Find out who is talking about the company and its products, policies, and so on through social media and get that information to the people in the company who can take appropriate action.

Currently the social media platform cannot be bought from one software vendor; some software companies provide key pieces of the platform, but none sells the entire suite. As a result, companies must build the platform more or less from scratch, although they can and should take advantage of commercially available software.

One of the biggest challenges companies will encounter in embracing social media is the technology aspect.

A social media platform has six core components:

**1. Community services:** These technologies enable companies to build and maintain online communities such as blogs, ratings and reviews, referrals and sharing, and forums.

**2. Integration with external social media channels:** This component links a company's social media capabilities to the social media channels that are outside of its control—for example, Facebook, Twitter, and external blogs. It enables a company to "fish where the fish are"—comb the Web's many places where customers and noncustomers hang out and provide content as short as a comment on a blog and as long as a one-hour video on YouTube.

**3. Work flow optimization:** The work flow component enables companies to define which social media events require attention, the kind of attention they require, and who in the organization must act. The work flow component also features a tracking mechanism that monitors whether the person responsible for handling the issue did in fact handle it. If that person doesn't, the tracking mechanism escalates the issue, bringing it to the attention of someone else.

**4. Text analytics:** Text analytics solutions mine documents and other forms of "un-structured" data. They analyze linguistic structure and apply statistical and machine-learning techniques to discern entities (names, dates, places, terms) and their attributes as well as relationships, concepts, and even sentiments. They extract these "features" to databases for further analysis and automate classification and processing of source documents.

**5. Measurement and analysis:** This component enables a firm to gauge the impact of social media conversations on its business as well

as how well it has responded to those discussions. A social media platform must be created with metrics that keep managers informed on their firm's online reputation.

**6. Integration with the existing CRM system:** Social media is a critical channel for companies to listen and react to customers. The platform must give companies a deep understanding of their customers' preferences—and based on the actual behavior they display (what they're complaining about in Facebook, and so on). But it's not the only channel. The contact center, e-mail, traditional marketing and sales campaigns, and the conventional sales forces will not go away soon, if ever. Thus companies need to link their social media platform to their enterprise CRM systems. Social CRM systems that collect data and facilitate relationships with customers and influencers must be connected to the corporate CRM system.

The social media platform has become an essential new element of a company's technology infrastructure. It is a new engine that enables a company to provide the next-generation customer experience by receiving social media content from many channels; using analytics software to monitor trends, and helping managers decide what to do about those trends. The platform is tightly integrated with a company's existing CRM system, which enables a company to feed the data and interactions from all the social media chatter into the traditional "marketing funnel" through which people move from prospects to customers. And perhaps most importantly, the platform combines and connects all relevant software and data seamlessly, which enables companies to understand customers more completely and put their best foot forward in all interactions with them.

# Conclusion

Strictly speaking, social media is not a new phenomenon; people have been providing recommendations and opinions to friends and contacts for millennia via channels through which a two-way conversation can take place. In modern history, such channels have included face-to-face discussions, letters, the telephone and, more recently, e-mail. So what is new today?

We see a number of characteristics that distinguish today's "digital social media" interactions from other types of social conversations. It enables one-to-many or many-to-many conversations and features content created and posted by consumers of that content. Social media is also very easy to use, highly accessible and highly scalable, and it operates in real time. Finally, and perhaps most important for companies seeking to protect and enhance their reputations, social media is entirely public and transparent.

Combined, the preceding characteristics can either be a boon to companies that embrace social media and its growth-generating potential, or spell serious trouble for those that are unwilling or unable to recognize social media's growing influence and power. Indeed, the massive presence of social media interactions is creating a whole new ball game for the world of commerce and connection. They are materially impactful, unavoidable and so ubiquitous that no business can afford to simply ignore them.

Companies that already have "joined the conversation" and made social media a priority understand how fundamentally social media affects myriad areas of their business. These organizations are well ahead of the curve and have made substantial changes in their strategies, business processes, technologies, and talent bases that enable them to capitalize on the opportunities provided by social media while mitigating the risks. Other companies can learn much from their experiences.



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## About Social Media

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## The Social Media Management Handbook

These insights are based on *The Social Media Management Handbook: Everything You Need to Know to Get Social Media Working in Your Business*, published by John Wiley & Sons in January, 2011. For more information, visit [www.socialmediamanagementhandbook.accenture.com](http://www.socialmediamanagementhandbook.accenture.com).

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