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Boil a Better Ocean:
Five Core Tenets for Creating
the Social Enterprise

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Boil a Better Ocean:
Five Core Tenets for Creating the Social Enterprise

Social has come of age for business. Nearly nine in 10 US companies with at least 100 employees will use social media for marketing purposes this year.[1] It is no longer an "add on" or a "nice to have." In fact, 88 percent of executives agree that their company's use of social media is important to remaining competitive.[2] Eighty-four percent recognize the importance of using social media to enhance relationships with customers.[3]

Consumers are now fluidly engaging with peers and providers across digital channels and devices, including social. Traditional advertising channels are less effective than ever before, and in an attempt to increase ROI budgets are being driven toward new marketing solutions that can engage through living services to meet today's "liquid" customer expectations.[4] Further, innovation is more and more often coming through collaboration with customers and value chain partners, facilitated by social.

As social adds to the large volume of data companies now collect, there is huge potential benefit for those companies that can make it actionable. More than half (52 percent) of millennials recently surveyed depend on social sites to gather information about new products or brands that interest

them.[5] This compares to just 41 percent who turn to paid advertising. Nearly half of smartphone-owning millennials said they discover brands by someone else following, liking, pinning, or tweeting information on social media.[6]

Looking ahead, the "digitization of everything" through connected devices and the Internet of Things (IoT)[7], will only accelerate the criticality of social capabilities. It is entirely feasible that, within five years, the social enterprise could completely redefine customer value with social being the dominant means of talent acquisition, customer research, and customer service (Figure 1).
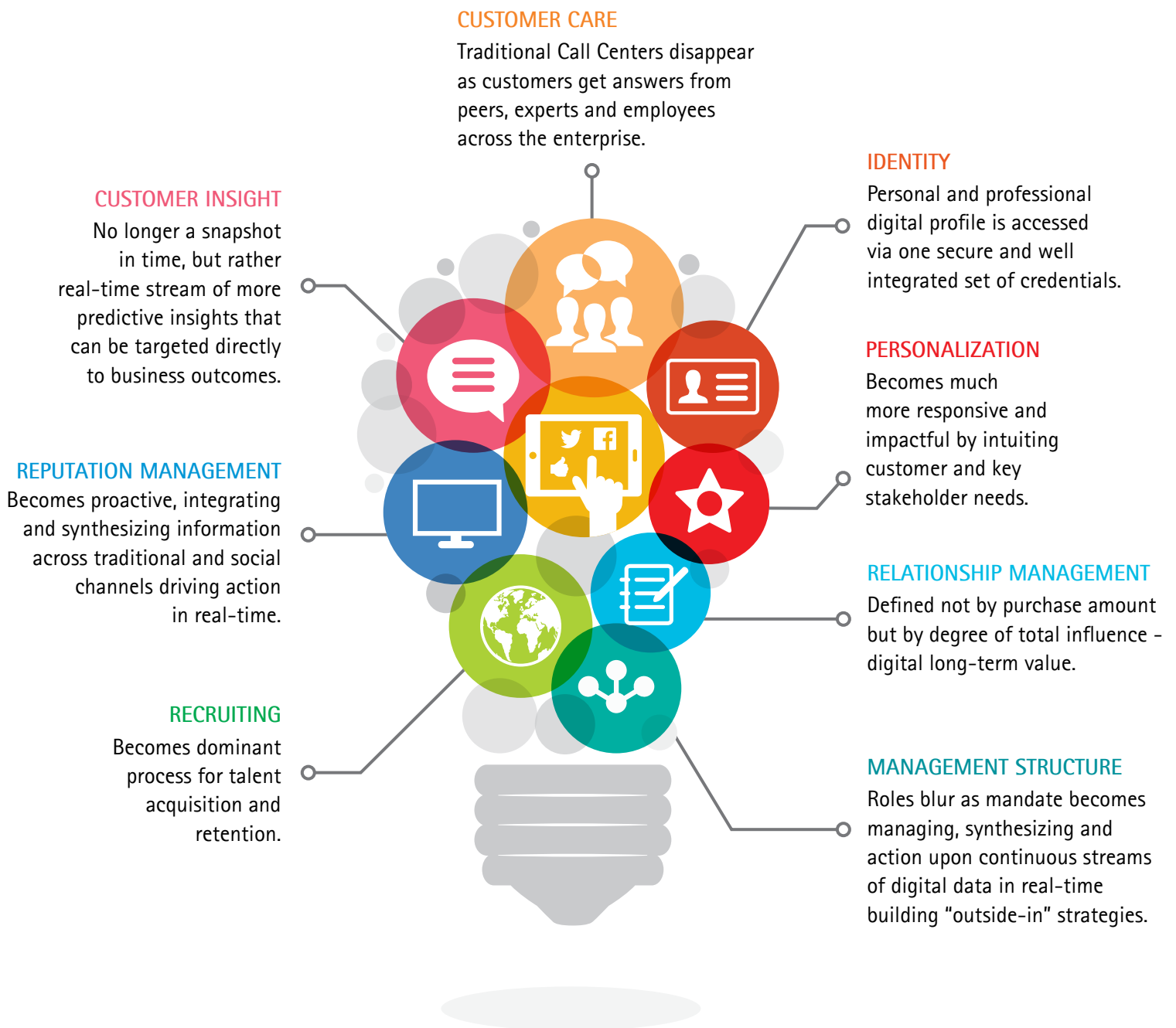
88%
of executives agree that their company's use of social media is important to remaining competitive.

84%
of executives recognize the importance of using social media to enhance relationships with customers.

(Figure 1)

The Social Enterprise of the Future

CUSTOMER CARE
Traditional Call Centers disappear as customers get answers from peers, experts and employees across the enterprise.

IDENTITY
Personal and professional digital profile is accessed via one secure and well integrated set of credentials.

CUSTOMER INSIGHT
No longer a snapshot in time, but rather real-time stream of more predictive insights that can be targeted directly to business outcomes.

PERSONALIZATION
Becomes much more responsive and impactful by intuiting customer and key stakeholder needs.

REPUTATION MANAGEMENT
Becomes proactive, integrating and synthesizing information across traditional and social channels driving action in real-time.

RELATIONSHIP MANAGEMENT
Defined not by purchase amount but by degree of total influence - digital long-term value.

RECRUITING
Becomes dominant process for talent acquisition and retention.

MANAGEMENT STRUCTURE
Roles blur as mandate becomes managing, synthesizing and action upon continuous streams of digital data in real-time building "outside-in" strategies.

Emerging Trends Driving Social Expansion

The Internet of Things represents perhaps the single biggest technology trend impacting businesses in the next decade.[8] Parking meters are going digital, the refrigerators and other comforts of home are getting brainier, and the next time you take yourself out to the ballgame, you may just receive a smartphone alert on which concession stand has the shortest line for hot dogs and beer. As everyday objects and experiences become digitized, new frontiers of individualization are created. Accenture calls this trend the "Internet of Me".[9]

Accenture's 2015 Digital Consumer Survey shows that, by 2020, 40 percent of consumers plan to own a wearable fitness monitor, 41 percent will own a smartwatch, 41 percent will own a home connected surveillance camera, 39 percent will own a smart home thermostat, and 37 percent an in-vehicle entertainment system.[10] Every car, every home, and every object is a new set of conversations with customers. The shift to the new connected world signals another major tidal wave of social expansion.

From an industrial perspective the core of the next industrial revolution sits in the Industrial Internet of Things — connected, intelligent products that communicate with users and create a fully digital value chain.[11] "Digitization of everything" creates new ways of automated and personal interaction.

In this connected everything environment social media can drive new ways of collaboration within and beyond the organization. But companies need to think carefully about how they participate and resist the temptation to go with the crowd. Most importantly, they need to take the lead from their customers, recognizing there are social ramifications and boundaries to these new devices. For example, customers are unlikely to want to share health status, utility usage and other personal details via social channels. Finding the right way to engage requires defining a social etiquette and protocols around what the devices collect, use, share and respond.

The best place to start is by identifying the two or three things you know about your customers that your competitors don't. Then use that information to create competitive advantage by delivering exceptional value your customers covet.

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Treading Water

Despite this incentive, very few companies are utilizing social to the extent needed to compete, much less excel, in our digital economy.

In fact, many organizations are dramatically underserved by their levels of social investment as they continue to struggle with basic capabilities. Just 40 percent of organizations are using data gained from social media to improve their bottom line. Sixty percent are challenged to find actionable use for data collected.[12] Digital disruption has actually caused a steady erosion of customer loyalty despite companies' customer retention efforts. Accenture estimates that consumers switching providers accounts for an estimated $6.2 trillion in revenue in play across 17 key markets today—up 26 percent, from $4.9 trillion in 2010.[13]

If not fully equipped to operationalize social across the business, companies risk failing to do it right—which can have significant impact on the brand and customer relationships. The experiences of a number of companies in the news recently have demonstrated that swift brand and reputation damage can result when companies are unprepared in social.

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Wading in the Shallows

Twenty years ago many executives thought the web would never significantly impact their business, and yet it is driving the digital economy.

Social is coming of age in much the same way. As companies have experimented with social, resources in various functions have been charged with social listening and responding in a fragmented way. With this foundation organizations are challenged to scale social media without it being cost prohibitive, and it's even harder to drive strategic impact across the enterprise. While this evolution was a natural and necessary path of experimentation and innovation, it is wholly insufficient to be successful in the 21st century.

Understandably integrating social into the enterprise is challenging. Companies must manage fast moving and fragmented social technologies. They often operate with multiple point solutions disconnected from enterprise technology, forcing IT to maintain numerous different platforms and systems.

In many organizations maintenance and integration consumes so much of IT leaders' time it restricts their ability to focus on value-adding capabilities. Then there are security risks and data privacy issues. And, all of this must be managed when the majority of companies are unable to measure the impact of social across channels and therefore lack a strong business case for investment. Given these challenges, getting results that deliver strategic impact requires doing social differently, instead of relying on the reactive ebb and flow of the marketplace.

Five Core Tenets for Creating the Social Enterprise

Social holds the promise of driving a greater sense of who the customer is and how to build a trusted and value-based relationship with them in a way that is much more defensible than anything companies have done in the past.

A social enterprise thinks about how social fits into the digital architecture of the business and how that transforms the organization. By doing so they get impressive results.

Through effective use of social, companies have captured substantial efficiencies in customer care with reductions in handling time and cost per case of more than 30 percent. They have increased their participation in collaboration by more than 200% and increased revenue by more than 100% through social business strategy implementation. Many have done so by building and implementing a digital social collaboration platform in less than three months.[14]

Becoming a social business and achieving these results requires change at the very core of the organization. Social enterprises embody five tenets which have helped them elevate the strategic impact of their social efforts.

1. CENTER ON THE CUSTOMER

For years companies have allocated substantial resources to collecting data from offline sources in an effort to gain a better perspective on customers. However, most companies only harness a fraction of social data, which is, in many ways, a far more powerful resource for understanding customers. Using this insight for audience identification or predictive analytics remains nascent in terms of companies understanding how to take full advantage of it for brands and consumers. This is a powerful opportunity for those who can proactively integrate social data into their business processes.

Social enterprises take an "outside in" perspective, centering on the customer and the objectives the business is trying to accomplish in the context of developing new products, providing better services and building lasting customer relationships. For example, they don't implement social customer care, they determine how social integrates into customer care to shape the enterprise's customer service response strategy. They think about how social helps shape the enterprise's ecommerce strategy or brings customer relevance and scale to product development and innovation.

Doing so provides direction on how social should be integrated into business processes that cross organizational silos. Consider how integrating social into marketing activities impacts cross-organizational activities. Applying social in marketing provides a continuous platform for understanding, monitoring and adjusting marketing strategies in real time. There is no longer a barrier between marketing research and marketing as campaigns are adjusted real time based on a comprehensive view of the consumer that includes social—everyone involved becomes both a researcher and marketer.

Social enterprises also keep it simple. Oftentimes companies let the technology capability direct the creativity, which results in cool campaigns but ones that are too complicated for consumers to engage with. The objective is to move the customer to take an action and social campaigns should support the customer in what they want to do, not distract them. Again, customer relevance defines success and that means staying customer-centered from strategy through execution and often keeping it simple.

2. REQUIRE TANGIBLE ROI

Today, even after a decade of social media advancements, companies are still wedded to the same tired and ephemeral metrics. In this new world it's not good enough to measure success based upon pure social media metrics (such as number of followers, re-tweet counts, etc.). Enterprises need a better way to tie social to business impact. They need to consider social in the context of what they do (sales, marketing, customer care) and make the connection to the ultimate business outcome they generate. Are they driving sales? Are they increasing customer retention? Are they changing the way the brand is measurably perceived? Is the company identifying new opportunities in real time?

Social enterprises first define business objectives and then design programs to drive benefit. They fully understand the connection between what is being done with social media in sales, marketing, customer care or elsewhere and how it impacts the business. The threshold for launching any initiative is that its strategic business impact can be tangibly measured. Using this lens can lead to non-intuitive outcomes. For example, they may find they should not have a presence on Facebook or be active on Pinterest because it doesn't contribute to the business objective. It is not about how many channels but understanding how each will contribute to targeted results.

3. BECOME EXCEPTIONALLY ANALYTIC

With advances in optimization tools, analytics and software, social is now much more a science than an art. Social enterprises are exceptionally analytic, with a mindset that places analytics at the core of everything they do.

Every resource, regardless of role, is expected to have the skills to utilize analytics-based insights to architect solutions. In many organizations the most socially capable resources are often those with the least business experience. If social is the future of business why are companies satisfied having the least experienced business people representing their brands online? Everyone in the organization must be socially literate and engaged, most importantly senior management.

Leveraging analytics is predicated on good data (not just big data). The proliferation of data available to organizations is nothing new, but it is compounded by the volume, velocity and types of data (including reviews) being collected through social. Social enterprises have a ubiquitous architecture that enables them to rapidly synthesize vast amounts of data into useful information and actionable insights. They have technology in place to automate and scale capabilities by leveraging filters and machine learning to triage threats and opportunities and direct them to individuals within the organization who can take action.

4. BUILD MUSCLE MEMORY FOR SPEED TO MARKET

The constantly changing social environment can make developing and investing in a social strategy daunting. Yet, as companies face increasing pressure to become more agile, being quick to market with new capabilities and responsive in real time are keys to success. For example, marketing that is personalized and relevant to consumers requires the ability to rapidly interpret data, including social, and dynamically offer content in response to real-time customer actions.

Organizations must have a social vision but be pragmatic in execution, implementing in a way that is realistic and relevant for the business and following a test, learn and earn approach.

Many social capabilities can be implemented, measured and scaled relatively quickly. Often pilots of new social capabilities can be built in as little as 10 days and then fine-tuned and customized over time to increase their relevance to the business. While the objective is to have powerful capabilities at scale, a test, learn and scale approach can generate results in the short term as that fine tuning occurs.

Overall companies cannot be quick to market if they don't have the ability to synthesize and act on data in real time. Social enterprises have developed "muscle memory," having systems and people in place who are entrusted to make decisions and turn insights into action in real time. The infrastructure is much like the relationship between a person's extremities and the central nervous system. The hand doesn't have the luxury of waiting on the central nervous system to tell it to pull away when touching a hot stove. The nerve in the hand and the muscle memory know to move it away quickly. The nerve then reports that decision to the central nervous system so that it is building intelligence and experience as input to future situations and decisions.

5. GOVERN EFFECTIVELY

Implementing social requires transformational changes to people, processes and procedures. Yet oversight and execution of these changes is often ignored. Companies will not recognize the long-term benefits of social without distinct attention to the governance process, including defining the structures, roles, responsibilities, processes, and measures that support the decision-making in an organization. With a responsibility to mitigate risk for the organization, governance also spans policy development and training related to data privacy and security controls.

Many organizations have jumped into social by outsourcing their thinking to agencies. While social enterprises often benefit by engaging third parties, they need to be careful about what they outsource, keeping strategic elements in house. They must create the framework and rules of the road under which anyone internal or external has to function. Otherwise companies tend to get creative ideas that are not tied to tangible business results. The famous "You can still dunk in the dark" Oreo cookie tweet during the power outage in Super Bowl XLVII received rave reviews for creativity but was the campaign linked to an actual increase in sales of Oreo cookies?[15]

Further, investment in social is all for naught if the senior people in the organization do not take it seriously and not only support efforts, but demand accountability. Leaders from the CEO down must decide social is an important part of strategy and hold everyone accountable to very specific business outcomes.

Every part of the business must be intentional about how it is integrating social, even if that intention is to do nothing in the short term. Leaders in social enterprises lead by participating in the organization's efforts, whether that is employee collaboration, product research, or customer care.

Reviews and Ratings: The Often Overlooked Social Commentary

Ratings and reviews represent a powerful and largely untapped opportunity for most businesses. By providing reviews customers are engaging in a dialog with the company and becoming a powerful influence over prospects' future purchase decisions. Almost eight in 10 American adults read online consumer reviews for products and services before making a purchase, with this figure relatively constant across generations.[16] For nearly nine in 10 consumers, an online review is equally as important as a personal recommendation.[17]

Enterprises have barely scratched the surface in this area. By harnessing the insights provided by this social commentary they can influence purchase decisions, generate more relevant content and provide feedback to their own organization as well as to vendors and manufacturers who often struggle to get direct feedback from end buyers. As companies consider where to invest to drive tangible impact from social, reviews may be a low hanging fruit.

"You can still dunk in the dark"

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Riding the Waves

If done well social can increase intimacy and relevance,
which can be the customer tipping point between buying or
not buying, remaining a loyal customer or going elsewhere.

It is the future of business which, today,
is often left in the hands of siloed resources
with social media skills but little business
experience. With current approaches
organizations are exposed to significant risk:
brand and reputation risk, data privacy and
security risk, customer retention risk and lost
sales and service opportunity. While leaders
may be happy with their social presence
today, for many the clock is ticking toward
an ultimate social miss-step. Protecting
against these risks and driving measurable
strategic impact from social requires
companies to change the way they think
and behave, using social as an integral part
of making the company more intimate
and useful to customers.

Forward-thinking businesses will begin
with strategic intent and determine the
activities required to achieve that intent
– including the role that social plays in
reaching their business objectives. They
will then stand up the right capabilities
quickly in a test, learn and earn approach
that is fine-tuned over time. Following
this approach, social enterprise leaders
have the opportunity to turn this fantastic
capability into a competitive advantage,
weaving it throughout the enterprise,
building defensible customer relationships
and future-proofing their business in
anticipation of the next ocean they
will have to cross.

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