



Don Tapscott's View of the Age of Networked Intelligence

Unleashing the Power of Social Networking
for the Enterprise

May 2011

Executive Summary

Without question, social media has become a “disruptive” technology. Its power to influence and change how people think and interact, how companies operate and even which governments survive has been demonstrated repeatedly.

To Don Tapscott, the communication and collaboration facilitated by social networking has led to a new age –the age of networked intelligence – that will have profound effects on enterprises and their ways of doing business. Because every individual can now be a producer and sharer of information and ideas, people can think and work collaboratively faster and better than ever before. For enterprises, networked intelligence holds out the promise of enabling more innovative, productive and responsive organizations, all of which can translate into greater profits, market share and stockholder value.

But to reap these benefits, companies need to embrace the principles of networked intelligence and implement a social networking platform that will put these principles into practice. With a social networking platform that reflects the way people actually work; facilitates rapid idea exchange and collaboration; promotes continuous performance measurement; and provides a flexible architecture that leverages current technology, enterprises can unleash the power of networked intelligence in their organizations.

This paper examines:

- How the age of networked intelligence has come about
- The five principles of networked intelligence and why enterprises need to adopt them
- How a social network platform can re-architect enterprises to achieve the business benefits of networked intelligence

The Internet “Genie” is Out of the Bottle

If anyone doubts the revolutionary aspect of social networking, you only have to take a quick survey of the world to realize the extraordinary change it has empowered. In the Middle East, dictators have been turned out with tools like Facebook playing a central role. And the standard ways of doing business, with companies telling consumers what to think, has disappeared as consumers now publish highly influential opinions about companies and their products in the blink of an eye.

In Don Tapscott’s view, the advent of social networking is the real Internet “genie”, allowing every person to become a producer of knowledge that can be instantly shared with the world. The result is an exponential increase in information, ideas and innovation that disrupts traditional business models and can even topple governments.

Social networking has led to the age of networked intelligence, which is really a modern form of the old saying “The whole is greater than its parts.” Because each of us can now become producers and users of knowledge generated anywhere, we can work and think collaboratively in ways that are having profound effects on how organizations function.

The Principles of Networked Intelligence

Networked intelligence is a fundamental shift from the industrial age. Knowledge, once considered a finite and proprietary resource, has now become an infinite resource, generated and exchanged everywhere. For organizations, the value of networked intelligence is the ability to develop useful knowledge and work together in ways that yield innovation at a faster pace, goods and services that better meet consumer needs and more efficient ways of getting work done. But to reap these benefits, companies need to organize their way of working around the five key principles of networked intelligence – collaboration, openness and transparency, knowledge sharing, interdependence and integrity.

Collaboration

People getting together to share information, ideas and opinions has always been a key part of any organization’s progress. Networked intelligence demands organizations take collaboration to a new level, not only eliminating the barrier of physically bringing people together, but enabling far more fluid, less-hierarchical collaboration in which people can come together from anywhere – different departments, different organizational levels, even across companies and countries – to use the collective intelligence of the many to create new products, solve problems and get work done.

Openness and Transparency

Command and control has been the standard model for most businesses: Executives were in control and told workers what to do (and think). Marketing was in control of the brand and what was said about products. Social networking has turned command and control on its head, putting decision-making power into the hands of the grass roots. Employees are now empowered to decide how they want to get their work accomplished, who will be involved and what ideas will be the most important to pursue. Customers are now in control of the brand, shaping and influencing opinion in the marketplace through such tools as Facebook and Twitter.

This means that companies and their executives must recognize that they are no longer the sole arbiters of decision-making and identity. Rather than attempting to thwart this grass-roots level communication, companies need to support it, recognizing that the organization which opens itself up to its employees, partners and customers can innovate at a faster pace and build brand loyalty by collaborating with customers to improve products, services and the overall customer experience.

Knowledge Sharing

To be more precise, knowledge sharing means sharing intellectual property. On its surface, this idea sounds downright crazy. But organizations which implement a segmented portfolio of intellectual knowledge – retaining those assets that differentiate, sharing some selectively and sharing some openly – will prosper to a greater degree than those which protect every piece of information. By sharing, companies can tap the collective knowledge that can result in better products, more market share and even greater competitive advantage.

IBM and the Linux operating system are a perfect example of the value to be gained from sharing intellectual property. While allowing open development of Linux has meant giving away millions of dollars of operating system software, it has also meant millions saved in development costs and a much larger market for IBM's servers because of the wide adoption of the free operating system.

The GreenX initiative is another example of intellectual property sharing. Major financial service companies are now networking to develop new financial tools specifically related to the environmental market. These companies will benefit by collectively developing new products and services that they can sell. (www.thegreenx.com)

“Unfreezing” the Organization: How to Embrace Collaboration

- Create a context for people to self-organize
- Adopt enterprise-wide collaboration tools
- Let go – Allow people to communicate and create at will
- Support the vanguard of early adopters and the Net generation
- Create a culture of collaboration
- Enable leadership to take root at any level in the organization

Interdependence

Organizations no longer operate in isolation. Developing, producing, selling and distributing goods and services has become a highly connected process with supply chains extending around the world. This interdependence – while certainly carrying risks as the tsunami in Japan has illustrated– also offers extraordinary opportunity to collaborate beyond the corporate walls. By accepting interdependence, companies can leverage resources in many different organizations and across the globe including suppliers, partners, governmental agencies and customers to increase the rate of innovation and change.

Integrity

This last principle demands commitment to the principles of collaboration, openness, sharing and interdependence. Companies must demonstrate commitment by re-architecting their organizations to facilitate the continuous communication and collaboration that enables networked intelligence.

Re-Architecting the Enterprise for Networked Intelligence

Organizing and orchestrating capabilities based on networks requires a different set of communication and collaboration tools than have been used traditionally. It used to be that collaboration and sharing took place through documents and files. But as the nature of business has shifted from individual activities to a collaborative model, *people* have become the central resource. Traditional tools for sharing, such as document management systems, no longer reflect how people actually work – tapping each other for information and ideas, working in groups and on projects.

Social media tools, which have revolutionized how we communicate socially, can be tuned for the business environment, providing workers with the means to network their intelligence. The chief

requirement is a social networking platform that supports the shift to people as the central resource with a rich mix of tools including:

- An interface that fosters networked intelligence by reflecting the way people actually work
- A compelling user experience that offers multiple ways to create and share ideas and information, enabling workers to mix and match tools as needed
- Mechanisms for people to measure their performance and understand how their contributions are influencing the organization as a whole
- An enterprise-grade architecture that leverages existing resources while encouraging innovation and experimentation

An interface that reflects the way people work

Rather than organize resources by documents, a social networking platform organizes by people as individuals, as groups and as participants in projects. This helps workers rapidly identify and connect with the most relevant resources.

At the heart of this organization-by-people model are rich profiles that offer quick insight into individuals – who the person is; what their role is; where their expertise and interests lie; what groups they belong to; and what projects they are actively contributing to. Presented in an appealing format that is quickly created using simple templates and wizards, other people can quickly consume the information and identify those who can provide needed expertise and ideas for a given task.

Groups offer another way to network intelligence by expanding the concept of the rich user profile to communities of people with similar organizational purposes, such as a department or product team or even a geographic location. This makes it easy to find a complete set of relevant resources.

Finally, a critical aspect of promoting collaboration and sharing is a high-quality search capability. Well-designed search enables relevant information to be surfaced based on loose search terms, so that user not only find content from a wide variety of sources, such as a blog, documents maintained in SharePoint or a recent webinar, but also the people who produced this content and are engaged in activities related to the search term.

A compelling user experience

Social media tools have become pervasive, and employees now expect these same tools to be a part of their work life. A social networking platform provides this now-familiar experience, adjusted so that the tools are appropriate and useful within the business context, such as assigning permissions that define levels of access down to the individual.

For example:

- Wikis, Blogs, Microblogs, Discussion Boards – These common Web 2.0 tools provide an appealing, easy-to-navigate interface. To simplify use in the business environment, they deliver a common look and feel across every instance while allowing for rich text. Micro-blogging leverages the open communication model of blogging, while focusing the content on a specific topic, project, group or even individual in order to simplify searching and rapidly develop precisely targeted information and ideas.
- WYSIWYG Editor –With editing based on familiar tools like Microsoft Word, templates and wizards, users can quickly and easily construct well-crafted pages. There is no need to know HTML or be able to program in order to contribute.

- **RSS Feeds** – RSS feeds bring external ideas and information into the workplace. With a single mouse click, external information can be incorporated into blogs, wikis, discussion forums and other social networking forms, rapidly expanding the body of knowledge available to the organization.
- **Notifications and Digests** – Users can filter large volumes of information using notifications to specify which content they want and digests to decide when to get information, such as a daily, weekly or monthly digest.

Continuous performance measurement

In the hierarchical organizational model, measuring performance is a top-down, “batch” process, completed just once or twice a year. The value of this exercise is questionable with the broad-brush strokes of suggested improvement and intimidating format of boss-to-employee judgments.

A social networking platform actually offers a much better way for employees to continuously assess their performance and measure their contributions against those of their peers. The platform can provide simple ways for people to give continuous feedback to one another. It is important that the feedback is generally positive so as to encourage contribution and maintain morale, though this does not mean that bad ideas should not be flagged as such.

Some of the social networking mechanisms that help employees continuously measure their efforts include the following:

- **Badges** recognize and promote participation by providing multiple opportunities to earn them. This can be as simple as a badge for the first time a user adds a comment to another employee’s post or makes additions to his or her profile. Badges can make clear what the organization considers important, thus providing the individual with a good indication of key performance measurements.
- **Liking** enables validation by peers, which is just as important as recognition by the organization. Allowing users to “like” the thoughts of others reinforces the behavior of contribution and helps the individual understand how his or her contributions are generally regarded in the organization.
- Similar to liking, **reputation** provides performance indicators by allowing users to point out specific content they have found useful. This not only establishes the reputation of the content creator, but also of the individual who has discovered and shared the content.

Enterprise-grade architecture

Despite the fact that a social networking platform can transform business operations, it needs to fit within the existing IT and technology environment. There are three keys to enterprise-grade architecture:

- Tools to enable co-existence and leverage current technology
- Business-level administration that facilitates rapid change and adaptation to organizational culture
- Delivery models that streamline deployment to minimize impact on IT resources and fit within budget parameters.

Enterprise Compatibility

The introduction of a social networking platform should not mean companies must abandon their investments in current tools. Existing applications, databases and content management systems, as well as tools like standard email, will continue to be used across the organization. A social networking platform can leverage current investments by providing:

- **Plug-in Architecture** – Using JavaScript plug-ins, social networking software easily connects to third parties via their APIs. Objects from legacy systems can be consumed within the social networking platform, such as automatically displaying a badge when an account executive reaches quota based on information maintained in Salesforce.com.
- **Microsoft Exchange Integration** – Seamless integration with Microsoft email and calendaring synchs schedules and enables users to send email from either interface, making sure that a conversation freely occurs and is captured where people are working.
- **Document Management Integration** – Integration with Microsoft SharePoint allows users to access, comment on, like and follow content maintained in SharePoint. Searches from within the social networking platform can include results from one or more SharePoint libraries, and content generated in the social environment can be automatically saved back to SharePoint.
- **Single Sign On/LDAP Integration** – Support for single sign on and LDAP integration simplifies authentication with standard tools used to control access to the social networking platform.

Business-Level Administration

As a “disruptive” technology, a social networking platform must constantly evolve itself, changing to reflect new user needs and business priorities. Simple, intuitive tools that eliminate the need for every change to be made by skilled programming resources include the following:

- **Business-friendly administration tools** let business users make changes and then test, validate and accept or reject the proposed changes based on user feedback. This eliminates any need for programming or long waits for IT resource availability, facilitating higher levels of innovation and experimentation.
- **A templating engine and cascading style sheets** provide the flexibility to adapt the social networking environment to the company environment. Pages can be reconfigured, functionality modified and the look and feel made to reflect the specific organizational culture using simple wizards and templates.

Enterprise Delivery Model

Just as social networking platforms take advantage of Internet-based communication tools, they can also leverage the cloud for their deployment models. The cloud provides a rapid, cost-effective implementation solution as it eliminates the need to build and maintain in-house applications and provides cost control through predictable pricing. At the same time, a cloud infrastructure offers high levels of reliability and scalability, providing a stable, long-term path for growth as the organization expands and changes.

Conclusion

As far-fetched as it may seem, a mass of starlings on the moors of England have something to teach us about the power of networked intelligence. In the YouTube video “[Macrowikinomics Murmuration](#)”, the starlings put the principles of networked intelligence into practice.



While we can't claim starlings are brainy, their ability to problem solve by acting in collaboration has real benefits – providing protection from predators, warming the birds before night falls and transmitting information about where the best feeding grounds are. As you watch this video, you will see leadership constantly shift and change, enabling different segments of the group to lead and provide new approaches to solving the problem of the hawk trying

to grab a quick meal. In essence, the starlings have networked their “intelligence” through collaborative action to benefit the organization as a whole.

As is the case for the starlings, strength for companies comes from networking the intelligence of its people. By implementing a social networking platform that facilitates communication, collaboration and sharing, you too can unleash the power of networked intelligence in your organization.

About Don Tapscott

Don Tapscott is one of the world's leading authorities on business strategy and how information technology changes business, government and society. Don is Chairman of Moxie Insight and directs several of Insight's research and education programs, serving a marquee list of Global 2000 customers. He served as founder and chairman of the international think tank New Paradigm before its acquisition by Moxie. Don was recently named one of the 50 most influential living management thinkers in the world by Thinkers50. He is an internationally sought writer, consultant and speaker. His clients include top executives of many of the world's largest corporations and government leaders from many countries. He is a fellow of the World Economic Forum and Adjunct Professor at the Joseph L. Rotman School of Management, University of Toronto. Tapscott is the author of 13 widely-read books about information technology in business and society, including 2007's bestselling business book in the US, *Wikinomics* (co-authored with Anthony Williams), as well as *Paradigm Shift*, *The Digital Economy*, and *The Naked Corporation*. His most recent book, *Grown Up Digital*, is a sequel to his 1997 bestseller *Growing Up Digital*. *Macrowikinomics: Rebooting Business and the World* was released September 2010. Don holds a B.Sc. in Psychology and Statistics, an M.Ed. specializing in Research Methodology, and three Doctor of Laws (Hon) granted from the University of Alberta in 2001, from Trent University in 2006 and from McMaster University in 2010.

Contact Moxie Software

Moxie Software

Moxie Software, Inc. 650 Castro St. Ste 105
Mountain View, CA 94041

Tel: 1.800.474.1149

Email: sales@moxiesoft.com
www.moxiesoft.com