Building a Social Business

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Why Social Business?
What is Social Business?
How are Organizations Doing It?
“If You Are in Business You’ve Got Problems”

-David Burk
Information is moving
In real time
The Real-Time News Cycle

Day One

- 15+ MIL.
- 10+ MIL.
- 5 MIL.
- 1 MIL.

5:30 PM
12:00 AM

Day Two

5:30 PM

WSJ Print
The Real-Time News Cycle

Day One

15+ MIL.

10+ MIL.

5 MIL.

1 MIL.

5:30 PM

Day Two

12:00 AM

TIME

CNET.com
NYTimes.com
CNN.com
AP.com
WSJ Print

INFLUENCE
Information is moving in all directions
Apple Acquisition News Revealed on LinkedIn Profiles

The notoriously secretive Apple has acquired two companies. News of one deal broke partly thanks to changes in employees' LinkedIn profiles.

By Courtney Rubin | Apr 29, 2010

After weeks of speculation, Apple Tuesday confirmed it acquired privately held Austin chip designer Intrinsity. The company, founded in 1997, develops high-speed, low-power version of popular chips. It's also reportedly designed portions of the processor that Apple used in its iPad. Apple wouldn't confirm the purchase price, but it's reported to be $121 million. Intrinsity's homepage has been unavailable since Tuesday.

RELATED ARTICLES
How I Did It: Reid Hoffman of LinkedIn
Attacks on Social Networks Increase By 70 Percent

SUGGESTED LINKS
Privacy Concerns Continue to Dog Facebook
People Don’t Trust You

YAHOO!

You Always Have Other Options
Only 14% of people trust advertisements

78% of people trust the recommendations of their peers

{Conversation}

<table>
<thead>
<tr>
<th>Profession</th>
<th>Rating</th>
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<tr>
<td>Nurses</td>
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<td>Druggists, Pharmacists</td>
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<td>Chiropractors</td>
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<td>Congressmen</td>
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<td>Insurance salesmen</td>
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<td>HMO managers</td>
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<td>Advertising practitioners</td>
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<td>Car salesmen</td>
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</table>

- Armed forces: +43%
- NGOs: +27%
- Education system: +26%
- Health system: +17%
- Trade unions/labor: +2%
- Legal system: -2%
- Global companies: -9%
- Large national companies: -10%
Digital shifts *Where*
people spend *their* time
Shifts in Media Habits

The communications landscape has changed as a result of social media and the growth is exponential

2009 Statistics:

- More than 70 million videos on YouTube
- Over 133,000,000 blogs indexed on Technorati
- 1.7 billion tweets on Twitter
- 400 million + users on Facebook representing 170 countries/territories
- Dramatic decline in newspaper circulation
Closed Newspapers: 2007
Closed Newspapers: 2007-2008
Closed Newspapers: 2007-2009
The time spent / ad spend gap

**Ad Spend**
- Online: 8%
- Radio: 9%
- Magazines: 6%
- Newspapers: 20%
- Television: 32%
- Other: 25%

**Media Time**
- Online: 29%
- Radio: 19%
- Magazines: 7%
- Newspapers: 8%
- Television: 37%

Source: eMarketer, Forrester Research; ZenithOptimedia; Marketspace Analysis
Digital shifts **How** people spend their time
Digital Shifts **What**
We Expect And Want
“No Flash Ads. No Banner ads. No pre-roll video ads. Make an awesome product and then find online communities that would like your product and become a member of that community. Allow the community to have conversations about your product or service and welcome the input.”

Ethan Bodner – 17 – High School Senior (2007)
The Internet is not disruptive because it shifts business models...
It is disruptive because it shifts mental models...
Analog ➔ Digital

books, newspapers, music, movies communications, commerce…
Isolated ➞ Networked

people, content, devices, systems
Tethered ➞ Mobile

everything is connected
workforce replaces workplace
Closed ➔ Open

journalism, software, hardware, innovation
Subjects ➔ Verbs

creators, publishers, critics, citizen journalists...
From 
Analog 
Isolated 
Tethered 
Closed

→

To 
Digital 
Networked 
Mobile 
Open
Past → Future

Analog → Digital
Isolated → Networked
Tethered → Mobile
Closed → Open
Business ➔ Social Business

Analog ➔ Digital
Isolated ➔ Networked
Tethered ➔ Mobile
Closed ➔ Open
We are **Changing** Faster than Our Institutions
Change is Painful
This marks the end of civilization
“Whosoever reads the Scriptures in the mother tongue, shall forfeit land, cattle, life, and goods from their heirs forever, and so be condemned for heretics to God, enemies to the crown, and most arrant traitors to the land.”

English Law, 15th Century
How do I stop these people?
Is it Safe?
Change is Inevitable
How Are Organizations Doing it Well?

three key questions...
How Are Organizations Doing it Well?

how do I align employee talent with organizational mission?
who “owns” social media and how do you “run” it?
how do I measure a social business?
How Are Organizations Doing it Well?

all answers are provisional
no one is getting everything right
proceed with more humility than caution
How Do I Align Employee Talent with Organizational Mission?
Find and Promote **Passion**
Lead With Smart Power
Lower Information Boundaries
Poohbahs

Set Vision
Align Structure
Drive Education
Create Safe Havens for Change

Pirates

Challenge Norms
Forge Alliances
Create Successes - Share Stories
Seek a Port in the Storm

Joshua-Michèle Ross - Opposableplanets.com
Set up a Social Business Council

Marketing
Communications
Product Development
Human Resources
Legal
IT
Live Your **Guidelines**
Guidelines Framework

CODE OF CONDUCT

GENERAL GUIDELINES— All Employees

Getting Engaged
(Action Steps and Best Practices)

OFFICIAL GUIDELINES— Employee Reps

Training and Certification

Brand-Specific Extensions
Who "Owns" Social Media?
Who Owns Social Media?

Who Wants the opportunity?
Who has a Mandate from top management?
Who has core competency that aligns with social business objectives?
Who is fittest to collaborate
How do you “run” it?

The Distributed Model

- Let 1000 Flowers Bloom
- All departments practice social media. Business unit and department executives leverage social channels.

Based on http://adage.com/digital/article?article_id=142221
Three Models of Governance

The Centralized Model
- Executive sponsor leads. Goals, policies, guidelines, and investments are convened by a chair.
- Suitable in regulated industries, cultures with more formal hierarchy
Three Models of Governance

The Blended Model
• Gives authority to the “edge” of the organization to engage the world
• Provides some central planning and guidance
How Do I **Measure** Social Business?

measurement is costly
measurement is cultural
some things can never be measured
Don’t say ROI unless you mean it

ROI is a financial metric. Must take one of three forms:
  • Revenue generated
  • Cost savings
  • Cost avoidance
Consider Value Creation...

Value is an investment that eventually may be ‘cashed in’ as ROI. It is both tangible and intangible.

• Create awareness
• Increase purchase consideration
• Enhance brand strength
• Improve reputation
Connect to Existing Business Process...
# Measurement, Research and Planning

<table>
<thead>
<tr>
<th>Business Objectives</th>
<th>Business Process Addressed</th>
<th>Communications Model</th>
<th>Research Approach</th>
<th>Key Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase share of positive coverage from 15 to 25% by year-end 2010</td>
<td>Reputation</td>
<td>X</td>
<td>Media monitoring and content analysis</td>
<td>Net Positive OTS</td>
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