

## SAMPLE CHAPTER

### Chapter 11

# Social Networks In The Enterprise

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## Implementing Enterprise 2.0

A practical guide to creating business value inside organizations with web technologies

Ross Dawson  
and the Advanced Human Technologies team

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## Chapter 11

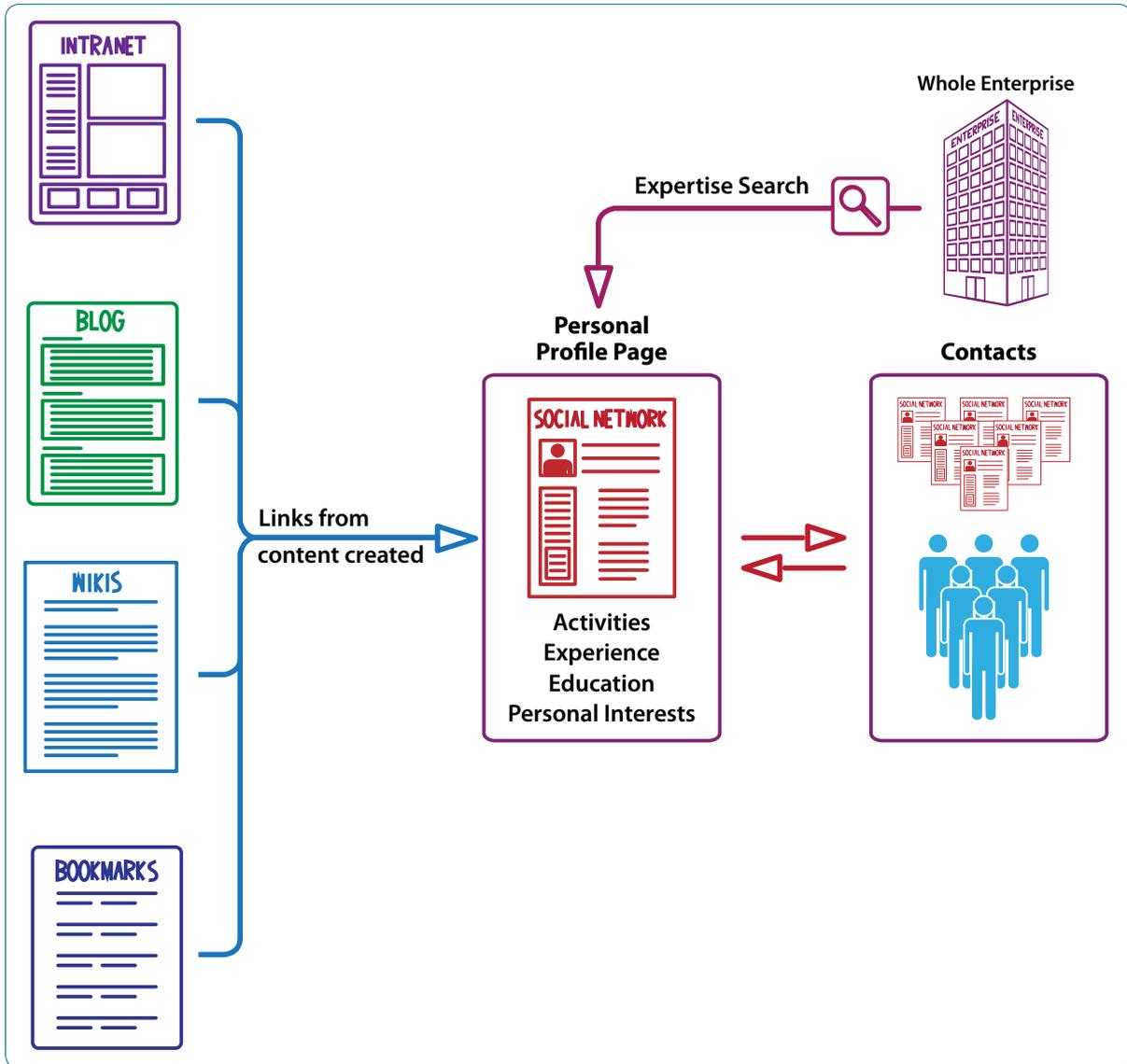
# Social Networks In The Enterprise

### Overview

- Online social networks have become a massive and widespread phenomenon, with the number of Facebook users now over 150 million.
- Many organizations' initial exposure to social networks has been through responding to the reality of their staff using public social networks while at work.
- Business value from social networks can include quicker access to expertise and resources, swifter innovation, enhanced collaboration, more effective leadership development, and better morale.
- The primary options for organizations to tap social networks are to allow or encourage staff to use external social networks to connect with colleagues, or to implement internal social networks.



**Social networks** are online communities in which people create personal profiles and share information with their friends and contacts.



Conceptual illustration of social networks in the enterprise

## Background

Online social networks were first broadly recognised as a significant business phenomenon when News Corporation bought MySpace in July 2005 for US\$580 million. MySpace, the dating social network Friendster and Google's social network Orkut had already attracted many millions of users, however primarily within a technology-savvy youth profile. The extraordinary growth of Facebook after it broadened its purview beyond college students, together with the sustained rise of LinkedIn, have brought many professionals into the world of social networking over the last two years. Today hundreds of millions of people globally, including many professionals and business executives, use online social networks.

At the same time, the last five to 10 years have seen the growth of a variety of management tools such as Organizational Network Analysis that study how personal networks support organizational performance. Research has clearly shown that the effectiveness and competitiveness of large organizations is strongly correlated to how well the personal networks within the company support collaboration, knowledge sharing, and project execution.

## Adoption In The Enterprise

In the 1990s when knowledge management was becoming a significant force in some organizations, a number of organizations introduced 'corporate yellow pages' that contained information about employees' role and expertise. While some of these proved to be valuable, in many cases they did not gain significant traction.

Most organizations' initial exposure to social networks in their current form came from employees who were using public social networks, notably MySpace and Facebook. While some organizations have chosen to tolerate or ignore personal usage of social networks in work hours, a significant proportion of companies blocked access to external social networks. However due to the backlash of young employees complaining sometimes vehemently about being blocked access to tools that are vital to their social life and sometimes their professional work, many companies have backed off and have opened up access to social networks again.

The swift rise of public online social networks over the last few years, coupled with the integrated offerings from major technology vendors, has led to many companies considering or implementing internal social networks, which are limited to company employees.



*Driving Results Through Social Networks: How Top Organizations Leverage Networks for Performance and Growth,*

**Rob Cross** and **Robert J. Thomas**,  
Jossey Bass, 2008



*How Breakthroughs Happen: The Surprising Truth About How Companies Innovate,*

**Andrew Hargadon**,  
Harvard Business School Press, 2003



“Social networks are a very powerful way to connect with staff. I am better connected to my staff that I am friends with on Facebook than the others in my team.”

*Partner, large professional services firm*

## Business Value

Research has consistently shown that the quality of an organization’s networks are strongly correlated to its performance. The most prominent benefits to an organization of having stronger internal networks between its staff will depend on the specific context of the organization.

Clearly the implementation of social networking systems is not the only driver of strong social networks in the organization, however they can strongly support richer and broader social ties within the organization, and the resulting organizational value creation.

### *Quicker access to expertise and resources*

The richer social connections and deeper mutual knowledge that stem from social networks enables employees to more quickly identify who could help them or help them find relevant resources. In addition the ability to search social networks gives improved visibility of useful experience or education.

### *Swifter innovation*

Organizational innovation has been demonstrated to stem largely from connection and collaboration between people and teams that have complementary expertise or perspectives. Initiatives to improve innovation focus largely on fostering more relevant and effective internal and external social networks.

### *Enhanced collaboration*

While collaboration usually does not happen directly on social networks, the mutual knowledge and trust that develops from more consistent contact facilitates quicker team engagement and more effective collaboration.

### *More effective leadership development*

Personal social networks are critical for emerging leaders, particularly when they transition into new roles. The use of social networks can help them to build ties more quickly in new positions. Social networks can also help identify the highest potential leaders in an organization.

### *Better morale*

Employees experience substantially higher work satisfaction when they have strong social networks in the workplace, including both social and work-related interaction with a diverse range of people. These can be significantly supported through online social networks.

### *Higher employee retention*

Employees are both attracted to and more likely to stay working longer in organizations that support stronger social interaction.



#### **Enterprise 2.0 in Action: Deloitte LLP**

Deloitte LLP has implemented a variety of Web 2.0 initiatives over the last years. In January 2007 an internal group built a business case for creating an internal social networking tool, using benefits such as more effective virtual team work, easier implementation of flexible working arrangements, increased retention, and faster integration of new employees. The system was approved and built on the firm's SharePoint platform.

The initial roll out of the system, named 'D Street', was done in June 2007 to 1,500 employees, providing functionality and an interface that was designed to be similar to Facebook. In addition to providing profile information and guest comments, it allows staff to introduce people to each other, and to write blogs.

There was initially slow uptake on use of the system, including personalisation of profiles. However users wanted the system to cover more people, and now all 46,000 staff are on the system. Currently there is a pool of employees that actively use D Street and gain significant benefit, however many staff are still not actively using the system.



“Web 2.0 is deeply changing the expectations of knowledge workers as to how they can build their own personal brand within a corporation, not just find knowledge they need or socialize.”

**Amy Shuen,**

*author of Web 2.0: A Strategy Guide*

## Key Functionality

The required functionality of a social networking platform will depend significantly on the organization’s objectives. While public social networks can be useful in supporting internal and external connection, there are a range of features that are desirable for the implementation of an internal social network.

- Easy to establish and modify the network
- As much as possible automatically populated from existing employee data, including C.V.s, expertise, training programs attended, and project teams
- Ample scope to put in personal interests
- Very easy for individuals to modify their personal profile
- Ability to build personal connections with friends and colleagues
- ‘Status updates’ of current work
- Fully searchable
- Automatically adds links to internal content created by the person
- Can be accessed directly from content created by the person

## Issues With Implementation

Social networks, while potentially extremely valuable to organizations, are possibly the most difficult of the Enterprise 2.0 suite of tools to implement successfully. The most important challenges are behavioral, though there are also notable technological challenges.



### **Enterprise 2.0 in Action: Serena Software**

Serena Software is a privately owned company providing application development tools. It has close to 1000 employees working out of 29 offices, though over one third work from home. The average age is in the mid-40s. The company has made a number of acquisitions over the years, bringing in new people from different corporate cultures.

Soon after CEO Jeremy Burton moved into his role, he realized that employees didn't know each other well. He decided to use Facebook as a platform to improve personal communication within the company.

The company established "Facebook Fridays," when staff were tasked to spend one hour of their working day maintaining their Facebook pages. A set of simple guidelines were established after consultation with the company's legal department. Over 90% of employees are on Facebook and connected to their colleagues. The sales team regularly use Facebook to build relationships with their clients and prospects.

## **External social networks**

Some organizations find that existing social networks such as Facebook are sufficient for building networks inside the organization, with the added benefit that they can be used to connect with clients, suppliers, and partners. However a number of issues need to be considered in taking this approach.

- Employees may prefer to keep their network purely social rather than mixing it with work.
- There is the possibility of sensitive information becoming visible if an external network is used for work purposes.
- Clear guidelines and training need to be given on what are appropriate ways to use external social networks in a work context.



"Facebook was a perfect tool for folks inside Serena to get to know each other. There are a lot of things that you'd never find out about certain people if we didn't have Facebook, because it's not the kind of stuff you put in an e-mail and send around. What you've got with Web 2.0 is the opportunity for folks within the company to find out that the CEO is a real person. I think you've got to have your employees be comfortable with who you are. If they feel they can communicate and voice an opinion, that's really valuable."

**Jeremy Burton, CEO,**  
Serena Software



See Chapter 26 for information on technology platform options for social networking.

## Internal social networks

While social networks need to be contained within the firewall for detailed work information and activities to be visible, there are significant challenges that need to be addressed in implementing internal social networks.

- People who are already using external social networks to connect to work colleagues and others may not be inclined to put energy into an additional work-specific social network.
- Social networks only become useful once a critical mass of people are involved, making initial adoption more difficult.
- The best focus for initial adoption of internal social networks is specific teams or groups, within which it can be fairly easy to gain majority or significant uptake in a brief period. These groups can then help seed contacts in other groups across the firm.
- Most people will not take the time to keep their expertise and other key data updated and current. The greater the degree of automatic updating based on courses attended, projects worked on etc., the more likely the system will be perceived as current and relevant.
- Employees' desire to participate in social networks is highly correlated to general staff engagement and sentiment. While social networks can improve staff morale, it requires a certain degree of engagement before you can expect broad and enthusiastic participation.