

# The compelling returns from IBM Connections in support of social business

*Five stories*



### Creating deeper relationships and returns

Business success depends on people—people making connections, people sharing ideas and people building trust. An employee thinks of a new way to streamline a process and tells his or her supervisor. A product developer gathers feedback from customers and passes it on to the design team. A consumer identifies with a brand and purchases the product. One by one, business relationships are established and nurtured, laying the foundation for continued growth and profitability.

Increasingly, organizations that are outperforming others have seized on the opportunity to adopt the next generation of enterprise communication and collaboration tools to help people build and maintain these relationships. They recognize that—in today’s global, mobile business environment—now is the time to begin the transformation to social business. The business advantages to be gained include a more effective workforce, accelerated innovation and deeper customer relationships.

### Acknowledging shifting expectations and needs

The rapid infusion of emerging social collaboration technologies into enterprise communications represents both the cause and the effect of fundamental shifts in how business is conducted. Employees, customers, partners and stakeholders expect workplace interactions and marketplace transactions to be meaningful, positive and engaging social experiences. What’s more, they want them to be immediate. Telephone, email and other established tools of communication are overburdened and need to be extended to work side by side with the newer forms of collaborative experiences.

In addition, as workforces become more globally distributed and remote—and as barriers between work and personal time continue to dissolve—people do indeed need more-effective ways to exchange information and share ideas. They must be able to hold meetings, share insights, make deals and purchase goods at any time, from wherever they are, through the devices and interfaces of their choice.

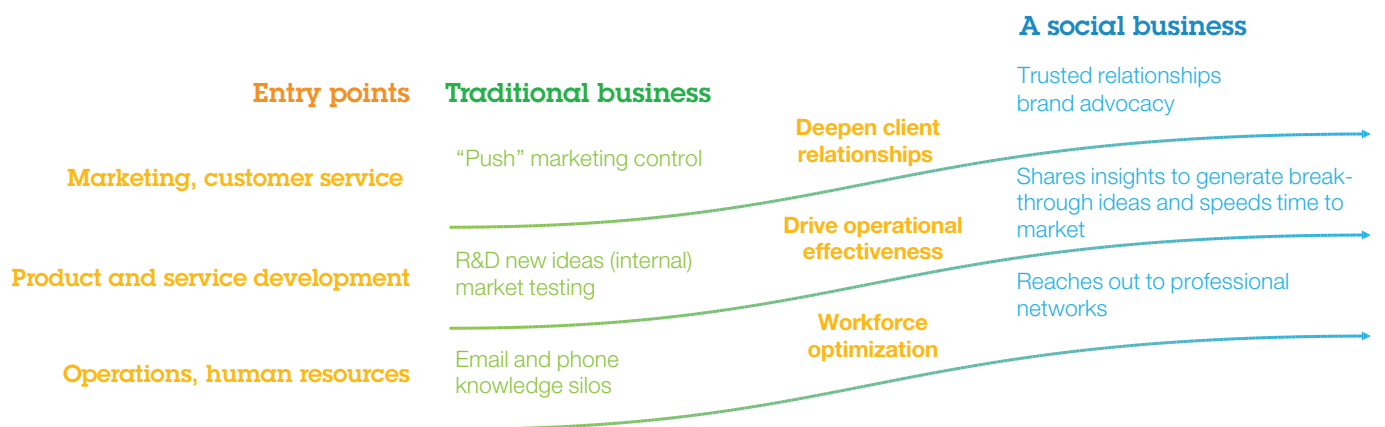


Figure 1: The point at which each business begins its transformation to social business varies, but every social business drives value by making traditional communication and collaboration networks more efficient, authentic and flexible.

## The benefits of becoming a social business today

A social business transforms itself by activating networks of people. Whether through online communities and meetings, team spaces, blogs, wikis, profiles or other social tools, people can explore new ways to build and leverage their networks beyond those dictated by traditional organizational structures or means of communication. Information also becomes more transparent and accessible, opening up new wells of knowledge and expertise. As a result, people can be more efficient in their tasks and more responsive, authentic and familiar in their interactions. In turn, the organization as a whole becomes increasingly nimble, engaged and creative.

The key to implementing social software is to set clear, realistic objectives for your social business initiatives and to embed social tools into existing role-based processes. The end point for your organization includes the following:

- **Enable an effective workforce:** Operations, human resources and other departments can increase overall employee productivity and job satisfaction through improved knowledge capture, expertise location, and collaboration. Travel, training and teleconferencing expenses also can be reduced.
- **Accelerate innovation:** Product research and development teams can quicken internal idea sharing and discovery, as well as transform how they generate ideas, share strategies and gather feedback from key customers and partners.
- **Deepen customer relationships:** With more immediate access to content and expertise, customer service representatives can work more efficiently and provide higher-quality service. Marketing and sales teams can have more time to spend with customers and to dedicate to customer-focused initiatives.

Many organizations, including IBM, that have already begun making the transformation to a social business are reaping the benefits and measuring the returns. As the five stories in this paper clearly demonstrate, strategically integrating new social software and tools into your processes—and shifting your culture to support these changes—can deliver rapid, impressive outcomes.

## Project 1: A social payback in sales and customer service

### The organization

A leading health insurance network with millions of members and more than 3,000 employees

### The challenge

Today's healthcare providers are under pressure as never before to improve customer service, boost employee productivity and increase membership rates. Achieving such results, however, is contingent on effective processes and information technology for communications, collaboration and knowledge management—areas that this insurer identified as needing dramatic improvement.

Sales staff mired in tedious searches for information and expertise had less time to spend with prospects, reducing their close rates. Similarly, employees isolated in their departments and workplaces found it hard to connect with experts. Duplicate efforts wasted time and money. As one staffer said, “We don’t know that similar projects are going on until it’s too late.” And like in many organizations, employees were pressured to do more with the same resources, a reality captured in the comment, “We can’t hire but our goals are higher.” These challenges were exacerbated as the organization became over-reliant on email to manage these complex interactions and processes for communication and collaboration. According to one employee, “Conversation by email is dizzying!”

### **The project**

To address such issues that directly impact productivity, customer service and membership sales, the insurer began a project to transform its intranet via social software from IBM. The project started with a strategy that included detailed planning and an analysis of the financial consequences.

The project team assessed the impact of an intranet portal hub integrated with IBM social software and collaboration capabilities providing communities, team rooms and real-time communication. With IBM Connections at the heart of the online experience, information can be easier to access from searchable online communities of interest, meeting places, FAQs and file shares. Employee profiles and profile searches can connect employees with experts across the organization, as can blogs, self-service forums and searchable histories of problems solved. Collaboration and messaging can link on-premises and remote employees in real time, raising their productivity in teams and as individuals.

Customer service staff can particularly benefit, thanks to faster and more transparent access to information and expertise in support of customer claims and health issues. This improvement is expected to boost word-of-mouth referrals and retention rates. Sales staff, too, can be more productive through easier access to information and experts and more dynamic and embedded collaboration tools. As a result, they are expected to close more sales.

### The results

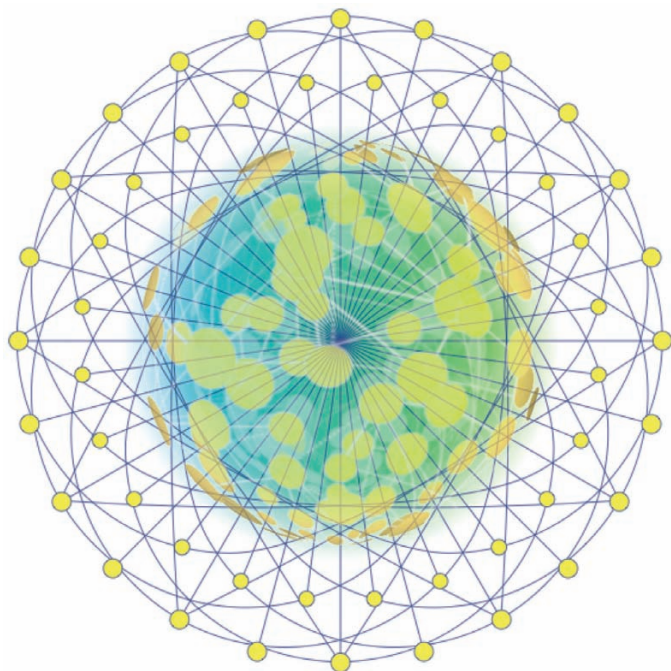
The enhanced web experience available to staff in sales, customer service and other departments is estimated to deliver financial benefits of US\$12 million over three years.

- Cost savings of US\$3.9 million include lower costs in training, telephone usage, hosted third-party web conferencing, travel to meetings, and hard-copy printing and distribution.
- Additional savings of US\$8.1 million come from membership gains due to higher sales closing rates, and productivity gains from faster information searches and more effective collaboration.

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### Project 1 estimated returns: Financial benefits of US\$12 million over three years

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## Project 2: Accelerating global R&D in consumer products

### The organization

A large global consumer products company with more than 10,000 employees in global research and development (R&D)

### The challenge

The challenges were threefold: Shortening the development cycle, optimizing the workforce and fostering innovation. Barriers included difficulties in collaboration among far-flung staff and work sites. As one employee noted, “After one of our once-a-month teleconference meetings, I spend four to five hours answering questions through email; often it is the same question over and over.” Another said, “When there is no community, the default communication tool is the telephone.” In addition, campuses and experts are often isolated, slowing projects and preventing the reuse of best practices and equipment. “We need to shorten the development cycle,” said one staffer. “Real value is derived from one campus discovering another campus’s work.”

### The project

Company stakeholders, with help from IBM, assessed how IBM Connections could assist global R&D in increasing new product innovation, enhancing development and speeding time-to-market. The business value assessment examined collaborative use cases and projected the financial impact across all global R&D campuses and operations.

IBM Connections empowers R&D staff to establish communities of practice, initiate dialogues, find expertise and build trust with colleagues at other sites. Listings of activities gather all the messages, documents and postings needed to further specific objectives. When a problem arises, a search of profiles can locate the right expert. This saves time and fosters reuse of knowledge and best practices. It also drives employee engagement and satisfaction by creating a personal network of trusted colleagues.

As an example, Robert, a new research lead in Australia, finds information on materials emulsification through a keyword search discovering documents that were uploaded by an engineer in Texas. Robert also finds an “emulsification community” where he can ask questions and get tips via discussion forums. As his work progresses, he uploads his own work to share with the community. Multiplying such efficiencies across thousands of researchers suggests the positive impact of social collaboration via IBM Connections.

Such use cases provide substantial benefits to global R&D efforts. Product innovations increase as people discover and share expertise more easily. The organization becomes more efficient as people capitalize on relationships to access information, accomplish tasks and reduce duplicate work. Employees become more engaged and satisfied as they grow through better networking and alignment of their talent with business priorities.

### The results

In total, the assessment predicts US\$14.1 million from cost reductions and increased revenue for global R&D.

- Cost savings of US\$7.8 million can result from more efficient and less duplicative use of equipment and materials.
- Revenue can grow an estimated US\$6.3 million from an R&D organization that is more innovative and effective.

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**Project 2 estimated returns: US\$14.1 million from cost reductions and increased revenue**

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## Project 3: Cultivating human resources through social networking

### The organization

An electric utility with over 10,000 employees, serving more than 10 million people

### The challenge

The utility's business vision is to enable a cleaner and smarter energy future by becoming more agile and better at managing operational change. Essential to these objectives is the ability to develop and maintain a stable, productive, flexible and satisfied workforce.

At present, workforce productivity suffers because there are few avenues for top performers to share best practices with the rest of the organization. High employee turnover and many planned retirements leave gaps in resources and skills, making it difficult to fill thousands of open positions in the coming years. Seasoned staffers, already busy, are drained from having to train and mentor new hires. There is simply no easy way to reach out to fellow employees or to mine the talent pool for internal job rotations or project teams.

Employee productivity and morale also suffer from reliance on overburdened collaboration tools and processes. Employees must rely too much on email for sharing documents, making it hard to discover important information for decision making. Time and manager bandwidth are wasted by a culture of excessive face-to-face meetings to drive consensus and decisions, and a dispersed workforce that must travel to in-person meetings wastes time and energy, raises expenses and increases safety risk. These and other operational inefficiencies cause poor employee retention, with the highest turnover among those with less than three years on the job.

### The project

The centerpiece of the proposed deployment, designed in conjunction with an IBM Business Partner, includes IBM Connections, along with complementary IBM technology for real-time communications, collaboration and content management.

Enhanced capabilities include improved knowledge capture, more transparent expertise location and productive collaboration in context. Real-time messaging and improved collaboration would reduce the need for face-to-face meetings and status calls.



Figure 2: Social tools facilitate smarter collaboration. By helping enable idea and knowledge sharing across organizational boundaries, social business initiatives can boost innovation, productivity and job satisfaction.



Team rooms and content libraries would improve sharing of content for projects, teams and individuals. Profiles would help employees find people and make themselves known. Communities of interest would allow employees to share, innovate and collaborate. And interactive information repositories such as wikis and activity templates would complement and possibly replace formal training.

### The results

The financial analysis shows the power of IBM social software to empower human resources, delivering both direct and indirect financial benefits.

- The expense of travel to face-to-face meetings could be reduced by an estimated US\$8 million through online expertise location; project-based commenting, messaging and status updates; and knowledge management through wikis, blogs, discussion forums and shared bookmarks.
- Employee training costs could be reduced by US\$1.6 million, faster ramp-up of new hires, and more engaged and satisfied employees reducing the turnover rate.
- Teleconferencing expenses could be reduced by US\$700,000.
- Reduced need for email storage could lower costs by an estimated US\$88,000.

Such direct benefits total potentially US\$10.4 million, and indirect benefits are estimated to be an additional US\$18.5 million over five years. Top indirect contributors are higher staff productivity, faster employee ramp-up times and improved employee retention.

Total financial benefits from IBM social software are estimated to be US\$28.9 million, with nearly US\$1 million occurring during the first year.

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**Project 3 estimated returns: Total financial benefits from IBM social software are estimated to be US\$28.9 million**

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## Project 4: Sharing ideas across a global workforce

### The organization

One of the world's largest suppliers of building materials, with over 12,000 employees worldwide

### The challenge

In years past, the company's business model involved centralized control over distributed, market-specific operational units. Employees felt isolated in silos, and business units serving similar markets were unnecessarily replicated around the world. The company needed a way to remove barriers among people to cost-effectively drive innovation and bring new products to market that would better meet and exceed customer expectations.

### The project

In late 2009, the company began deploying an internal collaboration platform using social technology. Social collaboration would enable best practices around business processes and functions to be accessed by all employees and groups regardless of their location. The ultimate goal was to create an agile, efficient culture of open collaboration that would lower cycle times, drive innovation and speed product time to market.



The collaboration platform would need to support key social technologies and integrate them into a single online experience, while ensuring ease of use. It would also have to be flexible enough to support new collaborative practices as the need arose. To meet these requirements, the company chose IBM Connections. The company's award-winning solution integrates social software with messaging and unified communications on a single home page, and is open to new capabilities as they are developed. Its power to help transform the workforce is based on social networking functions that can bring global visibility to every employee and his or her contributions.

Communities of interest can be quickly formed to tackle challenges common across locations, marketplaces and skill sets. Employee profiles empower networking practices such as colleague introductions, connections and recommendations. Wikis and blogs facilitate the sharing of knowledge and expertise, as well as feedback and comments. Forums encourage discussion of pressing business issues. Status posts in profiles and listings of activities help employees previously stuck in silos to learn what like-minded colleagues are working on and share successes and challenges. Support for tags, community bookmarks and sharing of files make it easy to locate knowledge and best practices.

### The results

Usage statistics confirm the company's success in fostering a culture of open collaboration.

- Some 400 communities have been formed.
- Nearly 10,000 employees are working on regional initiatives.
- Over 1,600 employees are collaborating in global communities to drive innovation, including process improvement, environmental practices, product development and marketing.
- Product engineers, previously trapped in their geography silos, are able to share best practices across regions and markets—the engineer in Brazil, for instance, sharing and collaborating with a counterpart in Germany—helping them adapt local products to global markets, enter new markets and grow top-line revenues.

In fact, one of the communities was responsible for a new global brand in a key product line being delivered in less than four months, three times faster than the usual 12. Such efficiencies are currently saving the company more than US\$1 million per year, providing an immediate return during the first year.

“I do believe this is the future,” said the executive responsible for innovation. “By making it easier to connect, we can make a big company look like a small company. The result is an agile, efficient and globally integrated enterprise.”

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**Project 4 estimated returns: US\$1 million in savings per year**

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## **Project 5: A “sticky” social network boosts revenues**

### **The organization**

A training institute for continuing education, with over 100,000 members, whose mission is to help members of the legal profession grow their professional competence and careers

### **The challenge**

As a provider of cutting-edge legal education, the institute wanted to further its leadership position—and its mission—by extending education and professional growth beyond formal seminars. The new business model would require development of an online web exchange using social technology that would, as the project leader described it, provide a place in which law practitioners could come “to get the latest news, legal analyses and information, as well as have immediate access to leading experts in the field.” If the concept succeeded, seminar attendees would return again. This “stickiness” would further their professional competencies and careers, while improving the institute’s prospects for business development through accelerated membership and seminar participation.

To achieve these goals, in late 2007 the institute set out the requirements for the web experience. The exchange would need a workspace for posting all seminar-related information and links to myriad content sources on related topics. Community members would need to share their profiles and connect with each other through email and instant messaging. A feedback mechanism was also needed so the organization would better understand clients’ learning requirements. And users had to have ways to build knowledge bases collaboratively.

### **The project**

Solution requirements aligned nicely with IBM social software. Together with an IBM Business Partner, the institute created an online experience that provides a comprehensive environment for Web 2.0 social networking, information exchange, document management and collaboration. At the heart is IBM Connections, which contributes support for user profiles, blogs, wikis, shared bookmarks and other social activities. These are complemented by email, instant messaging, document management and web conferencing capabilities supported by the broader IBM social collaboration portfolio.

Network users, by invitation only, are gently encouraged to complete their personal profiles. They then choose how to participate, what to display in their profiles and how they want to be contacted. Each user is then routed to a “microsite,” a community defined by the subject areas and attendees of a related seminar. Each seminar-based community is equipped with a wealth of social tools, as well as Really Simple Syndication (RSS) newsfeeds, legal documents and a network of legal bloggers. Seminar attendees can view and interact with fellow students, download course materials, query the faculty and conduct further research. Faculty can review the profiles of course registrants, perhaps adapting course material as a result.

After the seminar, the seminar-based communities live on. Handouts and course materials are available, and students are polled for feedback that will shape future programs. Members can continue to generate and share knowledge through wikis and blogs. They also can cultivate newly developed relationships for a variety of career-enhancing purposes.

## The results

A social network for the legal community has helped the institute achieve its primary mission of furthering members' education and professional growth. Currently, thousands of attorneys participate, including in-house counsel from most of the Fortune 1000 companies, as well as partners and associates from leading law firms.

Community members do the following:

- Stay engaged, returning again and again
- Locate expertise and get answers to questions
- Identify new career opportunities and market their skills

After utilizing social networking tools from IBM, the institute has experienced a positive growth in the client base of up to 1.25 percent per day. This rate of increase represents more members for seminars, more expertise to share in online communities, and more networking potential for the growing membership.

As one community member said, "The use of Web 2.0 technology makes it easy for associates to avail themselves of a user-friendly and sophisticated platform that permits them to learn from each other, network with their colleagues and establish and maintain business relationships."

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**Project 5 results: Growth in the client base of up to 1.25 percent per day**

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## Taking the social business initiative

The business value that the organizations highlighted in this paper expect to attain is distinct and measurable. Yet none of these companies are becoming a social business overnight. The transformation to social business is a journey.

Still, there's advantage to be gained by getting started as soon as possible. Your organization has the opportunity to jump in front of its competitors by deploying social software now—whether you're interested in building stronger relationships with customers or achieving new levels of innovation and efficiency. The biggest risk is to wait.

## Why IBM?

The IBM social collaboration platform provides an exceptional set of solutions and services for becoming a social business. IBM Connections software is the centerpiece of our leading social collaboration offerings, which also include IBM Lotus® Quickr® and IBM Lotus Sametime® software. Our social tools span the spectrum of workplace and marketplace interactions and can be integrated into key business processes or deployed as stand-alone applications. If needed, your organization can also tap into our broad industry, governance and consulting expertise to help ensure you get the most value from your investment.

## For more information

To learn more about how you can use IBM Connections solutions to make the transformation to a social business, contact your IBM sales representative or IBM Business Partner, or visit: [ibm.com/social](http://ibm.com/social)



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