Social Business: You Can't Afford to Miss it!
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The Fifth IT Era:
The era of Social Business

What’s your Social Business Agenda?
What is a Social Business?

Engaging

Transparent

Nimble

Use of collaboration/social networking to enable global teams
To work more effectively

Outperformers

44%

Underperformers

28%

Source: IBM CHRO Study, 2010
Note: Outperformers are derived from an analysis of the compound annual growth rate (CAGR) for 2003-2008 EBITDA within industries. Outperformers represent companies above the median; n=203

IBMSoftwareUniverse2011
The Next Big Wave
Social Media vs. Social Business

Primarily marketing and PR

Encompasses organization and business processes
The Social Business Agenda – Accelerating the value from connecting people in and outside the organization

Align Organizational Goals & Culture
Gain Social Trust
Engage through Experiences
Network Your Business Processes
Design for Reputation & Risk Management
Analyze Your Data

Goals Drive the Appropriate Engagement Model, Tools & Analytics

**Goals:**
- Help “Think Big” - “Act Small”
- Provide single solution to customers

**Goals:**
- Create innovative new products
- Create markets

**CULTURE** eats strategy for lunch!
Align Organizational Goals & Culture

Goals:

- We earn a premium on our cost of capital
- We help our customers to be more successful
- We form the best team in industry
- We ensure sustainable development

Cultural Approach:

From Hierarchies & Teams

To ever-growing networked formal & informal Communities

Dr. C.C. Lume & the Team (BASF SE), K. Torts & T. DeSchutter (BASF IT Services) - "connect BASF" - Date: 10 Sep 2010 (NL LUG, Amsterdam)
Align Organizational Goals & Culture

Sun Life

Goals

- Drive Revenue & Profit Through...
  - Attracting Millennium Workers
  - Attracting Millennium Customers
  - Capture and Share Expertise

Culture

- Executive Sponsorship
- Social Guidelines and Policies
- IdeaShare: 330 New Ideas
Culture Driven by Strong Governance

Community Management
Content Management
Reputation / Risk Mgmt

Center of Excellence
Standards
Metrics & Measurement

Key Activities

Executive Sponsors
Digital Council

Align Organizational Goals & Culture
Align Organizational Goals and Culture

IBM Case Study:

Social Computing Guidelines:
Spring 2005

Empower everyone to participate
Employees = brand ambassadors
Digital Council

Build a culture for participation starting inside first

Experiment. A lot.

Align Organizational Goals & Culture
Gain Social Trust

- Tippers
- Friends
- Followers
- Responsive & Consistent
- Transparent & Open
- Expertise

15%

Transparent & Open
Consumer Dealer Reviews
Expertise & Leadership
Expert Advice on Car Buying
Responsive & Consistent
Rapid Response Time
Gain Trust: CEMEX “Shift”

Transparent & Open: Over 95% Participation
Expertise & Leadership: Over 500 Expert Communities
Responsive & Consistent: Guidance & Feedback
Engage through Experiences

What is an *Exceptional* Experience

**The Usage Life Cycle**

- Unaware
- Interested
- 1st Time Participant
- Regular Participant
- Passionate Participant

**Consumption**

**Integrated:** Consistent online and offline

**Interactive:** Gaming, Video Mobile, Virtual Gifting

**Identifying:** Personalized, knowledge of you
Engage through Experiences

1-800-Flowers: Integrated Online Sites AND Store Experience
Engage through Experiences

Children’s Hospital: Interactive video

imagination + collaboration =

Masters site Run by IBM Videos
HD / Avatars / Content

Learning powerful “Teaming Skills”, different locations, generating “hypothesis”

IBM Interactive Solution
Runs on Thumb Drive
Cloud Based Updates
Social Network

Dr J. Burns, Children's Hospital Boston
Creek Watch: Interactive Mobile Crowdsourcing to Clean Up Waterways

Use your iPhone – take a picture

Upload: water level, flow rate, trash level

Aggregated data is consolidated and shipped to the water control boards in the local regions.
Interactive Social Gaming

Real World Game, Real World Impact.

FarmVille is a game where you can farm with your friends
Engage through Experiences

Godiva: Interactive virtual gifting

Branded virtual gift for Facebook & MySpace members

Results:
20% more purchases of real Godiva from those exposed to Virtual Gift over 6 month period than those not exposed
Engage through Experiences

Faberge: Identifying the Inner Sanctum
Colgate: Identifying with personalized targeted audience

Engage through Experiences

Over 3.5M Views!

Most kissable person contest!
How can you get started? And what makes sense for your business?

**Traditional Business**

- Marketing, Customer Service:
  - 'Push' marketing
  - Control brand

- Product & Service Development:
  - Invest R&D
  - Ideas from inside

- Operations, Human Resources:
  - Siloed
  - Rigid

**Social Business**

- Outcomes:
  - Deeper client relationships
  - Speed-to-Market
  - Adaptability to Market

- Marketing, Customer Service:
  - Listen to market
  - Build advocates

- Product & Service Development:
  - Embed social in process
  - Connect in and outside

- Operations, Human Resources:
  - Build communities
  - Act small

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**IBMSoftwareUniverse2011**

The Next Big Wave
Social Enable Your Marketing

OLD PROCESS: Direct Mail, eMail, Telephone, Advertising, PR, Events

SOCIAL ENABLED PROCESS: Chilean Govt

Found China wine communities
Joined conversations
Found tippers
Sent wine sample
Engaged in contests
Gained trust
Entered China market
Value of Social Business for Sales and Marketing Management

- Increase effectiveness of awareness (realized by 52% of respondents)
  - Realized benefit: 20%
- Increase revenue (realized by 18% of respondents)
  - Realized benefit: 15%
- Increased effectiveness of conversion (realized by 52% of respondents)
  - Realized benefit: 10%

(*) “The rise of the networked enterprise. Web 2.0 finds its payday” – McKinsey Global Survey Results, 2010
(Social) Network your Processes – Customer Service

OLD PROCESS:

- Reqmts & Concept
- Definition & Plan
- Develop & Qualify
- Ramp Up & Launch
- Life Cycle Mgmt

SOCIAL ENABLED PROCESS: RBC

- Personalized based on analytics
- Customer service experts
- Financial services best practices
- Crowdsourcing on products
- Customer sat: #5 to #1
Network Your Business Processes

Value of Social Business for Customer Service

- **Increase customer satisfaction** (realized by 77% of respondents)
  - Realized benefit: 18%
- **Reduce marketing costs** (realized by 45% of respondents)
  - Realized benefit: 15%
- **Reduce support costs** (realized by 35% of respondents)
  - Realized benefit: 10%

(*) “The rise of the networked enterprise. Web 2.0 finds its payday” – McKinsey Global Survey Results, 2010
(Social) Network your Processes: Product Development

OLD PROCESS:

Social Enabled Process: IBM

- 4 million engagements
- 70% news ideas
- Crowdsourced products like Project Zero
- Brand awareness increase in application developers, IT specialists, etc.
Value of Social Business for R&D and New Product Development

- Increase speed of access to external experts (realized by 40% of respondents)
- Reduce time to market for new products/services (realized by 29% of respondents)
- Increase number of successful innovations (realized by 28% of respondents)

(*) “The rise of the networked enterprise. Web 2.0 finds its payday” – McKinsey Global Survey Results, 2010
(Social) Network your Processes: HR Resource Sharing

OLD PROCESS:

- Collaboration
- Resource Sharing
- Productivity
- Future Planning

SOCIAL ENABLED PROCESS: Celestica

- Brainstorming new ideas
- 2,000 Corporate Champions
- Share Process Best Practices
- From Silo to Unified Company

2010 Celestica #1 Game Changer Award Winner
Value of Social Business for HR and Talent Management

Increase speed of access to internal knowledge
(realized by 77% of respondents)

Increase speed of access to internal experts
(realized by 52% of respondents)

Reduce internal communications expense
(realized by 60%)

(*) “The rise of the networked enterprise. Web 2.0 finds its payday” – McKinsey Global Survey Results, 2010
Design for Reputation and Risk Management

1. Have a plan and a team
   - Develop a Disaster recovery plan!

2. Be proactive and fast

3. Be transparent with 2 way dialogue
   - Don’t try to manipulate
Design for Reputation & Risk Management

Risk Management

- Develop Policies
- Management Oversight
- Regulatory Compliance
- Network Security

Integrated tools are available
✓ Real time monitoring
✓ Moderation of content
✓ Contextual logging
✓ Archiving of activities and events
✓ E-Discovery compliance
✓ Regulatory Compliance

The Next Big Wave
Analyze Your Data

Business Drivers

- Competitive Analysis
- Corporate Reputation
- Customer Care
- Campaign Effectiveness
- Product Insight

Source Areas

- FACEBOOK
- BLOGS
- DISCUSSION FORUMS
- TWITTER
- NEWSGROUPS
- MULTILINGUAL

COMPREHENSIVE ANALYSIS
- Keyword Search
- Dimensional Navigation
- Drill Through to Content

AFFINITY ANALYTICS
- Relationship Tables
- Relationship Matrix
- Relationship Graph

SENTIMENT
- Dimensional Analysis
- Filtering
- Voice

EVOLVING TOPICS
- Relevant Topics
- Associated Themes
- Ranking and Volume
Analyze Your Data

Analytics: Gatorade's Command Center
Get Bold!
Using Social Media to Create a New Type of Social Business

• Build YOUR Social Business AGENDA!
  – Commissioned by IBM to convey its perspective on social
  – Offers a systematic approach to implementing a social business strategy
  – Moves your company beyond the basics of social media to realizing tangible business results
  – Provides 75 real customer case studies

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- Reduce cost and complexity.
- Meet business requirements.
- On-premise, secure solution.
- Increase workforce productivity.
- Improve customer satisfaction.
Get Social. Do Business

• Build YOUR Social Business Agenda!
  – Evaluate your culture and goals
  – Develop a trust plan through a digital council
  – Social Enable your processes
  – Hire a reputation manager
  – Use analytics to listen and be proactive

• Try IBM Connections - [https://www.ibm.com/developerworks/community](https://www.ibm.com/developerworks/community)

• Get More Information:
  – White paper: The Social Business, Advent of a New Age
  – White paper: Forrester Study: Total Economic Impact of IBM Social Collaboration
  – Video: Business Value of Social Software

• Assess Your Organization: Take the IBM Collaboration Assessment

• Contact your IBM representative for more information
The World Changes Fast!!

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