

# Transforming your business with social and real-time collaboration

# IBM

### Where does knowledge come from?

The business world used to be a lot simpler. Everything was pyramid shaped, with dictates coming from the boss at the top and trickling down to the workforce below. If you had a question, you brought it to your supervisor. If you had an issue, you brought it to your supervisor. If you had a brilliant idea—you get the picture.

This hierarchy can work when it comes to leadership and accountability but is becoming increasingly outdated when it comes to sharing knowledge or reacting to rapidly changing conditions in the marketplace. If your organization is run like a military operation, with only certain individuals allowed access to certain information, then bottlenecks can bring your operations to a grinding halt or force you into decisions made with outdated information. In order to deal with the complexities of newly interconnected economies, enterprises, societies and governments, you need to take a new approach to how information flows through your organization.

In a recent study, IBM asked over 1,500 CEOs to prioritize the most important leadership qualities in our new economic environment. Over 60 percent chose *creativity*.<sup>1</sup> This means shedding old ways of working, old models and old strategies. It means embracing change. Above all, it means being open to new ideas—no matter where they come from.

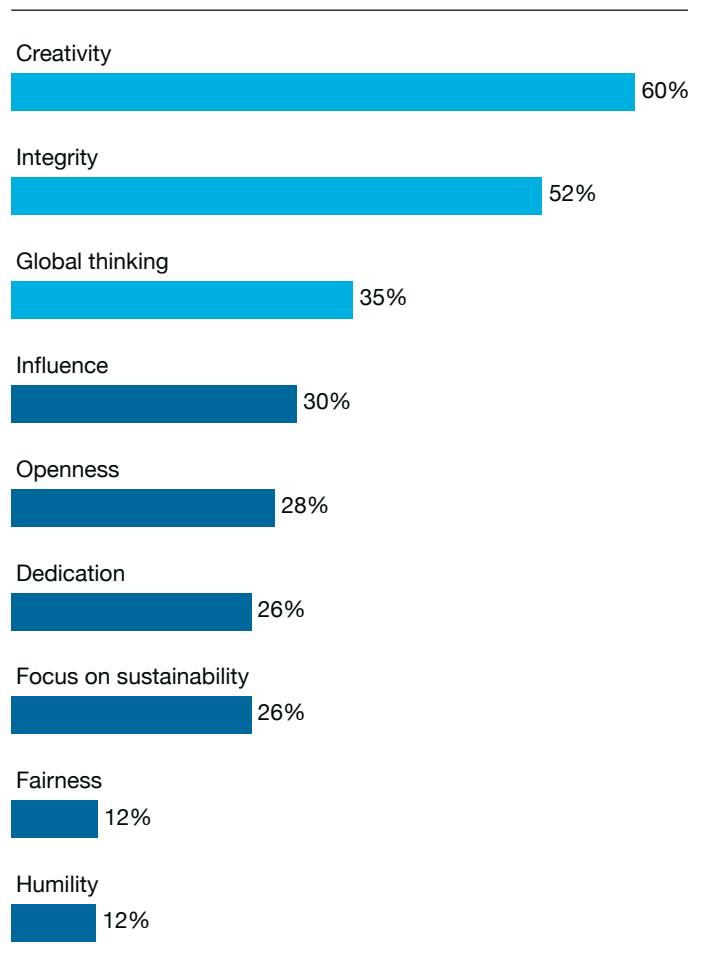


Figure 1: CEOs cited creativity as the most important leadership quality over the next five years.<sup>1</sup>

That's why so many companies are reorganizing their structures to make the sharing of information and expertise a top priority. They break down silos to integrate creative elements into the mainstream and form unconventional partnerships. They eliminate the barriers to communication to better handle the unknown.

One key way of doing this is by supplementing pyramidal, top-down communication with less formal, multidirectional conversations. Social collaboration via blogs, wikis, instant messaging (IM) and social networking can often provide faster and more credible sources of information.

This white paper discusses the changing face of collaboration and the ways in which social software and unified communications solutions can benefit business. It points out that smart businesses are already looking for ways to connect communities not only of employees, but also of customers, partners and others outside the firewall. The goals: tap into both internal and external knowledge and then use that knowledge to increase sales through enhanced customer relationships, accelerate innovation as a means to get breakthrough products to marketplace faster and improve collaboration to boost productivity.

To help achieve these goals, companies must make information available to more people in the organization; change the corporate culture to one of collaboration and trust; and implement tools to harness collective knowledge, experience and communities. If companies are successful in these efforts, they

can unleash powerful new ideas. They can capitalize on the way many workers—including the next generation of business leaders—already connect. And they can prepare themselves for the success that collaboration makes possible.

The pyramid can become inverted, or even flattened, as social and communication tools empower employees with the freedom they need to truly innovate.

### **The new collaboration**

A study conducted by the IBM Institute for Business Value determined that 67 percent of people believe there are colleagues who can help them do their jobs better—but don't know how to find them. And that 42 percent of people use the wrong information when making decisions.<sup>2</sup>

Meanwhile, tools and services not immediately associated with business—Facebook, Twitter, Flickr, YouTube, Skype, blogs—are growing in popularity at an exponential rate. Facebook, for example, currently has over 500 million users. This growth is a clear indicator of the changing nature of collaboration.

Such widespread use has bred familiarity and comfort with social collaboration software. Plus, with the lines between work and home blurring, many workers now expect to use the same tools at work that they do at home.

*“The need for workers to do much more with much less as a result of the economy and reduction in workforce is driving their demand for Web 2.0 applications that promise to increase productivity by filling in the gaps among structured enterprise applications.”*

— IDC, “The Next Wave of Business Collaboration: The Convergence of Social Software and Enterprise Collaboration Platforms,” December 2009.

Younger workers today have grown up using web-based tools. They may already have been global collaborators at school or at home. They embrace technology more readily than many of their predecessors. And they are generally more mobile, contributing to a rapid growth in the numbers of people working outside conventional office settings.

Many of these workers have embraced the Internet’s move to a more social environment. And many now realize that the social and real-time web can be an increasingly effective way for users to get the right information at the right time, as often from each other as from published data.

Forward-thinking companies have adopted this philosophy and created business approaches using Web 2.0 technologies. This helps them foster innovation and improve responsiveness to customer and marketplace trends by simplifying communication and collaboration.

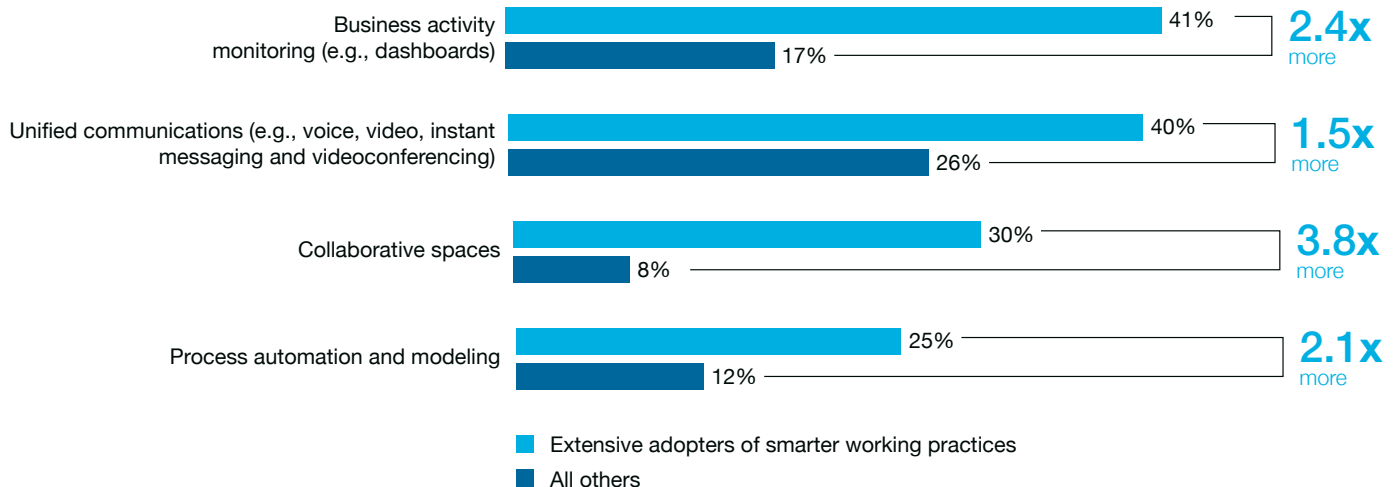


Figure 2: Extensive users of smarter working practices are much more likely to have widely adopted supporting technologies.

These are no longer niche approaches. More and more companies, of all sizes, in all industries, create value by tapping into collective knowledge. And they can help you market to small, targeted customer segments that have specific interests or requirements—a powerful strategy that was once out of reach for many organizations that had to broaden their marketing message to appeal to the widest possible audience.

What's more, Web 2.0 technologies are based on simpler programming models, making it possible to integrate collaboration into existing business applications. This is indicative of the whole Web 2.0 philosophy: it's all about fostering innovation, speed and simplicity—not isolating information in protected silos.

### **The evolution of business**

Despite the explosion of collaborative technologies and the search for new, creative solutions to business challenges by many leaders, not every company appears to be on track for change. Although many agree that change is necessary—particularly business managers and human resources executives who deal in functional processes and corporate culture—some CIOs have yet to apply technology to make change happen.

The CIO's task may be complicated by differences in the ways older and younger workers respond to aspects of corporate life, including training, learning style, communication style, decision making, giving or receiving feedback and level

of comfort in using technology. Concerns over security, governance and loss of IT control are also top of mind in this transformation. But forward-looking organizations are tackling these challenges and successfully adjusting to this new way of working.

This evolution in how individuals and businesses work becomes tangible in how work styles are changing. Today's desktop is likely to contain a wide variety of mobile and web-connected devices and applications. It also includes hosted tools that integrate information from activities and feeds, enable rich media connections with peers and customers, and provide mobility and accessibility for a range of functions.

### **Turning collaboration into innovation**

Many companies want to innovate—but not all understand the importance of collaboration to making innovation possible. Many are hobbled by old concepts of collaboration that can slow their success. People in the company may, for example, consider collaboration to be extra work. But to today's innovative worker, collaboration is what work is all about. In the old way of thinking, employees made themselves valuable through what they knew—and by deliberately keeping information scarce. But, in the new way, people make themselves valuable by seeking opportunities to work with others and tapping into the expertise that others possess. Now, power comes from sharing instead of hoarding knowledge.

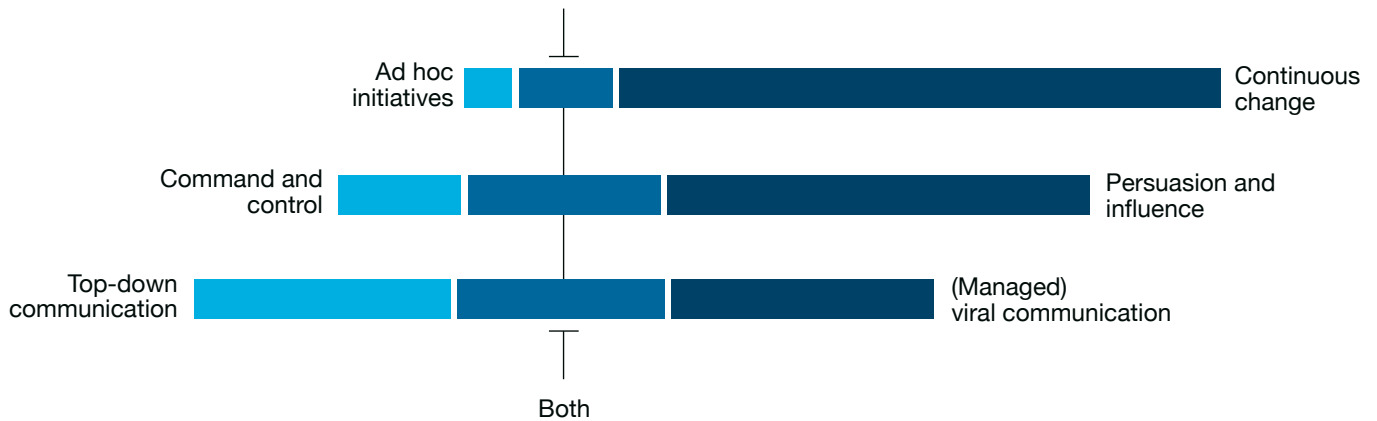


Figure 3: Standout organizations use new leadership styles and balanced communication approaches.

Web 2.0 technology makes this possible. It enables people to connect in ways that simply weren't possible before. And as collaboration evolves, it becomes more fluid, moving from private conversations to public conversations—from telephone, email and IM to shared bookmarks, wikis and blogs. Instead of playing voicemail tag, you can set up a group video chat, start an audioconference with a click or collaborate with desktop sharing in an online meeting.

The shift from a document-focused work style to a people-focused work style is an important step in creating environments that foster innovation. The document-focused style, which connects systems and data, too often ends up producing content for its own sake—and causing confusion and mistakes

as a result of version control issues. But the people-focused style taps individuals for knowledge and insight. In the new collaboration, information is made available to a wider group of people who work together openly, quickly and more cost-effectively. Finding and connecting with subject matter experts are critical steps to the success of collaboration.

### Building a social business

A company is a group of individuals. No one knows what everyone else knows. But social and real-time communication tools can help them tap each other's knowledge and capabilities in new ways. It can provide a platform for helping the many operate as one because each person can be only a step away from the knowledge that other people have.

It can also bring knowledgeable and creative people from isolated departments to the forefront of an organization. Bold new ideas and answers to difficult questions surface from all corners, improving the overall success of the company while giving high-value contributors much needed recognition.

Tapping knowledge and capabilities can also create new relationships. And new relationships can create a new kind of company, with new roles and interactions. People inside and outside the company have a voice, and value is created together with clients, partners, vendors, alumni and other stakeholders. Great ideas can come from practically anywhere—inside or outside, nearby, or around the world. It's already fairly easy to transcend physical and geographic borders, but now borders will virtually disappear.

With new styles of collaboration in place, companies are positioned for solid business benefits because they can harness the innovative power of shared knowledge. They can improve service to customers, partners and other stakeholders because they not only can communicate more readily, but also can work together to solve common problems and meet common needs, resulting in higher brand equity.

They can speed their product development cycles to keep pace with the competition and advances in technology. They can come up with more new ideas, and improve the rate of those ideas becoming real, profitable products and services.

They can enhance employee satisfaction, retention and productivity because they can improve employees' ability to connect to information and with each other practically anywhere, anytime. They can find new and better ways to foster leadership and motivate global talent.

Ultimately, companies can use collaboration to create innovative solutions and get those solutions to their customers quickly and efficiently. This not only saves time and money, but also can be a key competitive differentiator in the marketplace.

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### **Bringing voice and video to the social journey**

In addition to implementing social collaboration tools, many companies are also making the move toward network convergence using Internet protocol (IP) telephony to merge telephone and data networks. Until recently, transitioning to unified communications was done separately from other collaboration initiatives. But innovative enterprises are realizing that aligning these two trends can deliver huge dividends.

The time has come to use this unified infrastructure to enhance social collaboration with communication connections that work practically anywhere, anytime, over just about any device.

The technological capabilities of unified communications enable companies to enhance the effectiveness of communications, improve the efficiency and productivity of the organization, and create flexible and innovative processes. These capabilities include rich presence awareness; IM; click to call, chat or conference; unified messaging; and now soft phones that can turn PCs and other network-connected devices into software-based telephones. People can now, within the context of their daily work life, quickly use their business and social networks to get in touch with the right person at the right time.

Then, with social collaboration and unified communications in place, users can easily see more possibilities for collaboration, helping them express themselves, find like-minded communities and connect with those communities in real time.

What's more, the increasing importance of open development can help drive increased collaboration and faster innovation. With the open source movement, developers can build on the work of others, implementing publicly available specifications and leveraging previous thinking in the creation of their own solutions. The work that has gone before makes the new work

stronger—and the new work can form building blocks for other developers' later work. In the open source community, a strong commitment to sharing work and giving to others—to collaborating—already exists.

With open standards, similar benefits can accrue to the end user because products are more interoperable across companies and their partners, customers and suppliers. For example, the ability to create documents in a format that multiple applications can read only encourages sharing by making information and knowledge more available. The web today has already moved in this direction to become a platform on which information and data are easily shared, rather than being fiercely protected. Another example is the ability to surface collaborative capabilities as web services, allowing developers to reuse and mash up services in innovative ways.

Taken together, participatory capabilities can provide businesses with user-driven innovation, simpler and more productive solutions, integration of tasks, reduced cost and higher employee satisfaction. And, ultimately, the lines between capabilities will begin to disappear. How they function will be virtually transparent to both users and IT because collaboration is about people and processes, not merely tools. Capabilities will not appear as different products; instead, applications will be hubs for activities, and users typically will not know which tools they are activating.



## This is just the beginning

Tomorrow's successful companies will be built on technologies that make sharing knowledge pervasive. These will not be a mishmash of conflicting applications but a suite of tools designed to work together seamlessly, through a single experience, even on heterogeneous infrastructures. Sometimes these technologies will be new, but often they will be ones you are already using but with social capabilities added.

Intranets and extranets will be designed to provide information and access that a person in a specific role needs to get the job done fast and right, and services will share everyday content via personal and team workspaces. Emerging social networking and participatory web applications will tie communities together, so people can create their own connections—and even invent new ways of working together.

Because collaboration means people contacting and sharing information with others, security, identity management and social governance will be essential. Businesses will have to ensure that critical elements of shared knowledge and information stay within the enterprise. And compliance continues to be a key concern in a wide range of industries.

Enterprise software, with its security and governance features, can play a significant role in protecting information. Without enterprise-ready solutions in place, employees accustomed to using publicly available social software may visit public sites

for collaboration and communication—potentially endangering the security and compliance of company data or intellectual property.

In fact, many companies adopting social networking today are using consumer-grade products such as Facebook, LinkedIn or Google Talk, which can be a serious security hazard. True, they are intuitive and familiar to a wide range of people, but there are now alternatives that offer the same ease of use along with the peace of mind that comes from knowing your private information stays private.

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## Smart companies will get started today

With so much activity already occurring in collaboration and communication, the company that moves toward unifying communications and collaboration capabilities in an open standards environment will be able to capitalize on significant business advantages. It will retain critical talent—and the ability to attract talented employees from the emerging workforce. It will increase the speed and scope of its ability to innovate. It will gain credibility with clients. It will win business over others that have less innovation and openness. It will be able to capture growth in new market segments. It almost certainly will gain efficiencies—and may actually decrease its cost of doing business.

By applying the innovation made possible by the enterprise-ready equivalents of consumer-based collaboration tools, customization and sharing of information, the enterprise can achieve business advantage. Employees can work nimbly with information and experts at their fingertips—seamlessly linking to a blog, sharing their computer screen via a collaboration client or starting a multi-party web conference with audio and video—to build and enhance insight and knowledge. Such innovation can enhance individual and company reputations. It can integrate collaboration into the creation of service offerings and products. It can more effectively engage and extend business processes.

New and emerging collaboration tools can give user communities a new way of working—and build a new kind of enterprise. In this new social business environment, trust is the competitive advantage. These tools enhance trust and can thus deliver greater innovation and business value today. And they can build a base of knowledge and comfort that can become a springboard to greater capability and utility tomorrow.

### **Why IBM?**

IBM has the expertise to help you plan, build, secure and actively manage your transition to a social business. For over 20 years, IBM has been in the business of helping people communicate and collaborate. Our approach is based on our experience in building security-rich, integrated collaboration solutions and on a long-held commitment to supporting open source and open standards. Using IBM Lotus® Notes® and

Lotus Domino® solutions, we built teamrooms and collaborative applications before our competitors even started thinking about how groups of people work together.

We created the Center for Social Software in Cambridge, Massachusetts, to study human social behavior in collaboration efforts. These studies have guided the development of our social software, which IBM has used extensively for years, helping transform our operations and dramatically improve our efficiency. We understand how people *want* to collaborate, and that's why we can deliver a marketplace-leading set of social software services.

Rather than making you abandon your current investments and build a whole new infrastructure, we add social capabilities to what you're already using. Our full range of social offerings can be integrated into your applications and business processes. Portals come alive with the ability to instantly reach out to experts. Desktop applications are enabled to publish and share information with your entire organization. Email and IM reach their full potential by carrying information to the right people at the right time, not storing it away until it becomes stale and irrelevant.

We maintain one of the largest unified communications networks in the world and use this integration of voice, video and data to enhance employee productivity, empower remote workers and reduce communication costs. IBM Unified

Communications and Collaboration (UC<sup>2</sup>™) solutions—available to companies worldwide through IBM Lotus Sametime® software and IBM Converged Communications Services—enable people, teams and communities to work together in a rich, integrated multimedia experience.

Backed by IBM's proven track record in delivering results for thousands of collaborative organizations worldwide, IBM solutions can be mixed and matched and can be customized to meet your organization's specific needs. People can communicate and collaborate using familiar formats and methods and, ultimately, can build and maintain productive, long-term business relationships.

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A leading provider of online legal education wanted to expand its offerings by taking full advantage of the web's capabilities. It realized, as have many organizations today, that knowledge and innovation can come from anyone, anywhere, at any time—not exclusively from industry leaders. It wanted students to be able to learn from each other, beyond the confines of a seminar.

The organization turned to IBM to create a comprehensive web-based environment for collaboration, social networking and document management. Based on a fully integrated set of IBM Lotus products—including IBM Lotus Connections, IBM Lotus Quickr® and IBM Lotus Sametime software—the site provides the latest news, legal analyses and peer-to-peer discussions, as well as access to expert advice. The result? The organization is growing its user base and increasing users by 1.25 percent a day, creating a valuable community that distinguishes itself from the competition.

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## For more information

To learn more about how IBM can help your business enhance its collaborative capabilities, please contact your IBM representative or IBM Business Partner, or visit:

[ibm.com/socialcollaboration](http://ibm.com/socialcollaboration)

Additionally, financing solutions from IBM Global Financing can enable effective cash management, protection from technology obsolescence, improved total cost of ownership and return on investment. Also, our Global Asset Recovery Services help address environmental concerns with new, more energy-efficient solutions. For more information on IBM Global Financing, visit: [ibm.com/financing](http://ibm.com/financing)



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All customer examples described are presented as illustrations of how those customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics may vary by customer.

<sup>1</sup> IBM, *2010 Global CEO Study 2010*, May 2010.

<sup>2</sup> IBM Institute for Business Value, *The New Way of Working*, April 2010.



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