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Social Networking In The Enterprise: Benefits And Inhibitors

A commissioned study conducted by Forrester Consulting on behalf of
Cisco Systems

FORRESTER®



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Executive Summary

Social technologies are moving from the consumer space into the enterprise, and early results are very encouraging. However, concerns remain regarding security, privacy, and compliance, and those concerns are gating pervasive adoption for some organizations. In May 2010, Cisco Systems commissioned Forrester Consulting to research and address these and other concerns. Forrester surveyed 262 US- and European-based IT and business decision-makers and interviewed six individuals.

Forrester found that social technology is adding value across a broad array of business functions today. Many broad business goals, like increased knowledge sharing, better access to expertise, and increased innovation, are uniquely served by social technologies. Early proof-of-concept efforts and pilots have proven successful in supporting these endeavors. As with economic downturns in the past, companies are looking to leverage new technology investments to sprint past competitors as the economic recovery takes hold. Social technologies are intriguing to organizations that consider their knowledge workers a primary opportunity for differentiation. However, concerns regarding privacy, security, and compliance continue to gate social technology adoption.

You can take measures today to begin the process of establishing a strategy that will put your organization at the forefront of these potentially transformational trends. The development of an enterprise social strategy will involve analysis at an organizational and technical level as well as turning an eye toward emerging capabilities that could help mitigate risk.

Social Adoption Becomes A Reality

Goals Can Be Strategic

Social technologies promise to serve a wide array of organizational needs. While some of those needs, such as reducing email and managing projects, are tactical in nature, others have strategic implications. A key value to social technologies lies in the ability to address specific organizational needs, like reducing travel, capturing and sharing knowledge, and managing projects. At the same time, there is interest in addressing very high-level organizational issues, including driving innovation, which shows up in almost a quarter of organizations surveyed (see Figure 1).

Figure 1

Social Technology Drivers Vary From Tactical To Strategic



Base: 262 senior-level IT decision-makers
(multiple responses accepted)

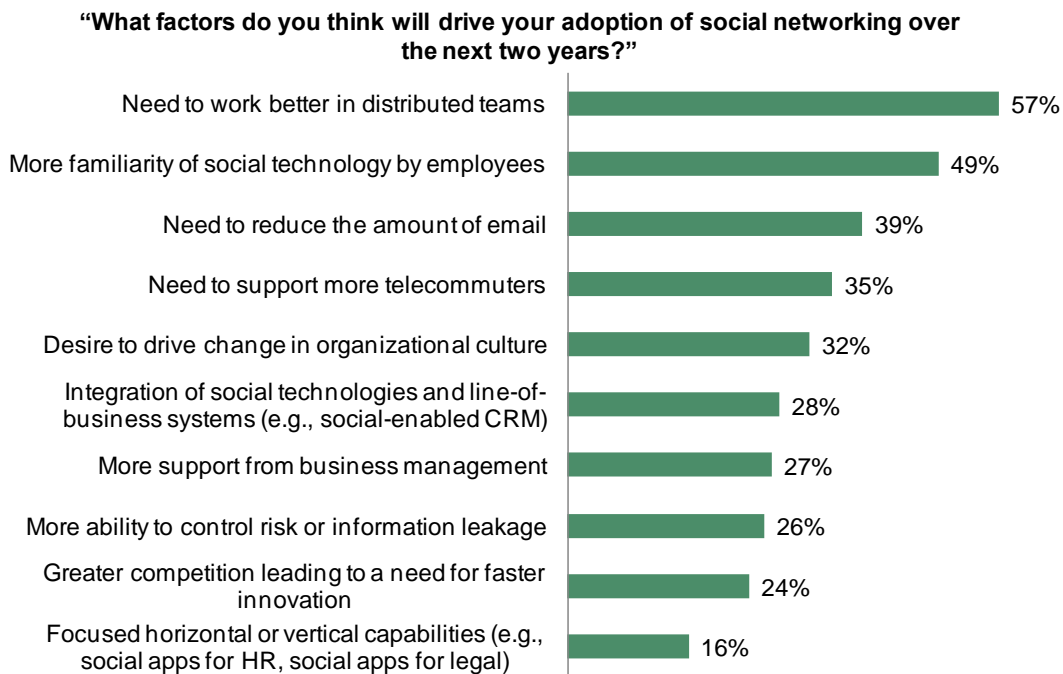
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010

What's Driving Adoption?

Adoption of enterprise social technologies is being pushed by a perfect storm of drivers. At the business level, an economic downturn is causing firms to invest in knowledge workers as a prime source of competitive differentiation. Nowhere is this more evident than in the emphasis on innovation as a driver of adoption. Globalization is causing organizations to look to social software to support ever-more-distributed work environments. A new generation of digital natives is coming into the workforce and teaching the value of "social". Existing tools like email have become so overburdened that they are no longer effective even for the purposes for which they were intended, let alone emerging social needs they were never meant to address. And, lastly, vendors are adding social capabilities to existing applications as a means to better engage and leverage knowledge workers and communities in core business processes. The end result is a broad and varied array of drivers (see Figure 2).

Figure 2

A Perfect Storm Of Social Drivers Emerges



Base: 262 senior-level IT decision-makers
(multiple responses accepted)

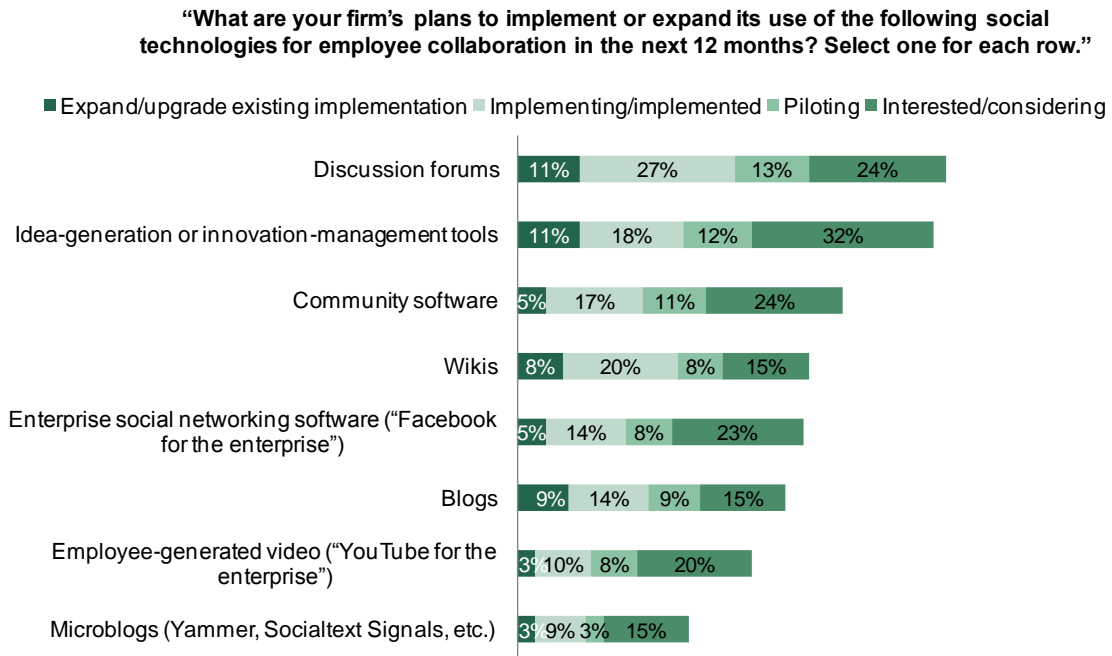
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010

Adoption Varies By Tool

In the area of enterprise social technologies, adoption is becoming increasingly pervasive. More mature technologies, like discussion forums, are widely deployed, while emerging social technologies are moving through pilot and evaluation phases. With numerous pilots and high levels of interest, expect maturing technologies — such as enterprise social networking and user-generated video — to show significant adoption in the coming year (see Figure 3).

Figure 3

High Interest And Pilot Activity Point To Strong Adoption In The Next 12 Months



Base: 262 senior-level IT decision-makers

(“Decreasing”, “Removing”, and “Not Interested” responses not included)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010

Different Tools Are Serving Different Enterprise Needs

Organizations interviewed for this report cited the following key activities as the most prevalent use cases for each of the following enterprise social technologies:

- **Blogs.** For internal uses, blogs are primarily aligned with employee communications. They can take the form of executive communications but increasingly are becoming a way for employees’ voices to be heard in the organization.
- **Wikis.** The malleability of a wiki allows it to serve numerous needs, but two are prevalent: Wikis are used in internal portal environments, for team- or community-maintained content, and in lightweight team coordination and project management settings.

- **Microblogs.** The goal for microblogging is to create a “heartbeat” of information that allows employees to find, assimilate, and react to information far more quickly than with current communication tools.
- **User-generated video.** Allowing a far richer experience than written content, user-generated video is used heavily in training environments and increasingly in employee communications.
- **Discussion forums.** The old standby discussion forums still serve a very relevant need for driving issue consensus. As social networks become more prevalent for hosting communities of interest, discussion forms are becoming more focused as a means of driving conversation on a very specific topic, often integrated with and in the context of a broader process.
- **Idea generation/innovation tools.** While still a niche area, innovation shows promise to break out as the “killer” social application. With organizations placing a high value on driving organizational efficiency and new products, the value of tapping the collective wisdom of the broad organization is increasingly appealing.
- **Social networks.** While still maturing, the promise of social networking in the enterprise is tremendous. By serving broad organizationally and geographically distributed communities, social networks hold the promise for creating new and far more efficient mechanisms for connecting people to relevant information and expertise. At the core of social networks are profiles to allow users and the broad community to establish expertise information about an individual. Additionally, social networks are supported by communities that have particular enterprise relevance when serving particular interests or expertise.
- **Team spaces.** Designed to allow efficient interaction among team members, spaces generally have capabilities for basic library services for managing content artifacts and may also have capabilities for basic project management and workflow. Team spaces have recently shown dramatic uptake as an efficient alternative to collaboration in email.

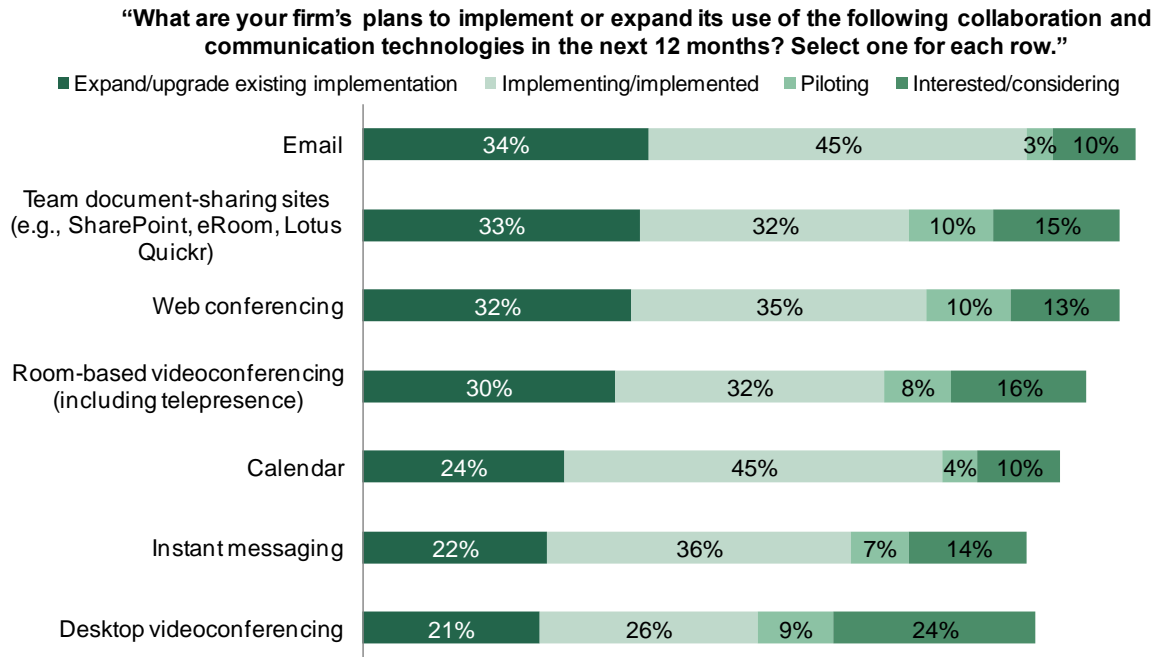
While the discrete uses of individual tools varies widely, the really compelling experience comes from an integrated experience that combines most or all of the capabilities described here into a workplace that allows users to access the right functionality in the context of their jobs without having to switch between multiple applications. As this integrated experience becomes the standard, there are fewer pure-play vendors for any given area of functionality.

Richer Interactions Through Video Collaboration

Even as the landscape for information sharing becomes more democratized through social technologies, the nature of interaction is becoming richer. The economy of the 140 characters of a microblog is balanced by the democratization of rich video interaction. Video is actively being used in team spaces and social networks to drive faster, richer, and more efficient interactions. The majority of organizations surveyed have room-based or desktop videoconferencing initiatives underway or on the consideration list as the pervasiveness of video begins to approach mature technologies like email and team sites (see Figure 4).

Figure 4

Videoconferencing Apps Are On The Radar For Almost Every Company



Base: 262 senior-level IT decision-makers
 (“Decreasing”, “Removing”, and “Not Interested” responses not included)

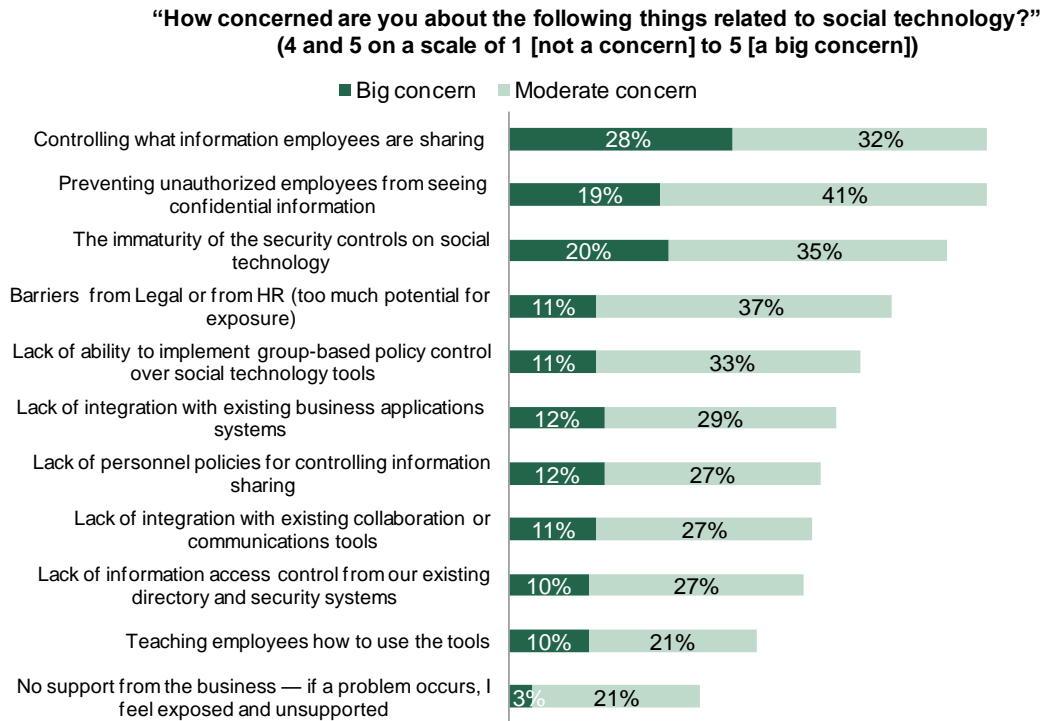
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010

What’s Gating Adoption?

While the value, and indeed the imperative, of social technologies become increasingly clear, barriers continue to linger. These barriers tend to revolve around risks associated with lack of adoption, fears of employee distraction, and, quite notably, issues associated with employees possibly sharing too much information (see Figure 5).

Figure 5

Fear Of Sharing Too Much Tops The List Of Concerns



Base: 262 senior-level IT decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010

Fear Of Sharing Too Much

At the most basic level, social technologies magnify the value of information, expertise, and relationships by encouraging broad sharing. The fear, however, is that employees will share too much. Concerns about employees compromising the environment have gated adoption of social technologies in numerous ways. Organizations may be slow to adopt based on these concerns. They may adopt in pockets but be hesitant to deploy to the broad enterprise. They may deploy broadly but curtail the scope of the effort to exclude communication in areas where there is potential risk. The types of risk tend to fall into five broad buckets:

- **Security.** In an era where security is a legal imperative, certain types of information must be tightly controlled. For many organizations, regulatory compliance is a major consideration in regard to security of any system. Compliance and legal professionals are often involved to ensure diligence.
- **Customer privacy.** Organizations often are in the position of maintaining customer information, and it is imperative that critical data not leak beyond those who have been granted specific access.
- **Employee privacy.** Human resources departments will often become involved in internal social initiatives to ensure that employees’ private information is not compromised.

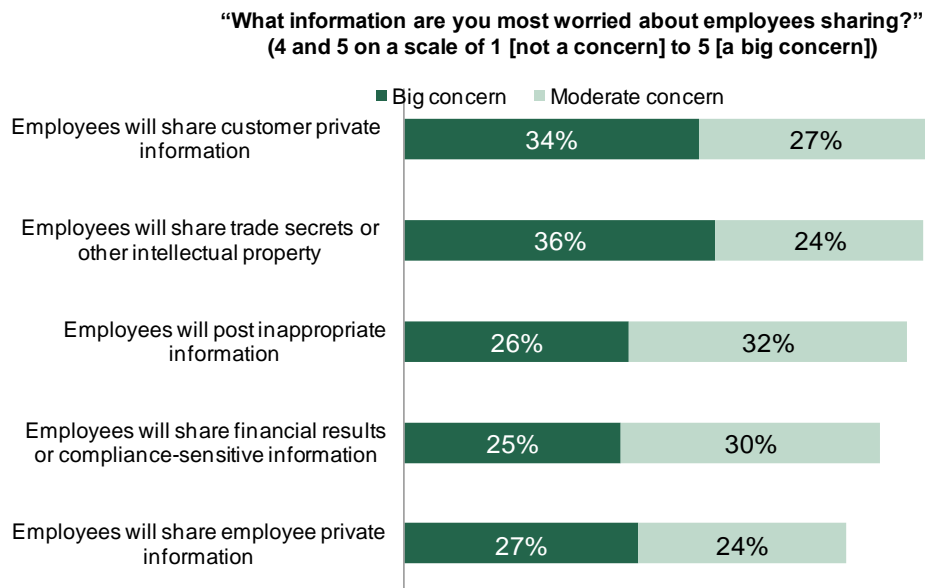
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- **Intellectual property.** The value of a trade secret in an industry like pharmaceuticals could potentially cost billions of dollars in revenue. While not all organizations have such extreme issues, many have concerns regarding leakage of intellectual capital.
- **Inappropriate or offensive content.** Every employee has the right to work in a safe environment, and that includes freedom from exposure to inappropriate or offensive content.

Concerns exist across all five areas and are significantly high in all (see Figure 6).

Figure 6

Social Raises Concerns In Numerous Areas Of Content Diligence



Base: 262 senior-level IT decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010

Risk Analysis Of Social Technologies

It should be noted that, while concerns exist and should be addressed in a diligent manner as part of an enterprise social strategy, many organizations with the highest requirements for security, privacy, compliance, and maintenance of intellectual capital have successfully launched social initiatives without issue. There are also technology trends that hold promise for programmatically lowering risk.

Social Networks Tend To Self-Police

These include defense contractors, healthcare organizations, and pharmaceutical firms that represent the utmost in required diligence for security, privacy, and intellectual capital requirements.

It is important to remember that one of the key risk areas of social technologies is also one of the key safety factors: transparency. Information shared in a social networking environment is very public. In an enterprise setting, it is also attributed to an author. Hence, if something inappropriate is posted, the other users of the network can quickly flag it as a problem and have it removed. Since the author is responsible, appropriate action can be taken if necessary. The end result is that with proper policies and education in place, very few, if any, issues tend to arise. The transparency of a social network stands in stark contrast to systems like email and file systems, where risky content can sit for years. To that end, in many ways, social networks stand to lower risk associated with inappropriate content.

Emerging Functionality Could Lower Risk

Given the fact that social technologies are built on newer technology platforms that tend to allow and encourage open integration, there are indications that emerging technologies could be leveraged to further lower risk associated with social initiatives.

With the latest technologies in real-time content monitoring, rules engines, and role-based access, it is possible to create a system that reacts to content before it is posted, flags it, and quarantines it for further analysis. Technology of this type has been in use in the securities industry for some time, with an eye toward lowering the risk associated with SEC regulatory violations. In a securities example, text patterns that indicate a potential insider-trading risk (for example, use of words like “hot tip”) could cause an email to or from a trader to be quarantined for further examination. Similar technologies could be applied to social networks, where a posting to a network could be flagged as inappropriate, depending on the people subscribed to the network. For example, a network of HR professionals might be allowed to discuss employee salary, but in another network that posting could be flagged for further investigation.

How Four Companies Are Approaching Social

With the opportunity, risk, and potential technology resolutions in mind, Forrester interviewed six organizations at various stages of deploying social technologies to assess business drivers and inhibitors to social initiatives.

A Traditional Insurance Company Looks To Leap Into Social

The Problem: The Old Ways Aren't Working Anymore

While insurance is still in many ways a very traditional and, for many reasons, a very risk-averse industry, the need to move with new trends in business is becoming a competitive imperative. In an industry that has always depended on the skills of knowledge workers, access to information, and expertise, the insurance company we interviewed is now looking to leverage social interactions to allow collective action on critical business interactions.

The Solution: A Broad Collaborative Initiative That Embraces Social

The company interviewed wants to implement a broad collaboration strategy to allow more effective access to information and expertise. Given the distributed nature of the business, one area that is particularly compelling is around communities of interest and expertise where professionals engaged in a certain part of the business can exchange best practices and support one another in complex business situations. One particularly complex business area is policy underwriting. Given the number of potential variables that could affect the process, access to timely information and expertise could drive huge efficiencies. The firm is considering a pilot of a new automated system

for policy underwriting and including an integrated social networking solution that would allow people to handle complex situations with the support of a community of expertise.

The company interviewed is concerned about risk associated with social networking due to its ad hoc nature and intends to control the risk through policy. When asked if programmatic enforcement measures would accelerate the depth and breadth of adoption, the company indicated that it would be very interested in any technology that would help alleviate concerns associated with broad information sharing.

The Result: Measuring The Results In Time And Accuracy

The goal is to define a process and measure the effects of introducing the new system, outlining time and resources saved as well as improved quality, which could be measured in terms of mistakes. While the initiative is still in planning, the goal is to be able to have a metric-driven before-and-after state that can help quantify results.

A Government Agency Looks To Get Social

The Problem: Sharing, But Not Too Much!

Government agencies stand to benefit significantly from social networking but also face challenges regarding the diligent management of certain content artifacts. Forrester interviewed a North American government agency responsible for complex audits and, ultimately, the publishing of the results. In an audit environment, the people doing the actual work are often on site with the audit subject, and teams can be widely dispersed geographically. Access to critical content and expertise can be important but difficult. Additionally, the benefit of a strong community of practice around the audit function is attractive in driving best practices. The challenge comes in ensuring that information from an audit remains under control until it is fully ready for publishing. The risk of audit results leaking before they have been reviewed and approved through high channels is significant. The balancing act between sharing and a security breach can be daunting.

The Solution: A Policy-Driven Approach To Drive More Sharing

The agency is evaluating the ability to provide social networking technology to auditors and to maintain security and confidentiality through policy. The value of the solution will lie in the ability of deeper and faster interactions among members of a community with a common business mandate. The goal will be faster resolution of complex issues through effective leveraging of a community of interest, as well as rapid access to individuals with particular areas of expertise.

The Result: Faster And More Accurate Audits

The results of the initiative will be measured in the time taken to complete an audit and the accuracy associated with the results. To ensure that proper diligence is maintained regarding audit results prior to publication, the agency plans to generate policy and educate users of the system to drive adherence.

A Professional Services Firm Looks To Leverage Broad Learnings

The Problem: Information Silos

In the world of professional services, knowledge is the greatest business differentiator. When knowledge is generated and then lost, or trapped in silos that aren't broadly accessible, it needs to

be recreated, often at high cost and with decreased quality. Access to prior content is critical when attempting to win or deliver business for the organization. Without broad knowledge sharing, key questions can be difficult to answer: Have we done this before? Can we access the content and expertise? If the answer to these questions increasingly becomes yes, then the ability to provide faster and better solutions for customers is dramatically increased.

The Solution: Communities Of Interest And Expertise

By removing geographic and organizational barriers to knowledge sharing, the firm stands to gain through the ability to do more with less effort and to drive up the quality of work. The solution leverages emerging social trends and the technology to support them. In taking advantage of consumer trends in social networking, the organization seeks to provide the right information at the right time. Experimentation with social technologies such as blogs, wikis, social networks, microblogs, and user-generated video as well as more traditional collaborative technologies like team spaces has been fruitful. As the value of the individual technologies becomes increasingly clear, the organization's goal is to establish a coherent strategy with an eye toward measuring results.

The Result: Higher Win Rates, Better-Quality Deliverables

In keeping with the theme of all of the organizations interviewed, the firm is looking to establish specific and quantifiable metrics associated with the initiative. In this case, the goals are better close rates driven by improved proposals and higher-quality deliverables for project work. In both instances, better access to content and expertise stands to improve results in a measurable way. Like all organizations, this firm has obligations to maintain privacy, security, and intellectual capital, but it is also a business with strong regulatory compliance requirements. The plan is to maintain appropriate diligence within the system through written policy and education. However, the promise of more programmatic techniques will be highly relevant and intriguing.

A Large Municipality Looks To Break Down Barriers

The Problem: Serving The Public Requires Sharing

The process of effectively serving the needs of the public can be extremely complicated. In a given situation such as a child protection case, relevant information could be scattered across social services, education, healthcare, and police agencies, to name just a few. While the role of social technologies in breaking down organizational boundaries can sound intriguing, additional complexity comes in the form of an aging workforce that is not particularly amenable to new technology as well as in the requirement for strong requirements for privacy, security, and compliance. Add to that the need to be able to surface information rapidly in the event of a discovery action, and, as one IT professional puts it, "We find ourselves between a rock and hard place."

The Solution: Hope In Leveraging New Methods For Managing Information

The municipality intends to proceed with the use of social technologies in a very controlled and methodical manner. Hope exists that the simple interface design of emerging social technology will prove attractive to employees who are technology averse. The nature of social technologies holds promise for sharing information within social services and, if successful, out to other relevant agencies. The strong need for compliance will require strict attention to a well-designed governance model.

The Result: A System Based On New Processes

The goal of the effort will be to enable new ways of working based on new possibilities. One of the key success criteria will be identifying key processes that can be improved and working closely with stakeholders to establish measurable metrics to define performance. The hope is that by proving that discrete processes can be improved and that the new technology will not prove cumbersome to users, uptake will be brisk. Information governance will be accomplished through written policy, but the concept of policy control through programmatic, role-based access stands to lower risk and drive more rapid adoption.

Chart A Course That Taps The Benefits Of Social And Mitigates Risks

Social technologies are proving to be very valuable in business settings. They also represent potential risk. The question at this point is increasingly whether benefits outweigh the risk. One key lesson from this research is that even in environments with significant risk associated with compromised information, the decision is to proceed — albeit cautiously.

The organizations interviewed have all chosen to proceed with a combination of policy, education, and controlled introduction of capabilities. To date, none have experienced risk-related issues. Each will continue to monitor the programs. Each will also keep an eye on the emerging technology landscape to see if new offerings in the way of programmatic policy management tools could offer more of a safety net to drive more rapid and aggressive adoption.

Appendix A: Methodology

In May 2010, Cisco Systems commissioned Forrester Consulting to investigate the role of collaboration in driving business transformation.

In addition to leveraging existing research and data, Forrester gathered online survey data from May 10, 2010, to June 1, 2010, in support of its investigation. The survey asked IT and business executives about their collaboration deployments or plans in the following areas:

- Current social investments.
- Current and future social plans.
- Value gained from current social investments.
- Factors gating broader adoption of social technologies.
- Factors that would mitigate concerns with broader adoption of social technologies.

Sample

The survey sample consisted of respondents from randomly selected organizations with 500 or more employees. In addition, all the respondents were required to meet the following criteria:

- IT or business decision-makers.
- Influencers of collaboration decisions.
- Responsibility for technology selection, administration, or management oversight for collaboration environments.

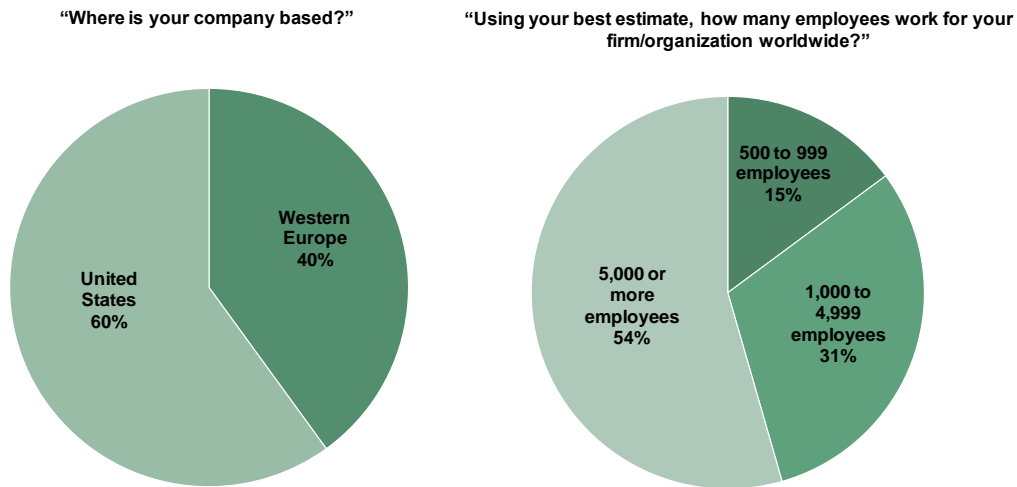
Firmographics

We completed 262 online surveys among a random sample of IT and business professionals. Respondents to this survey all represented companies of 500 employees or more in the United States and Western Europe.

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Figure 7

Surveyed Companies With 500 Or More Employees In The US And Western Europe

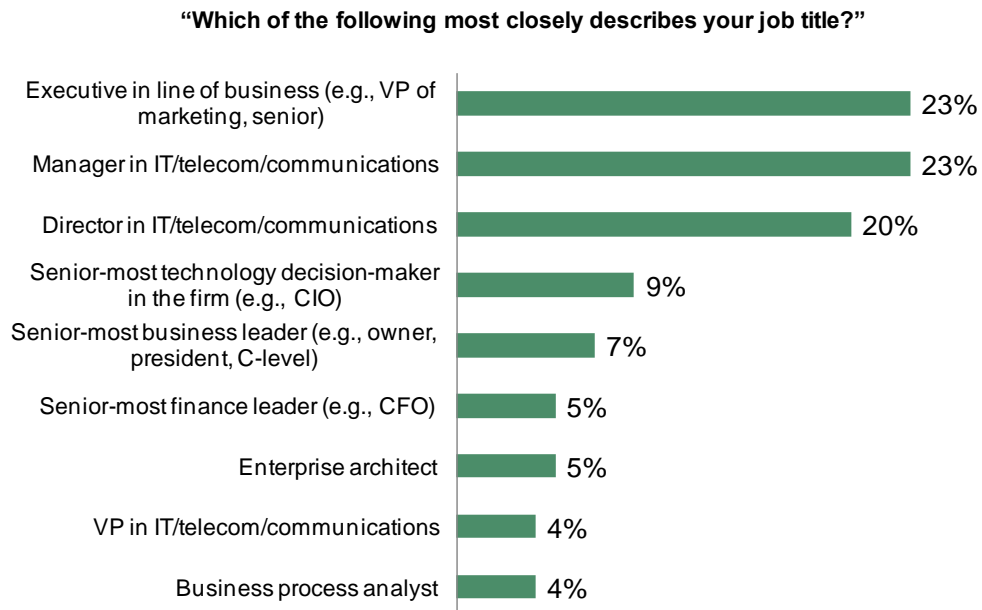


Base: 262 senior-level IT decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010

Figure 8

Surveyed Senior-Level IT Decision-Makers



Base: 262 senior-level IT decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, May 2010
