

# Social skills

**Social networking websites bring a wealth of opportunity for businesses, but they have been slow to take full advantage. Jeffrey Mann, Research VP at Gartner speaks to *Excellence in Leadership* about the untapped potential of Web 2.0.**

Popular social networking sites like MySpace and Facebook, media sites like Flickr and commercial sites such as Amazon and eBay have put social software – or Web 2.0 – firmly in front of everyone with a web browser. Consumers have embraced the internet's new identity as a collaborative, user-defined platform. Enterprises, however, are lagging behind.

From a business perspective the potential power of social software remains largely untapped, but not because the advantages of social software are veiled in mystery. On the contrary, they are quite clear.

'All of the reasons why people use social software for consumer purposes have direct parallels in the enterprise world,' says Jeffrey Mann, Research VP at leading IT market research and consultancy firm Gartner.

'It is about being connected, having relationships with people you don't often meet and taking advantage of their knowledge using channels less dependent on real-time. In a consumer context you might ask about the latest music or where to find a good bar. In a business context you might ask colleagues around the world about good suppliers or best practices.'

Distinct ideas are emerging, such as crowd-sourcing, where companies put a problem to an online community to get input that may lead to a solution. Procter & Gamble, for example, made good use of this when seeking a way to print on Pringles crisps, eventually finding a small company in Italy with a vegetable dye and a spraying process.

'"Crowdsourcing" and "ideamarts" are well accepted and prove social software is a tool for better collaboration. It reinforces the power of vibrant, inventive communities contributing ideas,' says Mann.

Those communities can be made up of customers or professionals. The software

powers not only marketing, but also product and service development.

'Social software is used a lot for outbound marketing to create a buzz around products, to affiliate with a brand through advertising and sponsorship, or to test market products and gauge consumer reaction. Companies can also use the blogosphere to see what people are saying about their products or their competitors,' he adds.

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### Tippling point

So, what is stopping companies fully embracing social software?

'Companies go through three phases. The first is denial, where they say it is all silliness, just for kids or for flirting, so they block the use of all sites. Most organisations are now in the second phase - the 'don't ask, don't tell' stage - where they don't block sites but don't encourage their use. The third stage is endorsing appropriate use of consumer sites. Not many companies are there yet,' Mann observes.

He is surprised, however, that enterprises have moved so quickly to the second phase, and believes that as departments in large organisations leverage social software – and some are well on the way to doing so – companies will quickly grasp its potential.



He nevertheless stresses that they must carefully consider what they want to achieve through the using the software.

'The mistake they often make is to take a 'suck it and see' approach, tossing things out there that can spin off in unwanted directions, stick to the wall or just die on the vine. The LA Times, for instance, opened its pages to comments and they were filled so quickly with obscenities and vandalism that it shut down within minutes,' he notes.

'In other cases nothing happens at all, a few people dominate the forum, or interest dies quickly and the latest comments are months old. Companies need skills in guiding users to what they do want, and must also know what they do not want. The competitive advantage comes from knowing where and how to use the software and what problems you want to address.'

As best practice emerges and vendors drive innovation the business world may soon reach tipping point and start realising real competitive advantage by monitoring customer responses and harnessing producer communities. ■

*Jeffrey Mann is speaking at the Gartner Symposium, 3-7 November, 2008, in Cannes.*

### Further information

Gartner  
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