THE FUTURE OF SOCIAL BUSINESS

Is the Gold Rush Over?

IS THE SOCIAL BUSINESS GOLD RUSH OVER?

During 2013 I hosted two webinars, sponsored by BroadVision, on the topics of Creating an Integrated Social Business Strategy and Social Business: Moving Beyond Engagement. Both of these explored the development of social business theory, and both recordings are really worth listening to, but the elephant in the room was always about social business implementation, or perceived lack of it.

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So, what could I do? I asked the mercurial **Chris Heuer,** Partner at social business consultancy, **Ahhocnium,** and Founder of **Social Media Club** - which has over 500,000 members globally - **Guy Stephens,** Social Customer Care - Managing Consultant at **IBM,** a regular speaker and writer on this topic, and **Richard Hughes,** Social Strategy Director at **BroadVision,** to join me for a third webinar, in November 2013, with the express purpose of tackling the question: Is the Social Business Gold Rush Over?

This white paper is detailed write-up of that webinar discussion with additional, facts, quotes and comments sourced from a range of industry practitioners, as well as a series of blogs which were published in the run up to the webinar.

PARTNER

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INTRODUCTION

Back in 2010 web futurist, Stowe Boyd, described a Social Business as "*an organization designed consciously around sociality and social tools, as a response to a changed world and the emergence of the social web, including social media, social networks, and… other advances*". This, and other quotes, set the tone for a new way of thinking about how social media could benefit organisations.

The implementation of more "social", in other words, open, inclusive and collaborative business practices, was set to improve internal efficiency and enhance the customer experience. In 2012 McKinsey published a report which estimated that between $900 billion and $1.3 trillion in value could be unlocked through the use of social technologies and that these same tools could enable organisations to increase workforce productivity by a massive 20-25%.

It seemed to many commentators that the social business gold rush was on.

The hype around social business has continued largely unabated for much of the past three years. But then, late in 2013 the influential founder of Social Media Club, Chris Heuer, published a post on Brian Solis' blog entitled Social Business is Dead… Now, Chris is a big fan of social business, playfully describing business leaders who don't understand social media as "frogs put into a pot of cold water being slowly brought to a boil", but in his post he confessed that 'social business', as a term, simply isn't grabbing the attention of senior execs in large organisations.

But this isn't just a matter of terminology, surely?

It doesn't look like it. In July 2103, Lee Bryant, founder of Headshift (now part of Dachis Group) described the painful process of trying to implement social business strategies within large organisations, saying, "we have been banging our heads against the brick walls of corporate structures, culture and politics for too long, trying to change them from the inside, network by network, node by node, when their very structures (HR, IT, Operations, Finance, Marketing) act as a barrier to change".

And there are other indicators that people are losing faith in the promise of social business. Rawn Shah, a former IBM social business expert, has written about the mass exodus of thought leaders from social business roles in the past year – perhaps indicating that these roles aren't as fulfilling as they once seemed. One of the founders of Huddle has also ripped into social business, saying that platforms that only offer partial solutions are soon to be extinct. Given that, to date, the vast majority of organisations have only implemented a cluster of partial, loosely integrated social business solutions, the future looks decidedly messy.

Of course, social business still has a lot of supporters and there are some compelling large brand case studies out there - not least IBM and Burberry - but for all the hype and excitement, there really aren't very many shining examples of social business success.

This is perhaps one of the most obvious challenges for any organisation considering implementing a social business strategy. Social media has never been an easy sell internally, but at least Marketing teams can refer to social media marketing examples and PR teams can point to reputational risks. Business transformation projects require a serious investment and nobody wants to restructure and re-think a massive organisation on the basis of theory alone.

As you begin to explore the theory and practice of social business, more questions emerge: Do we all agree on what we mean by social business? How much of our interest in social business is down to hype? Is it an internal challenge, external or both? And, of course, if the potential benefits of social business are so enormous, why aren't more organisations rushing to implement it? These are the questions we analysed in the webinar and which are elaborated on in this white paper.

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WHAT IS SOCIAL BUSINESS?

> "There are two different approaches emerging, one is the very big vision and the other is more pragmatic step-by-step approach, but they are both trying to achieve the same aims"
>
> RICHARD HUGHES

The phrase 'social business' first appeared in the context of organisations starting to use collaborative technologies for purposes other than marketing five or six years ago. Peter Kim of the Dachis Group claims to have coined the phrase in a blog post published early in 2009. His belief that, "nobody will change the world with social media marketing… [because] marketing has too much short-term focus to employ social technologies to their full potential", provides a telling insight into how #socbiz differs from social media.

When we talk about social business we start to look beyond an organisation's desire to simply reach more people more cost-effectively. It also hints at a more strategic use of social technology, which Gartner describes as "any technology that facilitates social interactions and is enabled by a communications capability, such as the Internet or a mobile device", citing wikis, blogs and social networks – both external (such as Facebook and Twitter) and internal (Enterprise Social Networks, or ESNs) – as examples, as well as less obvious technologies, such as web conferencing. The obvious point being that these technologies go beyond the confines of *social media* and include tools designed not just for word-of-mouth sharing, but also for efficiency, knowledge management, CRM and cost-saving.

Social business analyst, Ray Wang, produced one of the most commonly cited definitions for social business: "a series of design principles, techniques,

and technologies that create, extend, and enable individuals to engage, transact with, and influence each other through social media interfaces". While IBM offers the rather more cumbersome description of "a business that embraces networks of people to create business value. Social businesses more fully integrate the collective knowledge of people-centric networks to accelerate decision-making, strengthen business processes, and increase innovation that matters."

And yet, unlike most new phrases in technology, a set definition of social business continues to elude consensus. As Chris Heuer pointed out early in our webinar: "we still don't have a clear context for the phrase 'social business'. Is it something you do? Something you become? Or does it describe a set of activities?" Inevitably, then, this became our first point for discussion.

In an extensive pre-webinar blog post, published on Our Social Times, in which Justin Kirby collated the views of a selection of respected industry sources, Richard Potter, Director of Innovation at Steria, offered a succinct definition of social business as "the state of a business successfully exploiting the value of a connected world."

While this resonated with two of our webinar speakers, Richard Hughes felt it did little to further discussion, saying: "Richard Potter's definition is lacking in detail and that lack of detail leads everyone to apply their own interpretation to it". This highlighted the challenge the industry faces in communicating the concept of social business, as Richard Hughes went on to explain: "We're all being trained to try to define everything we do in one hundred and forty characters or less and that's not always very helpful because you leave a lot of ambiguity".

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While avoiding falling into the trap of proposing his own summary definition, Richard provided an insight into how he describes social business to his clients at BroadVision: "in my view social business is about applying social media and social networking techniques to get real work done. Now, that might be a marketing department engaging with its customers; it might be a product department engaging with prospective customers and co-creation; it might be staff collaborating internally; it might be an organization collaborating with its business partners".

According to Richard, getting real work done in each of these instances is likely to require a different approach, different tools, techniques and skills, as well as different forms of measurement in order to achieve different objectives, albeit, perhaps with a common goal. And yet, for some advocates of social business, this pragmatic approach doesn't go far enough.

Chris Heuer, among others, sees social business as a transformative process through which businesses can move away from being impersonal, top-down and inefficient entities, driven largely by personal gain, towards becoming more collaborative, inclusive and effective organisations – a process from which all the stakeholders can benefit.

Chris readily admits that this approach can sound a little idealistic, but he's bullish about the logic behind it. Alluding to recent examples of large corporations that have failed to evolve to a more open and connected society and have, subsequently succumbed to financial ruin or scandal (or both), he makes a compelling case for change: "in a connected society where we have virtually unlimited access to unlimited knowledge, how can we persist in allowing organisations to keep doing things wrong? We know better, we can fix it, we can make it better, and we can design a different system".

When pushed to describe this system, Heuer suggests the adoption of a set of over-arching principles through which the organisation can evolve into a social business: "to co-create value with their customers, to focus on creating shared value, to empower individuals and take a much more humanistic approach, to allow for systems that are more adaptive, learning, growing and evolving". He

is also scathing of companies that restrict access to collaborative tools, adding as a principle the need "to create a culture inside the organization that understands that the firewall that keeps hackers out can also restrict data, information-sharing and value-creation".

While it's hard to argue with the sentiment of these principles and, doubtless, many large corporations aspire to achieve them without going through radical business transformation, some would argue that they aren't an essential component of social business.

As Richard Hughes points out: "there are two different approaches emerging, one is the very big vision and the other is more pragmatic step-by-step approach, but they are both trying to achieve the same aims".

The first group would seem to comprise those who promote social business transformation through a set of underlying principles, facilitated by the adoption - internally and externally - of a suite of social technologies that aim to re-build the organisation according to it's most open, fluid and efficient communication flows. Chris Heuer is a proponent of this vision, as is Philip Sheldrake, author of *The Business of Influence* and, more recently, *Attenzi: A Social Business Story* - which offers a fascinating, if fictional, case study of the social business process in action.

The second group, which includes Richard Hughes and, I would think, a large number of social business solution-providers, recommends a more pragmatic, piece-by-piece approach. This is at least partly borne out of the experience of trying to sell the concept of social business within large organisations, which can be extremely daunting. As Richard says: "a big company is simply not going to change that much, that quickly". Adding: "I think going in and telling them they have to change like that is a sure fire way of failing".

There may be a difference in approach, but there's also no doubt that both sides are moving in the same direction. "I think we are all talking about the same thing but on different levels", says Hughes. While Heuer concedes: "we need to fix a broken system… but I do agree that you sometimes have to start at the tactical level to get there".

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HYPE OR REALITY?

> "Improved communication and collaboration through social technologies could raise the productivity of interaction workers by 20 to 25 percent"
>
> **MCKINSEY,
> SOCIAL ECONOMY REPORT 2012**

One of the key challenges for those seeking to implement social business projects is dealing with the *hype* - and there has been significant hype around this particular buzz-phrase in recent years.

On the one hand, there is hype surrounding the need for improved collaboration within organsations and the potential benefits of delivering even quite modest improvements on the current state of play. In 2012 McKinsey published its Social Economy report, which included headline-grabbing statistics such as: *the average worker spends 28% of their working week answering emails and 20% looking for information*. The report concluded that: "improved communication and collaboration through social technologies could raise the productivity of interaction workers by 20 to 25 percent".

On the other hand, it's possible that your board will see social business as just another strand of social media – which many still see as a bubble waiting to burst - and discount any investment into such a project.

Assuming, though, that your board is keen to explore social business, it's likely they will identify one of the established case studies for #socbiz and seek to emulate it's success. This can prove counter-productive, as Guy Stephens from IBM points out: "we have these poster companies we hold up. An

example I often hear quoted is giffgaff [the UK-based mobile operator]. What we need to bear in mind is in order to create a giffgaff it takes a special set of circumstances that most companies will not have. It happened to giffgaff because it could. Companies put pressure on themselves with these unobtainable goals".

It's also possible, that your board will decide that there's value in *being seen to be* a social business that is open and inclusive and perhaps, by association, ethical and transparent, but there's also folly in that direction. Richard Hughes makes the case against, saying: "I think it's important to remember that a social business is not really the end we are aiming for, it's *the means to achieve that end*. The end we are aiming for is better communication, better collaboration, serving customers better, informing employees better so they can be more efficient. The end game is not 'look we are all social businesses', the end game is that we are serving our customers, partners and employees better". It seems likely that an organization that isn't open and transparent, merely trying to appear so, will at some point come unstuck.

We might all agree that the results of social business theory appear worthwhile, but which organisations are actually thinking along these lines? As Guy Stephens says: "what I say to people is 'when was the last time you, as a company, got round the table and defined what these terms [openness, transparency, collaboration] mean within your organization?' We never talk about it. We make all these assumptions but we don't really try and help each other along that journey."

There is a nagging belief in the industry that hard-pressed, profit-driven, management teams simply don't have the luxury of theorising about the benefits of instigating greater openness and collaboration. Our webinar on the topic featured two consultants and two solution providers, prompting Guy Stephens to comment: "it may well be that these conversations are only being had amongst people like us". Yet the substance of our discussion, I believe, offers some very practical lessons for organisations that are looking beyond the hype towards making genuine improvements in their ways of working.

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DOES SOCIAL BUSINESS START OUTSIDE OR INSIDE THE ORGANISATION?

> *"What you do externally - in terms of engaging with customers via social channels - you have to do internally"*
>
> **GUY STEPHENS**

One of the unique factors of social business is that, potentially, it involves every stakeholder of an organization - from the CEO and staff to partners, customers and perhaps even prospects. Inevitably then, 'Where do we start?' is often the first question raised during planning discussions. And exactly where to start is a hard-argued point within the industry.

Anyone who understands the dynamics of *social media marketing* will tell you that social business starts with the customer. The use of social media by businesses has, to date, been dominated by marketing with a strong focus on building communities on social networks - notably Facebook, Twitter and YouTube – and exploiting the word-of-mouth reach that these enable. Listening to and engaging with customers via social media has become an essential activity for most large organisations, so for many, facilitating faster and more effective communication with these customers is the obvious driver for implementing social business.

While that may make a compelling business case, there is also a strong argument (highlighted by the McKinsey statistic quoted earlier), that the value of improving information flows and efficiency internally could outweigh any direct commercial benefits generated from improved marketing.

Our panelists agreed. Citing a renowned systems theorist to make his point, Guy Stephens of IBM says: "In 1956 William Ashby wrote the 'Introduction to the law of cybernetics' where he talked about the law of requisite variety. If we put that into social terms, what you do externally - in terms of engaging with customers via social channels - you have to do internally. I think there is a huge onus about getting social right internally without forgetting or ignoring what's going on outside the organisation".

And yet, to some extent, the separation of internal and external communities in the digital age is imaginary. In one of our previous webinars Richard Hughes explained how the lines we draw between social networks (external), social extranets (quasi-internal, e.g. customer support communities) and social intranets (internal) are at best fuzzy, and possibly fictitious. You can see his presentation on that here.

Chris Heuer has added his thoughts to this debate: "It's about understanding that the boundaries we define inside our organisations, or between our customers and us, or between our partners and us, *don't exist in the real world*. We've created these artificial constructs to divide us instead of understanding this world of relationships that unite us, how we align with one another and how we are all on the same team".

Certainly, the trend towards organisations appropriating social media tools and using them for business aims is set to continue. To wrap up this particular debate Guy Stephens threw down the gauntlet to anyone who isn't frequently innovating their communications: "I think the onus is on organisations to accept, to look outwards and say 'we may not understand Snapchat' [for example] but is that telling me something about the way in which people are communicating? 'Is this something that I need to bring into my discussions within my organization?' and 'how does this stack up against my legacy systems?"

CAN SOCIAL BUSINESS BE MEASURED? (WHAT'S THE ROI?)

> "If success involves things like 'openness' and 'transparency' then we need to define these in a quantifiable way"

GUY STEPHENS

While there have been various estimates of the potential value of implementing social business across organisations, how these estimates are calculated and how organisations should measure the impact of their own initiatives – either piecemeal or comprehensive – remains contentious. Perhaps the least controversial outcome is that of cost-savings generated through the use of peer-to-peer support communities, such as the celebrated giffgaff community, in which customers help each other, rather than relying on support staff. This, it is generally agreed, is a no-brainer for brands.

Richard Hughes from BroadVision gives us a more ambitious picture of what social business success can look like, saying, "if you are working more effectively, more transparently and more efficiently with your employees, partners and customers. That's success". But he also points out that, without a benchmark, organisations will struggle to measure improvements in communication efficiency: "one of the challenges is that organisations don't measure how effective they're being at the moment. Often, when I'm doing an analysis of social network deployments, they say 'this is fantastic!' And it makes me think, 'why didn't you do that with your email systems?''

Looking inside the organisation, the language used to describe the benefits of social business can present further challenges. "If success involves things like 'openness' and 'transparency' then we need to define these in a quantifiable way", says Guy Stephens. While it's true that issues like this could be addressed, at least partially, though the implementation of performance measurement processes such as the Balanced Scorecard or Performance Prism, there is a notable lack of published examples of organisations implementing a social business strategy backed up by a comprehensive measurement programme.

Beyond the business metrics of efficiency and information sharing, there is also, of course, a human impact. Chris Heuer prefers to measure the success of social business activities by examining the impact it has on an organisation's most valuable resource: *staff*. "I think it's all about the level of employee engagement. Have you hired people who love what you're doing? Who are aligned with the mission of the organisation? Are those people staying engaged? Are they happy and effective? Are they contributing and operating more efficiently?"

Perhaps this highlights one of the hidden benefits of social business. Words like 'openness', 'transparency' and 'empowerment' may not play out well in the boardroom but they do tend to resonate with employees. A well-planned social business strategy should tap into these feelings, which can help to produce happier staff that work harder and stay in their posts for longer.

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The *external* impact of social business, on relationships with and between customers, as well as on reach, revenue, reputation, can be equally difficult to gauge, but Chris Heuer has a very clear, if radical, recommendation on the best approach for forward-thinking organisations: "I believe the number of *real relationships* an organisation can build in the market with employees, partners, distributors, competitors and customers will define their success".

Pressed to define a 'real' relationship, Chris pins it on the nature of the engagement that an organisation has with an individual, saying it must be Reciprocal, Empathetic, Authentic and Loyal (R.E.A.L). If you can develop customer relationships that tick each of these boxes, you have a genuine opportunity to become their product or service of choice. In effect, what's being described here is 'first mover advantage' in a commoditised world in which a simple touch of humanity can make all the difference to the choice a consumer makes. As Chris goes on to explain: "the interesting thing when you look at real relationships is that the switching cost of a relationship is extremely high. So if you're not the first to secure the key relationships in a given market, trying to win them over later is a very expensive and perhaps impossible proposition".

Guy Stephens agrees with this analysis, but offers a more simplistic metric: "Just find out if your customers are happy".

Beyond the business metrics of cost-savings, improved efficiency, employee retention and customer satisfaction, it's also been suggested that, by engaging more with their stakeholders and opening up to closer scrutiny, social and environmental concerns come into play. "We now know that there is a large portion of the consumer population who make spending decisions based upon if a company is a good steward of its resources", says Chris Heuer, adding, "we've been talking triple-bottom line for at least fifty years now and were only just coming to the realisation that maybe those people, those wacky hippies, were actually onto something".

Organisations that, in an effort to become more responsive, create more porous communication flows with and between their stakeholders – a process that has been described as '*humanisation*' - should expect to be judged according to the ethical standards of those stakeholders. This, then, becomes another important measurement to consider when venturing into social business.

"I believe the number of real relationships an organisation can build in the market with employees, partners, distributors, competitors and customers will define their success"

CHRIS HEUER

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WHY HASN'T SOCIAL BUSINESS CAUGHT ON MORE?

> "If you are trying to find out if a company is suitable for social business, there is really only one question to ask: do you aspire to be more open and to empower your employees with more information? If the answer to that is 'no' then you are absolutely going to fail"
>
> **RICHARD HUGHES**

Given the vast riches that are purportedly on offer for organisations that successfully implement social business strategies, plus the added benefits – such as customer and employee satisfaction – described above, you might wonder why every large company and institution isn't doing it.

Perhaps the most obvious reason is that implementing social business requires a serious investment of time, money and commitment - and without much certainty of the outcome. In other words: it's a risk. Chris Heuer sums this up succinctly in one line: "Most businesses are not going to be early adopters of massive transformations".

Closely connected to this element of risk is the perceived lack of social business success stories. While there is some debate about what constitutes a case study in social business (explored below), there seem to be precious few pin-up examples of full, multi-department social business implementation with positive metrics to back them up. "When I talk to senior partners of our bigger clients", says Chris Heuer, "they all ask me the same thing: 'who is the leading example of a social business?' I try to explain where companies are doing well and where they are not, but inevitably, what they say is 'when you have five companies that you have done this for successfully, come back to me'".

Behind this desire for case studies is a natural need for reassurance. This has always been the case in social media, where the early adopters, such as Dell and Dominos Pizza – only took their radical steps forward after suffering some kind of reputational crisis.

Underlying this, though, there may also be skepticism in the boardroom of how social media, which is often perceived in terms of naval-gazing and chatter, can lead to positive business transformation. This may be down to lack of exposure to the medium and the benefits it offers, but it could also be down to the corporate mindset, in which innovation is often subjugated by everyday necessity. As Chris Heuer suggests, "I would love to see more senior leaders in with that sort of vision, to give more of their direct reports and to give the leaders underneath them the direction, vision and resources to experiment more".

Yet if forward-thinking managers within organisations want to implement social business strategies, surely it's down to them to find the examples, identify the benefits and make their case to their bosses. Richard Hughes from BroadVision is adamant that much of the problem is down to poor business planning:

"few organisations are actually tying their social media initiatives to real business objectives. In this context, is it any surprise that the CEO is going to be somewhat hostile?"

Another barrier to businesses pursuing greater openness and collaboration through social business relates to data security and privacy post-Wikileaks and Edward Snowden. As Richard Hughes puts it: "companies are under pressure to keep their data private and secure. One reaction to that is to lock everything down. Now, if you want to succeed in social business that is the worst thing you can do". This approach is likely to both reduce the likelihood that an organisation will start a social business project and, if it is commissioned, drastically limit its chances of success. Having worked on dozens of enterprise social network implementations, Richard Hughes offers some fairly plain advice for companies considering initiating such projects: "If you are trying to find out if a company is suitable for social business, there is really only one question to ask:

do you aspire to be more open and to empower your employees with more information? If the answer to that is 'no' then you are absolutely going to fail".

Those organisations that *do* wish to become more open and collaborative may need to change how they operate in terms of secrecy. It might just be that they need to keep fewer secrets, or ones that are less devastating *when* (no longer *if*) they find their way into the public domain. This should lead naturally to more *Open Innovation*, a related business paradigm that, in an ideal world, should go hand-in-hand with social business.

Whatever the reasons, the fact remains that very few large organisations have announced social business initiatives, beyond piecemeal projects. The traditional inertia of established industries seems to be holding true and it's likely that much of this comes down to finances. As Chris Heuer says, "When you're making money and you're not failing, there is little reason for anyone to change".

"Companies are under pressure to keep their data private and secure. One reaction to that is to lock everything down. Now, if you want to succeed in social business that is the worst thing you can do"

RICHARD HUGHES

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WHERE ARE THE CASE STUDIES?

> "There are plenty of examples. They may not be reinvent-the-company type examples, but there are companies that have made a real difference, even if it's just at a departmental level"

RICHARD HUGHES

As we have analysed previously, there seem to be very few social business case studies available for organisations to follow and emulate. There are certain celebrated examples, such as IBM and Burberry, plus a whole range of more niche initiatives, such as giffgaff's community, Barnet Group's enterprise social network and Royal Bank of Canada's social customer service integration, but these don't demonstrate the full range of benefits that social business promises.

Part of the challenge here is that every organisation is completely different. As Chris Heuer explains: "everyone is going to have a different way of doing it due to their position in the market, their maturity, their hiring patterns, if they have a great product or if they have a problem product, if they have strong customer advocacy or if they have a oppositional relationship with them". Inevitably, then, we're not talking about a one-size-fits-all model. It also gives an indication as to why social business projects are so hard to implement. "You look at all these situational factors", continues Heuer, "and what you find is that, generally speaking, nobody is doing it all right".

This, again, highlights the dividing line between the advocates of social business who see it as a zero-sum game that you can't implement without restructuring your organisation to align with information flows, fostering practices of openness and collaboration across your entire staff and benchmarking the impact on company performance and those who believe that it can be implemented by gradually building on piecemeal experiences. Richard Hughes supports that latter view, saying: "there are plenty of examples, but they're just not quite as big and spectacular as you'd like them to be. They may not be reinvent-the-company type examples, but there are companies that have made a real difference, even if it's just at a departmental level for the moment".

On this level it might be that those seeking case studies are simply asking the wrong question. If we ask the question 'how many have used social networking inside and outside of their organisation to improve the way they communicate with their employees and customers?' there will be a lot more examples of social business, they just won't necessarily join up to create a complete business transformation. At least: not yet.

Another possible reason for the lack of case studies is that organisations that are doing social business well and reaping the rewards may see this as a competitive advantage and be unwilling to share their knowledge with competitors. There is no doubt that competition will impact on decisions to 'go public' with innovation, but there is also PR value in appearing to be innovative in this space. Perhaps that will help to loosen tongues as the return on investment from social business ventures starts to become more apparent.

IS 'SOCIAL BUSINESS' THE BEST TERM?

> "Many people conflate social business with social media. They look at social as a channel and not as a new way of doing business, creating engagement, value and loyalty"
>
> **CHRIS HEUER**

Without wanting to get hung up on language and terminology, it's also important to analyse the potential impact that the term 'social business' has had on how the practice is understood by business leaders. Some within the industry believe that simply including the word 'social' reduces the credibility of the activity, while others prefer to use alternative terms, such as 'social enterprise' or 'social CRM'.

In 2012 Salesforce.com famously sought to trademark the term 'social enterprise'. The fact that this term had been used by social entrepreneurs, such as Nobel Prize-winner Muhammad Yunus, to describe community-focused micro-enterprises for over a decade, only added to the confusion. While 'social enterprise' continues to be used to describe primarily internal-focused social business initiatives, the project was dropped and, soon after, the term 'social enterprise' fell from popular usage among the most innovative companies operating in the social business space.

At the same time, a group of innovative thinkers headed by Paul Greenberg, were exploring the external impact of social communication tools on the effectiveness of organisations and the customer experience. The 'social CRM' industry, which has grown alongside their commentary, encompasses social media monitoring tools, engagement dashboards, customer service platforms, integrated CRM tools and a plethora of social media applications, many of which are used in social business projects.

The term 'social business' grew from this background as a partial replacement for the confusing 'social enterprise' and an extension of the limited, and somewhat dry, 'social CRM'. Yet 'social business' itself has consistently failed to capture the imagination of business leaders.

Chris Heuer provides one view on on this: "for the same reasons people abandoned 'social enterprise', I was adverse to 'social business', but ultimately believed the marketing [of it] would lead to 'social business' gaining traction and becoming the term du jour for us to buy into. Yet many of the people I talk to in large organisations conflate *social business* with *social media*. They look at social as a channel and not as a new way of doing business, creating engagement, value and loyalty".

There is certainly confusion between terms. This may have been exacerbated by technology vendors who jump on the bandwagon of various terms, such as social CRM, while their products only offer a partial solution. Richard Hughes, who works for a vendor, agrees with this to an extent, but isn't convinced that terminology is the main problem: "If the success of your project depends on whether people buy into the word 'social' or not, you've really failed to explain it. Rather than going to your CEO and saying 'I want to do a social business project', you should focus on how it benefits the business".

And yet, of course, describing what social business means to your company or organisation requires you to put it into a language that is both descriptive, so people can understand it, and compelling, so that it captures the imagination of your senior managers. Chris Heuer describes the challenge that social business evangelists face within large organisations: "We're struggling to find a term that doesn't sound like platitudes and empty buzzwords to describe this transformation that needs take affect in order for companies to adapt to a connected society. It gets to be this existential conversation and we end up in discussions like we are having today, which are very valuable, to try to identify a shared vision, a common dream for a better world, and then to develop the language that actually describes it".

Inevitably, this debate will continue, but until a better phrase emerges, social business will remain in our lexicon as the leading term to describe the process of business transformation using social technologies.

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CONCLUSION

IS SOCIAL BUSINESS DEAD, SLEEPING OR JUST WAKING UP?

> "Any technology or set of business practices that can yield a trillion dollars in value will not be abandoned, even if adoption takes time and effort"
>
> **STOWE BOYD**

On the face of it, the case for social business is a strong one: there is little doubt that organisations can and should operate more efficiently and that investing in the development of more open, fluid, information-sharing and collaborative practices is one way of achieving this. What is equally clear, however, is that the promise of social business is yet to deliver significant benefits, at least in the way that most business leaders hoped it would.

This prompts the question of whether social business, as distinct from social media and digital communications, is going to persist or simply wither on the vine like countless former technology fads. While some industry blogs predict that social business is dead, others suggest that it hasn't really got started yet. After all, the vast majority of businesses have *never even heard* of social business, let alone started tackling the challenge of developing a strategy.

Another view, though, is that social business is just waking up. Experienced hands in the social media industry will draw your attention to Gartner's Hype Cycle, which shows how new technologies tend to start out on a massive wave of hype, which is swiftly followed by a 'trough of disillusionment', as a slew of

badly thought-out and hastily implemented, hype-driven projects crash and burn. From this devastation rises a 'plateau of productivity', fuelled by well-planned implementations that deliver measurable success.

Social CRM has, for many commentators, started to reach this productive phase in which teams are getting down to the serious business of improving the customer experience through better systems integration, data-sharing and analysis. Depending on your definition of social business, this could either be seen as another demonstration that it works in discrete projects, or the beginnings of a more comprehensive vision starting to play out. In other words, that organisations are just waking up to the real value of social business.

Until we have more and better documented case studies that demonstrate both the practical benefits of social business and the strategic intent of the management teams investing in them, it seems likely that the end-to-end business transformation projects we've been discussing will remain theory, rather than practice.

And yet, only the most ardent skeptic would predict the demise of social business as a model for a new kind of collaborative business structure and perhaps even, for its most passionate advocates, as a *philosophy*. Many of the piece-meal case studies we have today are delivering real business benefits, which is enough to lend encouragement to those considering launching new initiatives. Returning to the bottom line, too, it's hard to disagree with Stowe Boyd when he writes: **"Any technology or set of business practices that can yield a trillion dollars in value will not be abandoned, even if adoption takes time and effort."**

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