



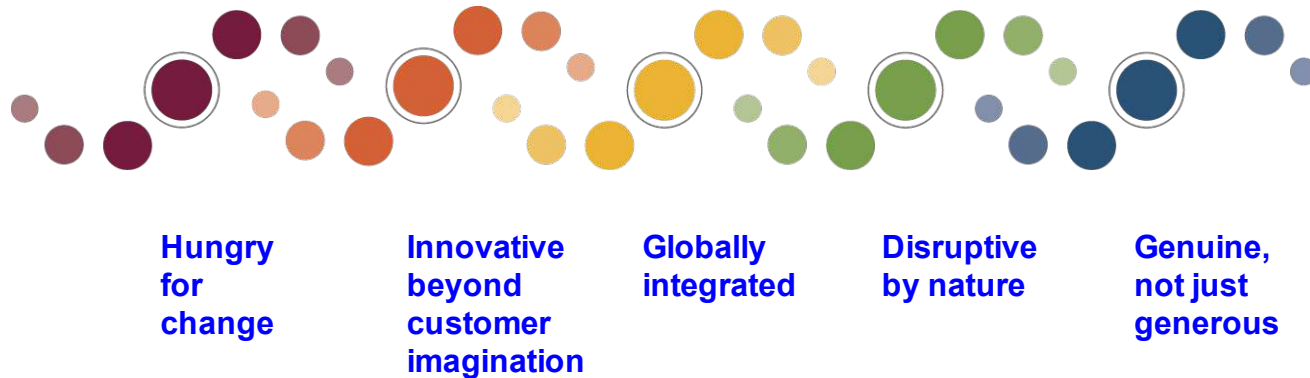
# **Social Computing** *as a strategic asset*

## **Building Better Business Outcomes**

Douglas Heintzman  
Director of Strategy  
Lotus Software

# IBM 2008 CEO Study

The collective wisdom of 1,130 CEOs has led us to the five core traits of the Enterprise of the Future



## Findings

- Organizations are bombarded by change, and many are struggling to keep up
- CEOs view increasingly demanding customers not as a threat, but as an opportunity to differentiate
- Nearly all CEOs are adapting their business models—two-thirds are implementing extensive innovations
- CEOs are moving aggressively toward global business designs, deeply changing capabilities and partnering more extensively
- Financial outperformers are making bolder plays

... ❖ | *CEOs can now assess how ready they are  
for becoming the Enterprise of the Future.*

## The Emphasis is shifting



Business  
Optimization

Business  
Automation

# New Initiatives Increasingly Focused on Optimization

Business Optimization Growth is **2 Times Faster** than Business Automation



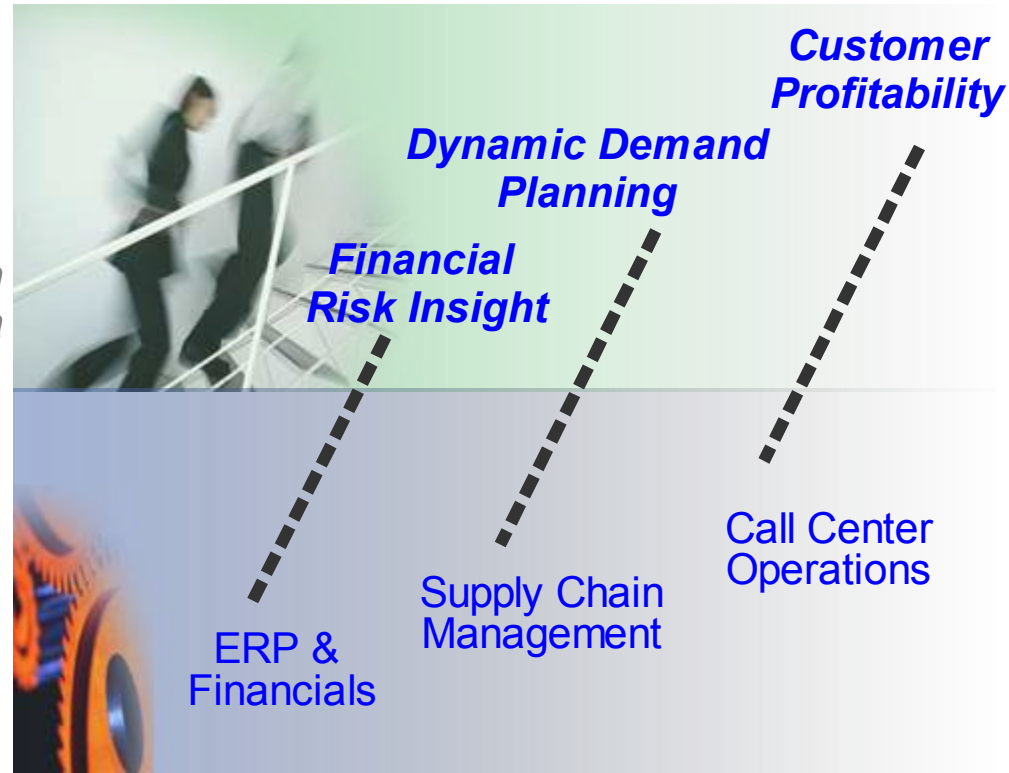
**Business Optimization**

Collaboration Agenda

**Business Automation**

Application Agenda

## Competitive Advantage



**Faster Processing, Reduced Costs**

# The Evolution Of Collaboration



Document Centric



People Centric



Community Centric

# Communications and Social Computing ...The Power of Participation

**Connect** to undiscovered information & experts

**Discover** new relationships

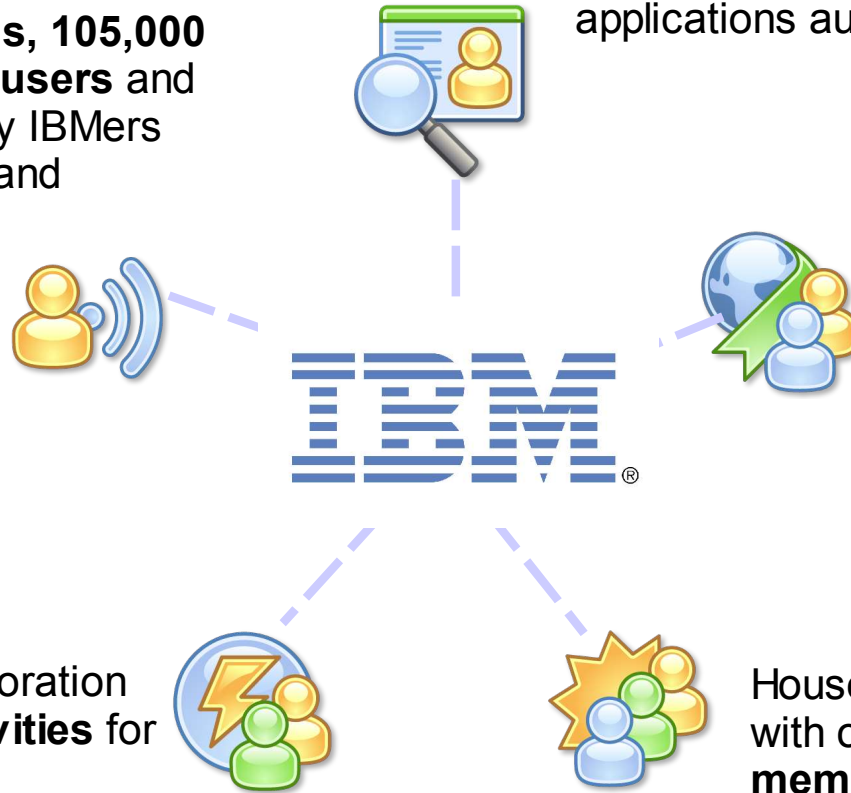
**Execute** better business decisions

# Social Computing at Work in IBM

Connecting and empowering IBM'ers so they can respond faster

Hosts **13,000 weblogs**, **105,000 entries** with **>37,000 users** and **23,500 tags**. Used by IBMers as a source of ideas and information sharing.

Holds over **514,000 profiles** and is the hub of user requests and all applications authentication for IBM.

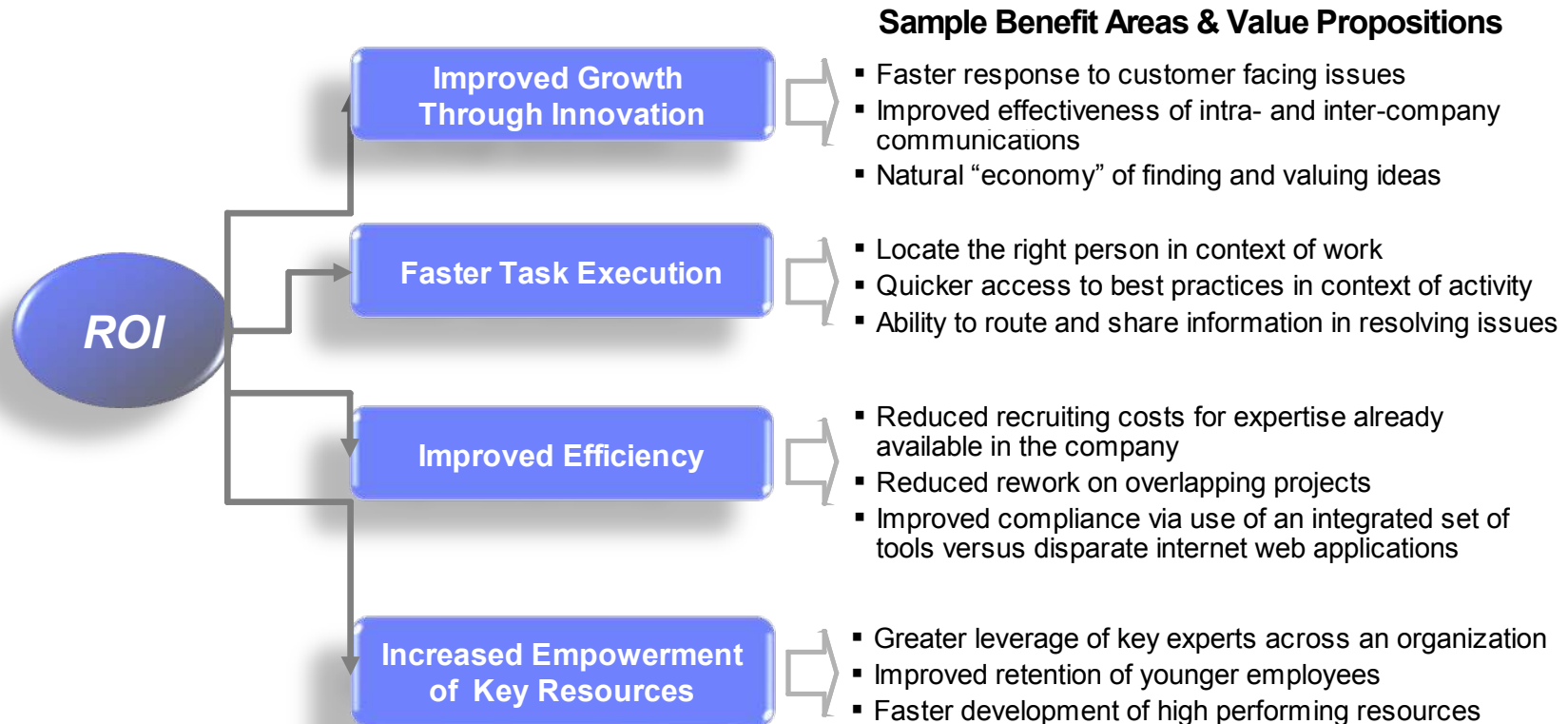


Home of over **457,000 bookmarks** with **>1,000,000 tags**. Serving a contributor population of 16,000 with enterprise search access to all IBMers.

Enables ad hoc collaboration with over **41,000 activities** for **67,000 users**.

Houses **1,000 communities** with over **267,000 unique members**.

# The ROI is represented across the following dimensions



# Enterprise Adaptability Services achieve increased innovation, efficiency and workforce performance by applying social networking technologies with organizational programs



Content



Experts



Collaboration /  
Social Networking



Learning

Organic Talent  
Optimization

## Talent Enablers



Roles

Increased  
Innovation

## Foundation



Technology



Social Capital



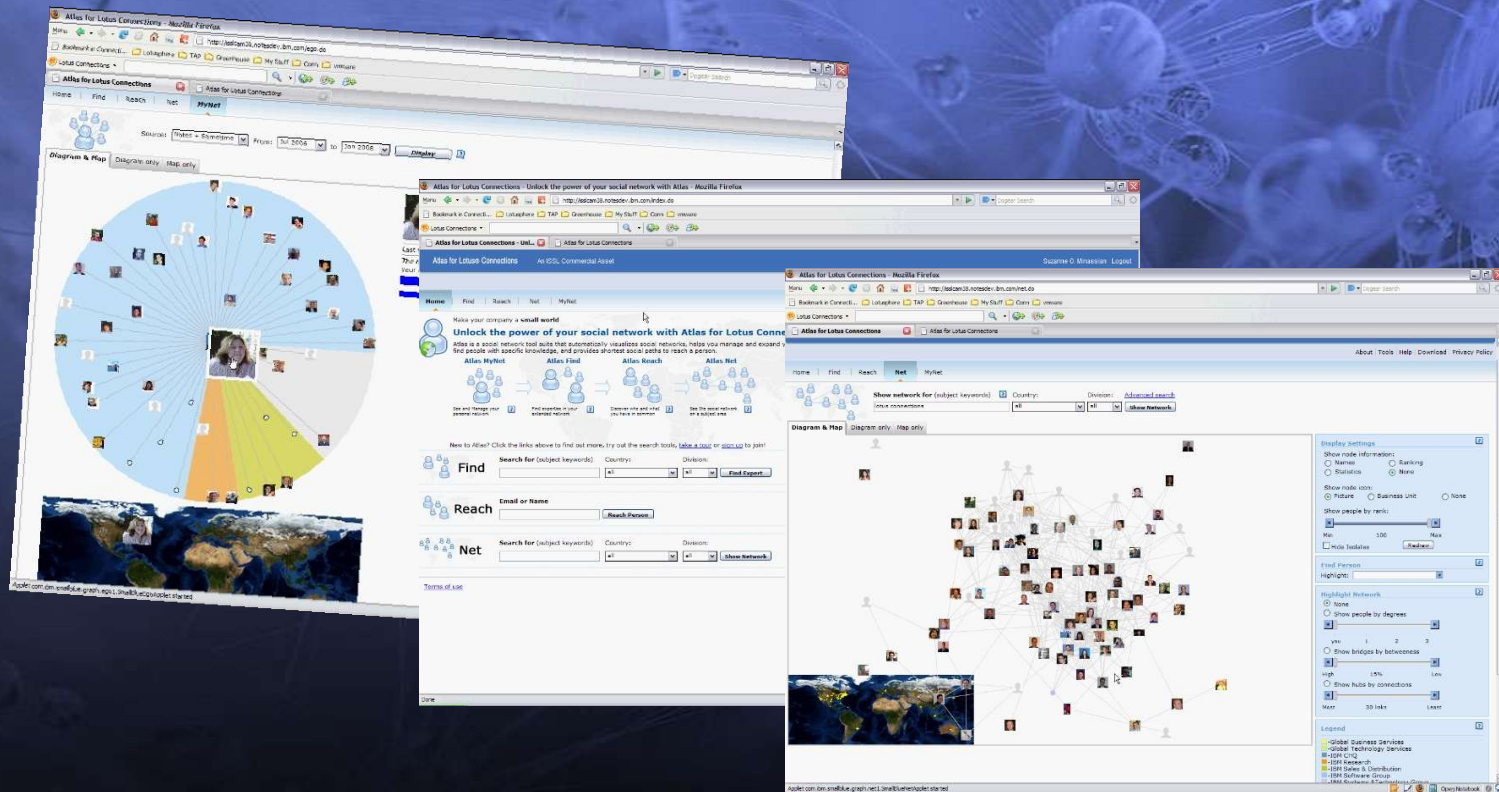
Governance

Reduced Risk

Increased Speed  
& Efficiency

# Social patterns, Semantic Content and Discovery

## Analytic tools to understand and measure social patterns

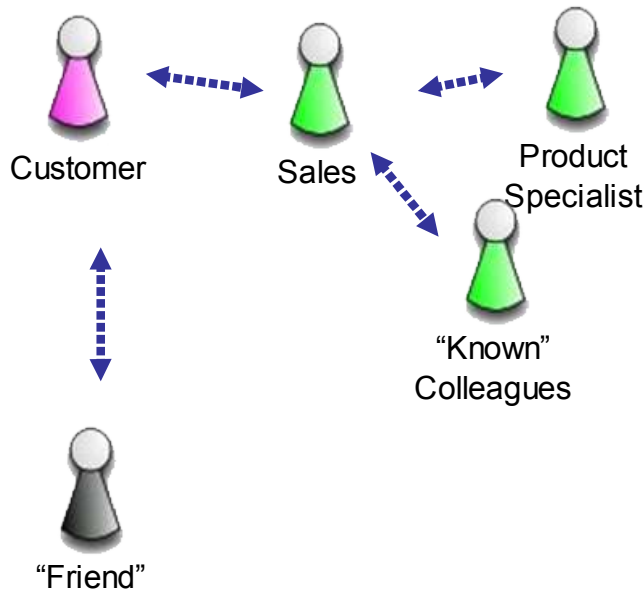


- Value created by participation
- Search evolves to discovery

## Simple ROI Example: "Individual" Sales

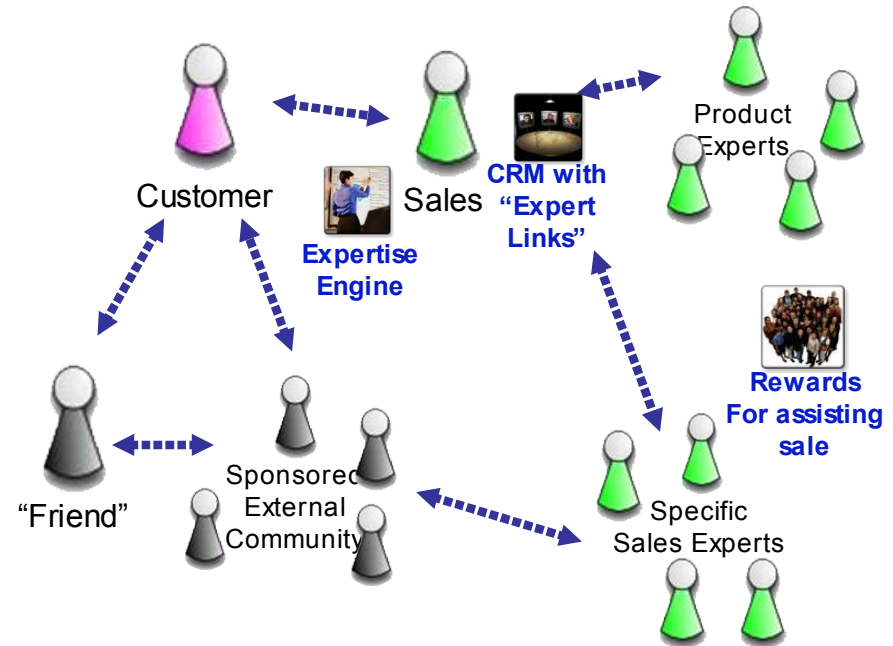
# Embedding collaboration into current process shows "role interaction patterns" that are repeatable ROI models

### Current State



- Sales person knows limited number of people at company
- Leads are put into CRM system (eg, Siebel)
- Customer may ask friends
- Very one-to-one relationship and interaction

### Future State enabled Embedded Collaboration



- Expertise, instant messaging, document retrieval integrated into CRM system (list of experts and related documents shown when done entering lead)
- Sales person can simply click to reach expert
- Collaboration enabled with customer
- Company sponsors "product-related" community to foster consumer-to-consumer interaction on "products"

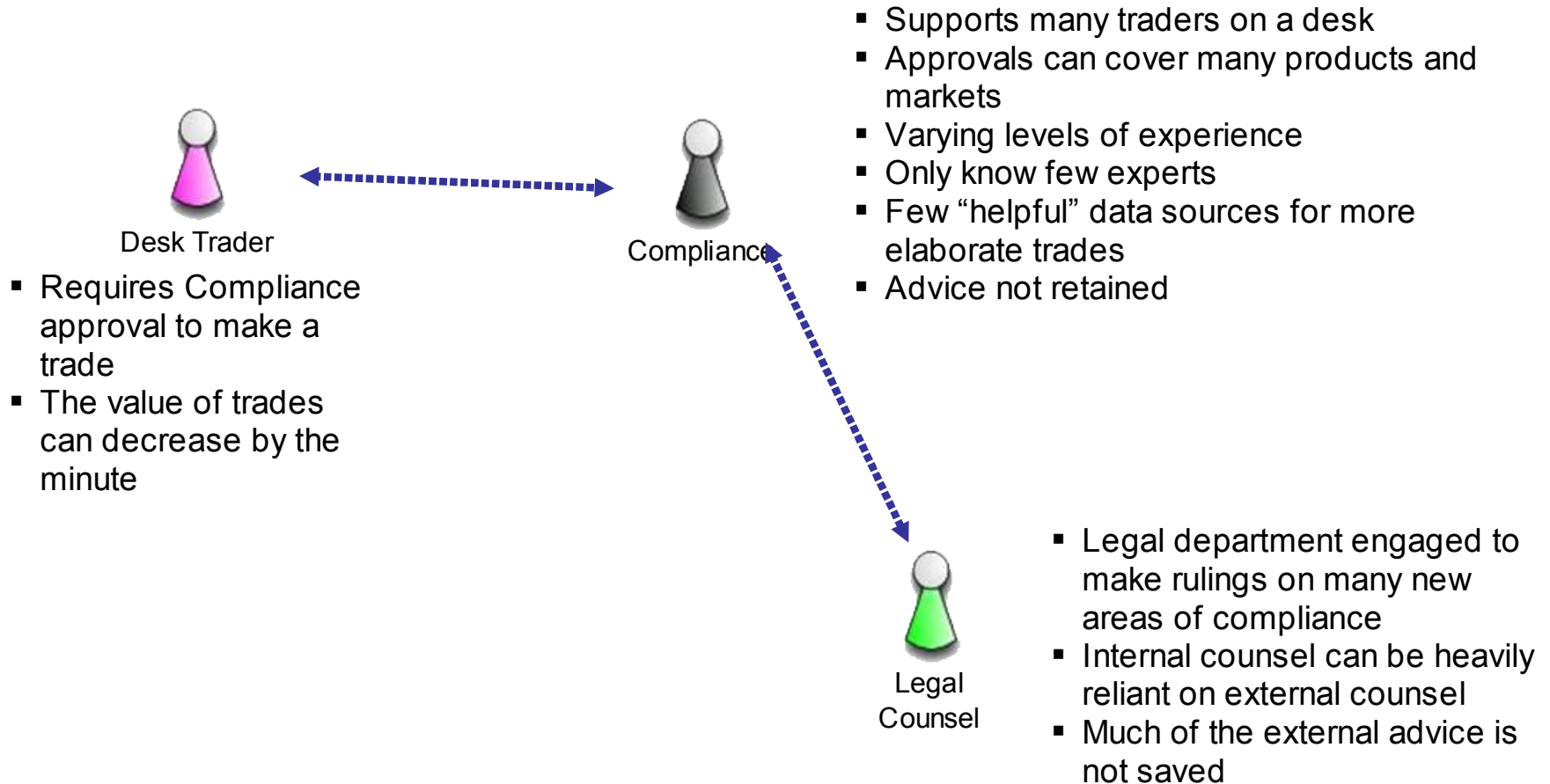
## Simple ROI Example: “Individual” Sales

**The role interactions are enabled by collaborative components that contribute measurable ROI**

Role Interaction	Enabling Components	Contribution to ROI Element			
		Conversion Rate	Revenue per Customer	Cost of Sales	Time to Sale
Sales ↔ Product and Sales Experts	<ul style="list-style-type: none"> <li>• Expertise engine</li> <li>• Integrated Instant Messaging into core CRM to show experts and documents in context</li> </ul>	<b>H</b>	<b>H</b>	<b>M</b>	<b>H</b>
Sales ↔ Customer	<ul style="list-style-type: none"> <li>• Instant Messaging</li> <li>• Community Tools</li> </ul>	<b>M</b>		<b>M</b>	<b>M</b>
Company ↔ Facilitated Customer Community	<ul style="list-style-type: none"> <li>• Full social networking capabilities enabling customer-customer interaction</li> <li>• Company sponsored events</li> <li>• Analysis of community interaction</li> </ul>	<b>M</b>	<b>H</b>	<b>M</b>	
Baseline	Collected				
Future State	Calculated				

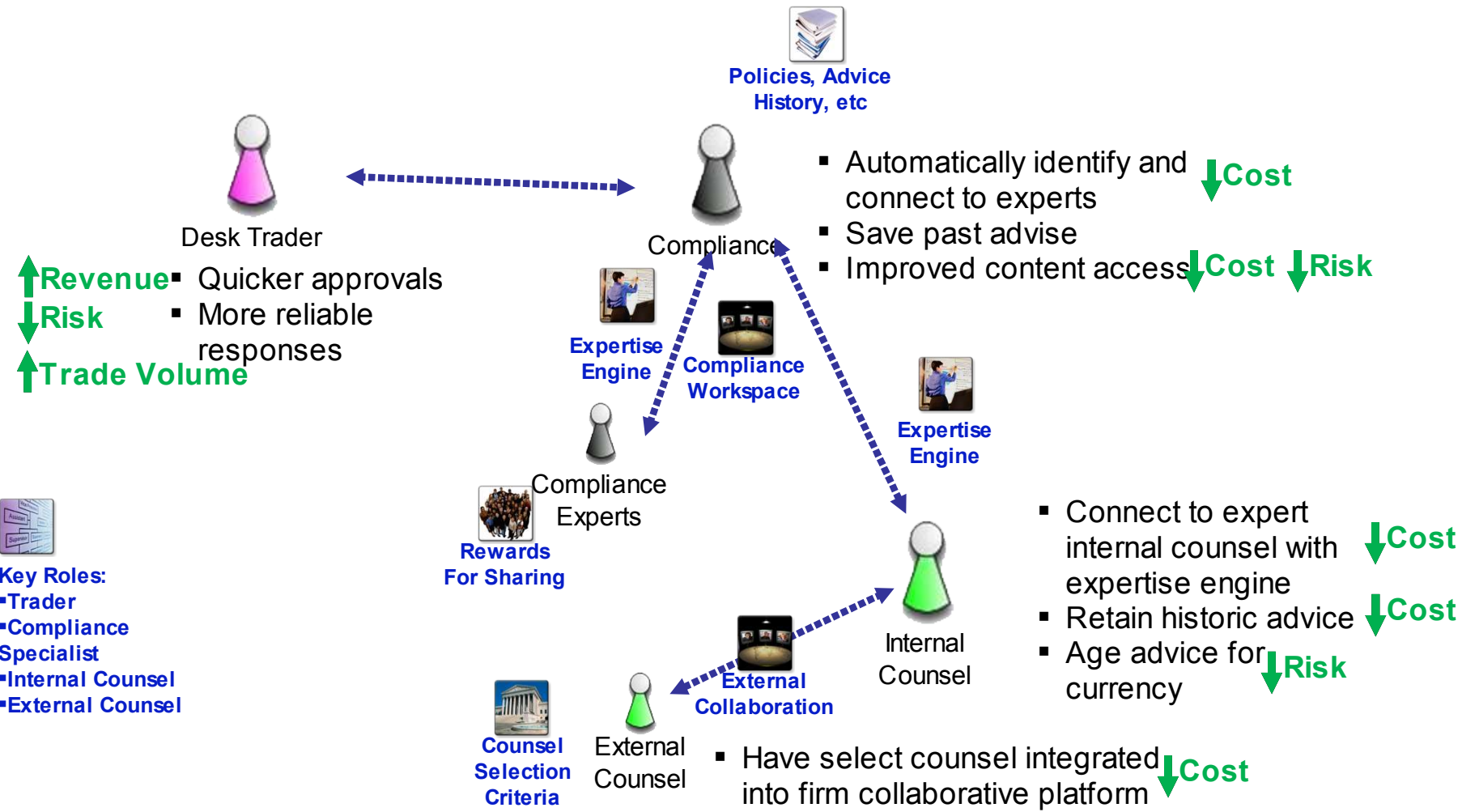
## ROI Example: Compliance

The current interactions are 1-to-1 within offices and known support staff



# ROI Example: Compliance

The application of the collaborative capabilities has a measurable impact on cost, revenue and risk



## ROI Example: Compliance

### Role Interaction Pattern components and ROI

Role Interaction	Enabling Components	Decision Speed	Trades / Comp	External Counsel \$	Violations / Fines	Revenue / Trade	Compl Turnover
Trader ↔ Compliance	<ul style="list-style-type: none"> <li>• Quicker approval with compliance portal</li> <li>• More “self-service” with advice retention</li> </ul>	H			M	H	
Comp ↔ Comp Experts	<ul style="list-style-type: none"> <li>• Expertise engine</li> <li>• Reuse and expert rewards</li> <li>• Retain and search advise</li> </ul>	H	H		H	H	M
Comp ↔ Internal Counsel	<ul style="list-style-type: none"> <li>• Expertise counsel engine</li> <li>• Historic advice repository with rating, etc.</li> <li>• Content aging</li> </ul>	M		H	M		M
Internal ↔ External Counsel	<ul style="list-style-type: none"> <li>• Legal Extranet</li> <li>• Integrated Unified Communications</li> <li>• Lawyer and response rating</li> </ul>	M		H			
Baseline	Collected						
Future State	Calculated						

# Key Lessons

- Make it easy to contribute to and leverage social content
  - Build social and collaboration capabilities into applications
  - Plugins
  - Lots of linkages
- Get to critical mass fast
  - Target deployments
- Think about social currency and rewards
  - Leverage pattern based ROI cases
- Learn from others
- Watch the public laboratory
- Allow the culture to evolve
  - Balancing control with freedom
  - Teaching good judgement is always the best route to security and compliance
- It takes new skills to manage in a culture of innovation



Thank you

# Linking people together

ODW Next

recent buzz

Welcome Douglas [logout]  
 your account about beehive  
 feedback tools

home ▾
profile ▾
people ▾
photos ▾
hive5s ▾
events ▾

Lookup ▾

**Douglas Heintzman**  
 Douglas is  
 Working on a presentation for the Institute for public administration canada on the enterprise use of social computing.

**the facts**  
 Blue Pages | Fringe

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 Joined Beehive: February 7, 2008  
 Last login: June 16, 2008

(To change the facts and your photo above, edit your Blue Pages profile.)

**beehive counters**

Ph 4	H5 1	Ev 2
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**featured**

Ph

230 watts on a CMsq  
 IBM Solar cell technology breakthrough

**H5 hive5s**

create hive5 | view all (1)

5

Lotus Strategy Team  
 Created: June 16, 2008

**Ev events**

create event | your invitations | view all (2)

Firefox Download Day 2008  
 Tuesday, June 17, 2008 1:00:00 AM

6-Month Prediction Markets Pilot - Start Date  
 TBD  
 Monday, July 07, 2008 9:00:00 AM

**about you**

add more

**connections**

add a connection | import from fringe | view all (24)

**Ph photos**


add photo | view all (4)

**the buzz**

add comment | next page

- On June 16, 2008,  
 Douglas Heintzman's status message changed
- On June 16, 2008,  
 Douglas Heintzman added Scott Smith as a connection
- On June 16, 2008,  
 Douglas Heintzman added Bob Pulver as a

# Micro Blogging

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IBM BlueTwit

BlueTwit

- Search
- Channels
- Tags
- UserList
- Stats
- Tools
- BlogCentral
- BlueTwit Blog
- IIOSB Project
- Bug/Feature Tracker

## DGHEINTZ's Stream

Newer
Reset
Older

[DGHEINTZ](#)

Working on a presentation for the Institute for public administration canada on the enterprise use of social computing.

Monday, June 16, 2008 3:50:02 PM

[DGHEINTZ](#)

Preparing a presentation for IPAC in Totonto on Enterprise use of Social computing technology

Monday, June 16, 2008 3:41:55 PM

[DGHEINTZ](#)

In Heidelberg preparing to present to BASF. Everyone really wants to understand about Global workforce optimization. Cultures of Innovation etc... Lots of inquiries about Connections nad hte ROI of Social Computing.

Tuesday, June 10, 2008 2:21:01 PM

[DGHEINTZ](#)

I'm now using the Sametime plugin for Bluetwit posting from inside of Notes 8.01


Thursday, June 05, 2008 2:55:20 PM

[DGHEINTZ](#)

Submitted!

Thursday, June 05, 2008 2:54:37 PM

[With friends replies](#)



# A Social Dashboard

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Search All

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Jeffrey Yang | Today 10:55 PM | [Details](#)
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Fred J. Pycko | Today 10:52 PM | [Details](#)
- 280 Slides - Create & Share Presentations Online**  
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**Social Software**  
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[Feeds](#) | [Bookmarks](#) | [Forums](#)

**Lotus Quickr Community**  
Douglas Heintzman | Today 10:56 PM  
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### Profiles

My Profile ▾

**Douglas Heintzman** | [profile](#) | [edit](#)  
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 E-mail: dgheintz@us.ibm.com

Search By: Name

### Blogs

Latest Blog Entries

**Software Trends – Interview of Bill McDermott, CEO of SAP**  
granato@us.ibm.com | Today 10:18 PM | [Details](#) [☆](#) 0 [□](#) 0

**Using Skype within IBM**  
Dale Rebhorn | Today 9:56 PM | [Details](#) [☆](#) 0 [□](#) 0

**If you received an e-mail from Ed White, be sure to follow the link**  
Fred Clarke | Today 9:51 PM | [Details](#) [☆](#) 0 [□](#) 0

Viewing 1-3 of 100 blog entries [Previous](#) | [Next](#)

### Activities

My Activities ▾

+ June 2008 +

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	>10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

**Monday, June 16, 2008**

- [1 new responses to your posts](#)
- [View new entries in your high priority activities](#)
- [My Activities](#)

DRAG THE WIDGETS TO ADD THEM TO THE PAGE.

- Twitter** ▾
- Atlas Profile** ▾
- Cattail** ▾

# Sharing ideas and perspectives

## Lotus Strategy Team

Strategy and Lotus

### Locate entries

 All Entries 

### Blog Tools

- Post an entry
- Create a new blog
- Subscribe to entries
- Subscribe to comments

### More

< Previous | Next >



### What is the best way to do CRM in the giant w3 social networking world?

Alan Lepofsky Today 3:21:55 PM



Our team spends a great deal of time speaking with customers. That involves direct customer visits, at conferences, via executive briefings, and more. Today we were talking about how we can best capture and share this information. If I go visit customer X, how many other IBMers across the world have probably had contact with that customer? Shouldn't we all know what everyone else knows?

Should we just create a blog entry, using a format like:

Customer Name:

Date:

Location:

IBMer's present:

Customers present:

Summary:

What do you think?

0 Comments

« June 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Today



### ROI and Social Computing

Douglas Heintzman Today 1:14:30 PM



Most people kind of intuitively understand that people, and by extension organizations are more productive when there exists communication and collaboration infrastructure that allows them to interact with each other. It isn't the kind of thing that people spend a lot of time worrying about. It is a "dial tone issue". Can you imagine an organization that didn't have any phones of any kind. You don't spend a lot of time doing cost justifications on getting phones.

The emergence of social computing infrastructure has the potential of allowing great ideas, where ever they may originate in the world, to be discovered, iterated, refined, turned into goods and services and be tailored to a certain geography or demographic. This technology has tremendous potential especially when it comes to protecting, or making durable, the organization's tacit information base and harnessing and leveraging user created content. It does also have some real cost to it. The software and servers and support cost real money. Even more daunting is the management of the cultural changes that are an inevitable outcome of the adoption of Social computing technology.

In a climate where budgets are tight, where energy costs are higher than anticipated, and there are many other projects competing for limited IT dollars, it is important to look at the ROI question. The ROI case for business automation technology is getting comparatively less attractive largely due to the success those technologies (ERP, Supply chain management, etc) have had had simplifying business processes and driving cost out of the business. So it is into the environment of diminishing returns of IT on cutting cost out of the bottom line, increased global competition, technological disruptions and the raw potential of collaborative value creation by leveraging the extraordinarily cost effective communication and data transmission, that the ROI case for Business Optimization (largely collaboration and social computing) must be considered

1  
computing  
strategy  
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lotus  
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### Blog Tags

more  less  
symphony

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Ryan A. Boyles



elesar's - The KM Blog  
Luis Suarez

# Sharing and socializing content

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lotus Lotus strategy Strategy



**Douglas Heintzman**  
Director, WPLC (Lotus) Strategy  
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		<b>Social Computing ROI</b> Social computing roi.odp <a href="#">2.0 computing Lotus_Strategy Social Web</a>	7.9M	June 16, 2008	1
		<b>Lotus strategy presentation</b> LotusStrategy06 2008 short version.odp <a href="#">lotus strategy</a>	30.7M	June 05, 2008	26
		<b>Lotus Strategy Presentation Long version</b> LotusStrategy2008v2c.odp <a href="#">lotus Strategy</a>	32.0M	June 04, 2008	12
		<b>Lotus Strategy Presentation for Analysts Dec. 2007</b> Lotus deck for Analysts 12_19_2007.odp <a href="#">Lotus Strategy</a>	20.0M	January 29, 2008	3
		<b>Lotusphere Strategy Presentation</b> INV101 v2.odp <a href="#">Lotus Strategy</a>	30.8M	January 29, 2008	49
		<b>Lotus Strategy Analyst update charts Dec 2007</b> Lotusphere preview for analysts.odp <a href="#">Lotus Strategy</a>	12.1M	January 28, 2008	1