

Enterprise 2.0: What, Why and How

Enterprise 2.0 Conference

e2conf.com

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The World is Changing

Business is shifting from top down, hierarchical ways of working and managing information to distributed, agile, collaborative work environments: Enterprise 2.0. In 2009, Enterprise 2.0 is currently at the early (but accelerating) adoption stage, where enormous competitive advantage will come to those who embrace the new tools and business cultures. In today's economic climate, that can mean the difference between survival and failure for many companies. This paper will be an introduction to Enterprise 2.0 - why it is one of the most crucial concepts to understand in business today and how you can begin to take advantage of E2.0 in your organization.

What is Enterprise 2.0?

In its most basic form, Enterprise 2.0 is about communication. The premise is that the more easily people can communicate – with other workers, team members, customers, vendors, clients – the less information will be siloed. When information is free, people can get more feedback and input (collaborate), react more quickly (agility), and make better decisions. This is the opportunity inherent in Enterprise 2.0: a more efficient, productive and intelligent workforce.

Enterprise 1.0

- Hierarchy
- Friction
- Bureaucracy
- Inflexibility
- IT-driven technology / Lack of user control
- Top down
- Centralized
- Teams are in one building / one time zone
- Silos and boundaries
- Need to know
- Information systems are structured and dictated
- Taxonomies
- Overly complex
- Closed/ proprietary standards
- Scheduled
- Long time-to-market cycles

Enterprise 2.0

- Flat Organization
- Ease of Organization Flow
- Agility
- Flexibility
- User-driven technology
- Bottom up
- Distributed
- Teams are global
- Fuzzy boundaries, open borders
- Transparency
- Information systems are emergent
- Folksonomies
- Simple
- Open
- On Demand
- Short time-to-market cycles

Drivers of the Shift to Enterprise 2.0

Enterprise 2.0 is fueled by three things: Web 2.0 technologies, a demand for increased socialization of enterprise applications, and business cultures that enable companies to take full advantage of the technology.

First, let's start with a simple definition of Web 2.0. Web 2.0 is the term for web-based tools and services that allow for – and even improve with – user participation. The most well-known examples of this technology are found in sites like YouTube and Amazon, where user ratings make it easier for other users to find what they are looking for, or Wikipedia, where users provide all of the content. Social media tools like blogs and microblogs (Twitter) opened up the world of media and publishing to anyone with an internet connection – or a smartphone. Tagging arose as a way for people to create more meaningful taxonomies that grow and develop with site content. Information has become more accessible. While the majority of these technologies began with consumer-facing sites, it didn't take long for people to look for ways to apply these ideas to the enterprise. Wikis, blogs and social media are now key pieces of the corporate arsenal – from internal communications to marketing plans.

This leads us directly to the second driver of Enterprise 2.0: the socialization of business applications – moving from data-centric models to people-driven applications. Web 2.0 allows for collection and dissemination of increasing amounts of intelligence. However, businesses are realizing the value is not in the data itself but in *how people are using it*. Without a way to navigate through, process, interpret and share data, business intelligence can be overwhelming and, at worst, useless.

On average, only 50% of employees are actively using the Enterprise 2.0 tools available to them at their organization.¹

Social applications are meeting this demand – bringing data to the right people, allowing them to interact with it and helping them understand it. Often Enterprise 2.0 applications can do this at far less expense and with the social features lacking in business intelligence systems from years past. The end result is the ability to make better (and faster) decisions – a key differentiator in a challenging economy.

The third key to Enterprise 2.0 – new business cultures – is often overlooked but is possibly the most important element. By definition, social applications rely on the people using them. Without changing the way corporations and their people behave, it's impossible to free workers and information and achieve agility and increased productivity. It's not enough to buy the technology – you have to *buy in*.

A major obstacle is that Enterprise 2.0 requires management to give up control. It has become unrealistic for corporate communication departments to dictate employees' every word to customers when communication is happening in real time on blogs, Twitter and forums. Similarly, managers cannot control what employees say on the corporate wiki. But giving employees the freedom to speak their mind and voice ideas is required for there to be a harnessing of collective intelligence.

The employees must adapt as well. If they are given the freedom, but do not feel comfortable participating and collaborating, social applications can never reach their full potential.

Barriers to Adoption

Culture is not the only barrier to adoption of 2.0 tools in the enterprise – although research shows it's the most common. Resistance to change is the challenge to adopting Enterprise 2.0 technologies cited by the most respondents to our Enterprise 2.0 Adoption Survey (52%).

While the cost savings can be both significant and tangible, the benefits that come with Enterprise 2.0 implementations are often difficult to measure concretely – increases in productivity and agility, for example. Measuring ROI is the second most mentioned challenge to Enterprise 2.0 adoption.²

What are the greatest challenges in adopting or furthering the adoption of Enterprise 2.0 technologies in your organization?

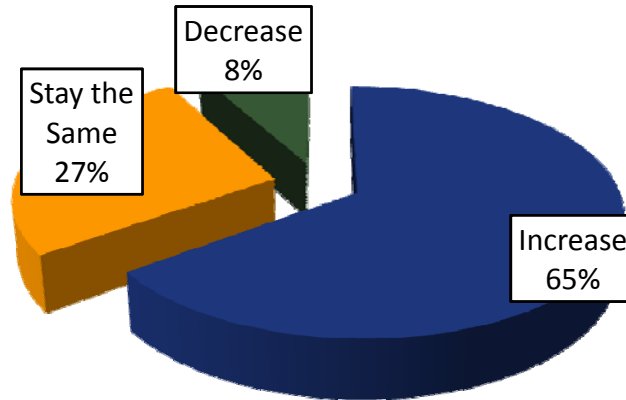
Resistance to change	52.3%
Difficulty in measuring ROI	42.1%
Integrating with existing technologies	40.6%
Security concerns	31.5%
Budget	25.4%
Product knowledge	22.8%
Tools aren't fully enterprise ready yet	22.3%
Unknown costs associated with maintenance and training	18.3%
Not supported by senior management	17.3%
Compliance	16.2%
Other	5.6%

Source: Enterprise 2.0 Adoption Survey, May 2009

Time to Invest

Despite these challenges, and the global recession, survey respondents report that organizations will spend more on Enterprise 2.0 technologies in 2009 than they did in 2008.³ Companies are looking towards 2.0 to give them a strategic advantage in a time when only the leanest and smartest companies will survive. Expect to see enterprises replacing older business application and hardware installations with large-scale Enterprise 2.0 applications that run in the cloud.

Respondents are Optimistic About 2009 Spending on Enterprise 2.0 Technologies (compared to 2008)



Source: Enterprise 2.0 Adoption Survey, May 2009

Suggested First Steps

Identify opportunities within your organization. Where is information siloed? Do teams have the tools they need to communicate and collaborate? Then evaluate solutions. From low-cost or even free web-based tools to large-scale enterprise implementations – leading vendors are developing a variety of Enterprise 2.0 products. The Enterprise 2.0 Blog (enterprise2blog.com) has vendor news and product reviews to keep you up to date on the latest entries into this quickly evolving market.

Get executive buy-in. While many Enterprise 2.0 projects start at the team or department level, executive mandates can of course help the more reluctant employees get on board.

Evangelize. For Enterprise 2.0 to succeed, the culture must change. Evangelists within the company are the best way to encourage people to jump into the new tools. They lead by example, generate content and answer questions. Evangelists can be anyone from a dedicated staff member, like a community manager, or simply an enthusiast who understands the concepts and their importance to the organization.
Hint: it's probably you!

Who is driving the use of Enterprise 2.0 tools in your organization?

Corporate business executives	38.3%
IT executives (CIO/CTO)	29.6%
Department heads	25.2%
Sales/marketing	25.7%
IT department	23.8%
Teams/workgroups	40.8%
Individual employees	42.7%

Source: Enterprise 2.0 Adoption Survey, May 2009

Recommended Reading

E2 blog (<http://enterprise2blog.com>)

Enterprise 2.0: The Dawn of Emergent Collaboration, Andrew McAfee, MIT Sloan Management Review, Spring 2006

<http://www.wikiservice.at/upload/ChristopheDucamp/McAfeeEntrepriseDeux.pdf>

Enterprise 2.0 Conference

For more information, attend Enterprise 2.0 Conference – the most important event for business and IT professionals challenging the status quo and leading the charge to Enterprise 2.0. The conference covers strategic issues, emphasizing the bigger picture implications of the technology and the exploration of what is at stake for organizations trying to change not only tools, but also culture and process. Beyond discussion of the "why", there will also be in-depth opportunities for learning the "how" that will help you bring Enterprise 2.0 to your business. <http://e2conf.com>

Notes

¹Source: Enterprise 2.0 Adoption Survey. The Enterprise 2.0 Adoption survey was developed by Enterprise 2.0 Conference and fielded from April 28 to May 19, 2009. The 219 respondents include Enterprise 2.0 Conference attendees, members of the TechWeb Events Network, and Enterprise 2.0 Conference Twitter followers and Facebook fans.

²Source: Enterprise 2.0 Adoption Survey, May 2009

³Source: Enterprise 2.0 Adoption Survey, May 2009

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