

LIVINGSTON(communications)))

# The Socialprise

BY Geoff Livingston

# Welcome to the Socialprise

Global enterprises of all sizes are facing the first sea change since the industrial revolution. The impact of information technology has accelerated, creating two-way communication tools that are rapidly changing the very nature of business through collaborative co-creation, conversational and crowd-sourcing tools. The end result is an unprecedented socialization of business, and hyper-engaged group of stakeholders within the company fold.

C.K. Prahalad, one of the world's brightest minds according to *BusinessWeek*, often counsels the likes of Bill Gates, prime ministers and other dominant voices regarding global business trends. C.K. believes social networks are profoundly impacting the way businesses execute. The premise: Businesses are now engaging in co-creation experiences with their global employees, customers, and vendors.

In other circles, co-creation is referred to as the Long Tail or the Meatball Sundae (the latter of which, according to Seth Godin, is really a derivative of the Long Tail, anyway). C.K. published his first book on co-creation two years before Chris Anderson's wildly influential book, "The Long Tail," hit the shelves.

At its core, co-creation is a reaction to the new industrial era: Mass, blanket production is no longer effective. "Good enough" is not enough. In order to foster unique and improved business results, businesses must customize socially enabled platforms and creative engagements. Examples include Nokia's Mosh, Dell's Idea Storm (and subsequent products), your personal iGoogle page, Mini Cooper and Build-A-Bear communities, and more.

Several critical factors are driving this sea change:

**1. The U.S. economy, workforce and the country (as a place to live) is no longer dominant.** Gone are the days when foreign talent felt compelled to come to our shores. Great minds study here (and in some cases, study abroad) and return to better opportunities in China, India, and other emerging markets.

**2. Talent must be found in other countries.** Companies like GE, Ford, and IBM are seeing tremendous growth . . . abroad. To successfully execute within international regions, many global companies are using social networks and other communication tools to engage off-shore talent (India is the second largest home of IBM's employees).

**3. With the advent and proliferation of social communities,** today's technically savvy generations expect to be included in co-creation processes, often through collaborative communication tools. These co-creation processes are internal, enhance customer experiences, and influence partnering engagements.

**4. To succeed, processes must be put in place** for social engagement across the organization to use these communication tools. Processes must eliminate ethnic, religious and cultural barriers to co-creation. To paraphrase Tom Friedman, the world must flatten through these communication tools so that businesses can successfully develop platforms for all business purposes.

**5. Micro-roles are increasingly prevalent.** With micro-producers, micro-contributors, and micro-consumers, anyone connected to the globe's social networks can participate.

The future is now. Individual conversations seem small in scale to the actual global movement by the world's information and

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industrial complex, shifting gears to compete in the next economic environment. [Social media releases](#) pale in comparison to great equalization movements caused by worldwide economic forces acting through social connectivity. Again, consider that IBM is using social media to deploy cohesive teams throughout the world, regardless of geographic boundary. Yes, much of today's business discussion revolves around marketing with – and the evolution of – social media. But collectively – this ends somewhere much bigger.

The U.S. will play a new, less dominant role, thanks to global and industrial use of this new communications environment. And Silicon Valley's mastery of social technologies? Well, as with many discoveries, things might surface in one place but then be mastered somewhere else on the map. Consider that Europe is driving forward with the development of [most of the leading mobile social networks](#).

## Social Networks Will Fly Like a Led Zeppelin

*The band would "go down like a lead zeppelin" – Keith Moon and John Entwistle's [alleged remarks](#) about the New Yardbirds, a band that quickly renamed itself as Led Zeppelin. The band played on, and went on to be ranked the No. 1 band of all time by VH1, and – via Rolling Stone magazine – "the biggest band of the 70s."*

Social networks impact on business will be like flying a led zeppelin ... the Page/Plant variety. At first, businesses avoided social networks. Ironic: as with Led Zeppelin's impact on music, social networks will have a lasting effect on the way commercial activity is conducted.

'[Social networks will be like air](#),' stated Charlene Li while recently promoting her new book, "Groundswell." While certainly a strong and valid view of the future social network environment, the book's proposed model of "pay per ad based on influencer's weight" might seem far-fetched.

Even so, social networks are already having a huge impact on businesses, particularly enterprises. Consider this: First will be

widespread **co-creation** experiences in all aspects of businesses, from purchasing to employee teams. Second, will be an **expansion of globalization as a trend and increased homogenization** of best practices across businesses. And third will be the widespread **opening of corporate communications** throughout the enterprise. Lastly, [in reference to the well loved Internet marketing classic, "The Cluetrain Manifesto,"](#) there will be a market for company-introduced **messages**, er, um, **ideas**.

## Co-Creation

There's simply not enough space to explain the theory of the Long Tail/Meatball Sundae here. Some of the products and services purchased in the Long Tail are developed through co-creation with customers (as introduced to me [through C.K.](#)).

Consequently, the next generation of workers wants to be part of development and fulfillment. They expect to co-create the company's products and services, not just sit on the assembly line.

In essence, co-creation opens up the very function of business and [harnesses the human power of socialized networks](#), both public and private. Co-creation assumes that the collective power offered by networks is greater than that of any given institution (see [Johnnie Moore](#) and [James Cherkoff's](#) video found through [Piers Fawks](#) for more insight). In order to successfully collaborate, companies and their top leaders must relinquish control of their product designs, development processes, and customer service approaches, and allow customer and employee input for the betterment of the whole.

Social network communication tools serve as an ideal mechanism to foster collaborative co-creation. They allow for teams of people in and out of the company to be geographically, ethnically and religiously agnostic. Businesses need to foster these environments and serve their communities by providing information on demand and real value in outbound initiatives. In essence, this approach becomes community management.

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## Expansion of Globalization and Increased Homogenization of Best Practices

Like it or not, the United States is experiencing a great economic change, and the forces are not just recession-based. At the heart of the change is an inability to effectively compete in the new networked information economy. The result is a workforce that expands well beyond conventional physical boundaries and into a worldwide talent pool.

Our education system, financially ruined economy, and limited workforce are forcing companies to actively spread their wings and deploy to other countries. This expansion extends beyond sales and into workforce development, as [General Electric](#), [IBM](#), [Ford](#) and [Abercrombie & Fitch](#) would know.

With development expanding across the globe, systems and networks need to foster co-creation. Communication processes should eliminate cultural, ethnic and religious barriers to collaboration. The end-result of successful efforts will be dynamic [information sharing environments](#) like we have never seen before. Some dub this new movement Enterprise 2.0, and others liken it to a “[socialprise](#)” (a term coined by [ReadWriteWeb's Sarah Perez](#)).

Because so many people from different cultures participating, it is inevitable that unique best practices will become socialized and adopted. Germany's engineering savoir-faire and China's low-cost manufacturing practices will be shared. With more cooks in the kitchen, of course, some of these practices may become watered down (or improved). Overall, the homogenization of unique best practices will be a distinct end-result of globalization.

## Opening of Corporate Communications

With widespread use of social networks inside businesses and externally throughout the world, information will be much more accessible through many more sources. The incredible information flow resulting from co-creation and collaborative sharing will produce new communication challenges for companies. Questions and answers will be expected and challenged, and without hesitation.

Some, like Forrester's Josh Bernoff, co-author of “Groundswell,” believe that companies can act like entities in social spaces. Others, like “Naked Conversations” co-author Shel Israel, disagree. Shel believes that companies need their people to act as individuals on behalf of the corporate entity in socialized worlds. Because of the very nature of social media, it will be much harder for companies to diffuse their messages as an entity.

Many corporate experiences confirm Shel's thoughts. The monolithic command tower approach – long used by businesses – is frequently rejected in social networks (and social media at large). Spin and message control – prevalent in mass communications environments – is unattainable and unwanted in fractured two-way conversational communities. Patience is short with companies in this regard.

Accordingly, [personality must be infused into social environments](#). Identifiable people that work inside companies must represent the entity. They need to be ready with factual, timely information that actually matters to the stakeholders – internal employees and external buyers, partners and investors. A Twitter example is [@richardatDELL](#) versus [@appleinc](#). One has become intensely more personal as a result of related discussion.

In this sense, the communicator truly becomes an ombudsman between stakeholder and management. Yes, there will always be marketing and related initiatives, but it will be much more service oriented. Successful communications will deliver clear value. And companies that want to maintain good relations with their stakeholders will treat them as if the company was in a permanent crisis: Always prompt, always factual, always open.

This change breaks the methodologies of many traditional PR, communication and marketing departments. Almost every online conversation concerning the evolution of PR and marketing deals with this paradigm shift. Social media has turned the business upside down.

## The Idea Market

In the “Cluetrain Manifesto,” Doc Searls said there's no market for messages. Ten years later this still holds true. Canned messages

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meant to manipulate customers into buying bad product are disregarded. But there's still a market for companies to participate in the larger discussion. For example, why couldn't a company introduce its ideas in social environments?

When companies play in larger communities and social networks, they can vet ideas for co-creation. These can be new concepts or product ideas. Isn't that what GM is doing with its increasingly transparent design process? In the co-creation model, stakeholders accept, reject and/or modify these concepts and ideas. If there's clear value, then it's likely the idea will be accepted by its community.

In that sense, there is room for the company to play a significant role. That role can be introducing ideas to the marketplace, creating environments for co-creation, and ultimately making the decisions about which ideas get funded. That's business.

A current crowd-sourcing environment is Dell's Idea Storm. Not every idea created and vetted in Idea Storm goes to market. Far from it. Dell must make decisions about which ideas will lead to profitable ventures. Even better, many of the users of Idea Storm voice their opinion, clueing Dell into which ideas have a better chance for success.

The socially enabled business environment is still emerging. But companies are moving there – rapidly. Ten years from now, things will be much different. What was the toy of the amateur will be the engine for big industry. This seems like a good deal, as co-creation and collaboration can only make for stronger, more responsive businesses that better serve the needs – and demands – of the marketplace.

## Marketing Departments Become Two Way

Communicators will have to change their practices to meet the medium. As we have already seen, this change may be very difficult for some. One must wonder how they will embrace the new two-way world where many of the conversations occur outside of "natural" channels.

As socialized feedback becomes increasing prevalent across a wide variety of business functions, enterprises will need to better

absorb external information. This new, listening socialprise will change from an outbound marketing communications machine to an organism interacting with a larger community of stakeholders.

In turn, the marketing department will also have to incorporate feedback. Consider that the usual business activity of executives includes determining strategy, followed by research and product development and an outbound marketing push.

In the social enabled environment, a majority of marketing department activities can and will receive direct feedback from its customers. As a result, the structure of corporate communications will change. Not only will marketing communicate outwardly, but ideally it will also serve as an intermediary reflecting stakeholders' input.

Here's a chart that demonstrates this two-way feedback with various marketing functions:



Notice that almost all of the marketing functions have two-way feedback. Even advertising and direct marketing can inspire conversation within a larger stakeholder community. This feedback should be received through other vehicles, such as a social media monitoring program.

As a disclaimer: Some may place different tools under the control of another function like PR or product marketing. This is particularly true in the case of social media, which is often fought over by different departments within marketing. In large part, this is because social media combines aspects of many disciplines.

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Used in the right way, external feedback can affect the very core of a business's strategy. Consider [Dell's change in customer service](#), or its decision to offer Linux services. How about [Southwest's decision](#) to postpone assigned seating? The trend is spreading, too. Sarah Perez's [already referenced post](#) discusses several new tools that companies can use to harvest customer conversations.

## The Science of Listening

This movement opens Pandora's Box ... [Which conversations are the right ones to listen to?](#)

The socialprise of tomorrow will have so many conversations coming at it that internal communication departments will need to create new systems to handle the barrage of input. In environments where conversations, suggestions and thoughts are aplenty, a good part of the marketing job becomes determining what input is irrelevant.

Consider [co-creation](#), [crowdsourcing](#), [blog conversations](#), wikis, etc. [Which conversations within these spaces are the right ones to listen to?](#) It's important to acknowledge and respect every conversation, which is the [customer service element of social media many have discussed](#). Yet, there is a difference between hearing and listening.

Not all feedback and suggestions can be adopted by a socialized company for a wide variety of reasons. The idea suggested may not be profitable. It could be outside of the company's core competency. The suggestion could be [those of an Internet stalker or what is often called an online troll](#), a person bent on creating ill-harm. Or the concept may not reflect the needs of a vast majority of a company's customer base.

That doesn't mean the suggestion isn't valid or that the idea can't be profitable. But it may not be right for that particular business. How many suggestions in [Starbucks' crowd-sourcing initiative](#) are actually [going to make it to market?](#)

## Short Term Remarks vs. Long Term Trends

[Measuring and monitoring](#) are critical. To successfully understand the conversation in its many forms, corporations need to effectively mine data. For larger companies this can include databases of information stored up over extended periods of time. This enables a company to see trends evolve over months, even years.

Many say that feedback through blogs and crowdsourcing initiatives represent [the ultimate, unsolicited focus group](#). But extrapolated over time, data received from customers, employees and other stakeholders can be analyzed in a scientific manner. This becomes true market research.

However, learning to take harvested information to effectively gauge the marketplace's needs for competitive advantage is a different skill. It requires intelligent analysis and understanding that there may be a latent need. On an individual day particular feedback may not be valuable, but in a larger context that feedback may be part of a critical trend.

Starbucks customers complaining about large coffee sizes may be disregarded today. Repeated suggestions seen over months on blogs as well as [My Starbucks Idea](#) may cause the company to actively promote "Shorts," in addition to Talls, Grandes, and Ventis.

Innovation and new product ideas can be garnered from intelligent research geared toward feedback. It's just a question of perceiving the value, and then heeding the conversation.

## Instead of Conversation, Think Engagement

Many marketers tout the value of social media conversation, and any outside touches with the community are considered a result. To a business this communicates a failure: The marketer lacks understanding of social media. It's like peddling the intangibles of endless chatter.

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In a socialprise, socialization's true end result is not the cliché "conversations" often cited as the primary reason to market with social media. It's a psychotic, engaged, rabid fan base that touts your good tidings. Conversation is just the raw harvest that yields the silk to be weaved into a fine, priceless garment.

A [video \(1:30\) executed in Europe by Robin Good with Sami Viitamäki](#), a Social Media specialist for [TeliaSonerra](#), Finland's main telecom company, is titled, "Social Media: What social media is all about conversations?" It demonstrates both marketers' over reliance of treating conversation as an end result, and the latent true value of engagement and other intangibles. Viitamaki states the benefit as spectacular human interaction with the company on a wide scale basis.

For the socially-enabled enterprise or socialprise, the end results of engaging diverse stakeholder communities of customers, partners and employees cannot be valued. [Conversation is a process towards personal engagement](#), just like co-creation, collaboration and crowdsourcing. People want to be a part of something bigger. Let's look at some examples:

Customers engaging in conversations with brands, and [in some cases, crowdsourcing](#). This is not new. Consider the many Harley Davidson fans who [enjoy customizing and creating their own bikes](#). They are some of the most loyal customers out there, and they participate in [real-life events with the company](#). Social media just makes it easier to let customers engage with a company by crowdsourcing, talking and co-creating.

Today's global workforce needs to be engaged and co-created through networks. [Companies like AT&T](#) are forced to find qualified workforce members in other nations. Companies must transcend diverse cultures, time zones and places and to effectively function as a business. Businesses like IBM use social tools like Second Life, blogs and microblogging networks to facilitate this kind of globally engaged workforce.

Partners, [clients and potential business opportunities](#) are also a critical part of the social networking environment. Recruitment and talent management continues to be one of the new burgeoning areas of social media (See Jim Stroud's [excellent blog on this topic](#)). Again, another form of using these tools to engage the socialprise's stakeholders.

For the socialprise of today and tomorrow, enterprises don't want the conversation, necessarily. It's the end result of an engaged community that matters. The resulting brand loyalty and commitment from all stakeholders becomes the top benefit of any social media form. That's not to discount many of the other possible benefits. [Here are just a few](#):

- Increased sales
- Enhanced, viral brand reputation
- Feedback on products and services
- Better customer service
- True understanding of customers' pain points and needs
- Increased search engine optimization

Note that none of these results are conversations. Instead, the conversation was the process by which results were achieved.

Socialprises will look for these results to measure the effectiveness of their communications rather than get caught on nebulous intangibles such as number of comments. Enterprises engage in business to achieve missions, usually for profit. These new tools need to integrate in a manner that will help the socialprise achieve its objectives.