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# Web 2.0

**business success stories**

A Vitesse Media Plc publication



# outstanding applications of **Web 2.0** in business

How the best social media projects are harnessing the power of community and collaboration

**T**hree qualities make Web 2.0 resemble the Internet in the 1990s: it is over-hyped, it is poorly understood and it is – without doubt – revolutionising business.

The technical definition of the term Web 2.0 emerged from publisher Tim O'Reilly in 2004: "The business revolution in the computer industry caused by the move to the Internet as platform." But with the phrase 'cloud computing' having since emerged as the preferred buzzword denoting the use of the Internet as a computing platform, Web 2.0 is now more often used to describe a new generation of web-based services that allow people to interact, collaborate and share information.

Put simply, Web 2.0 replaces the view of a website as analogous to a publication, wherein a trusted source provides information to be consumed by the user, with one that sees websites as tools for structured interaction between people. 'Social media' is a common, perhaps more meaningful, alternative term.

Blogs, wikis, social networks, social bookmarking, news aggregation sites: the litany of tools that make up Web 2.0 are numerous, and they are constantly evolving and recombining.

The implications for business are numerous. For one, Web 2.0 changes the way customers interact with one another and that demands a change in the way business communicate with their markets.

A company website that is a simply an online product brochure is a wasted opportunity. More progressive companies are using theirs to stimulate discussion and

community around their brand, products and services, and are harvesting invaluable customer insight as a result.

And it doesn't stop with the official company website: many organisations monitor and participate in external online communities, where consumers are sharing opinions and experience of the businesses they patronise.

As equally significant as the impact of Web 2.0 on consumers and customers are the implications for internal collaboration. That workhorse of internal communication – email – is looking decidedly tired as more effective and more efficient communication and collaboration tools devised in the consumer realm work their way into corporate life.

But some companies have a much better appreciation of how to apply Web 2.0 than others. The 10 projects described here have been selected to represent the diversity of innovations that fit under that broad heading. Some, such as Dell and PlusNet, show companies using Web 2.0 tools to find out how they can serve their customers better. Others, like Wachovia Bank and Best Buy, demonstrate the ability of Web 2.0 tools to help organisations work together better, document their implicit knowledge and even improve social cohesion.

But every example shows why it is imperative for enterprise IT departments to reach an understanding of Web 2.0, from both a technical and social perspective.

Indeed, the advent of Web 2.0 gives IT a unique opportunity to become more innovative, more creative and a more

valuable part of business. By enabling collaboration and fostering community, they can inject major value to the activities of business units as diverse as marketing, customer service and business development.

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## COCA-COLA

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The iconic soft drinks manufacturer's use of Web 2.0 is remarkable for its completeness. The company, which relies heavily on brand identity in its marketing, has made use of every Web 2.0 technology going to further its connection with consumers.

So far its 'social media' efforts have taken in blogging – the company's own historian and archivist makes daily posts on the Coca-Cola Conversations blog; virtual worlds – the company conducted a competition to design a virtual vending machine in Second Life; and video sharing – the company's European division sponsored small functionality 'widgets' on video site Joost.

But the company's Web 2.0 pièce de résistance is its very own social network/virtual world, mycoke.com. The site contains 'CC Metro', a virtual city where users can make avatars of themselves, play games and socialise. It is also



linked to the company's loyalty reward scheme: Coke drinkers can earn My Coke Rewards, such as music downloads and gifts, by entering a code printed on cans and bottles.

Other social networking initiatives include a Facebook application to promote the brand's energy drink Burn, called Burn Alter-Ego. Users create an avatar 'alter-ego' for themselves, and the application produces images of the avatar on a 'virtual night out' with the user's friends' avatars. This supposedly promotes the drink's stimulant properties.

The Coca-Cola Corporation's use of Web 2.0 typifies a certain approach. The social and collaborative dimensions of its various Web 2.0 offerings are incidental, it seems; the main point is to expose the brand to the eyeballs of a certain demographic.

And with TV viewership in the 18 to 25 age bracket rapidly diminishing, that approach may be even smarter than it perhaps initially sounds.

## BEST BUY

BlueShirt Nation is US electronics retailer Best Buy's internal social network.

It was originally intended as a mechanism to generate feedback for the company's internal advertising campaigns. In this regard, it failed. But as a way for Best Buy employees to communicate and engage with their employer, it has been highly successful.

Over 20,000 of the company's employees have a personal profile (out of around 140,000), and can use the platform to communicate with peers nationwide.

BlueShirt Nation is emphatically not a formal project management and collaboration platform; it remains informal to encourage participation. It is nevertheless a valuable knowledge transfer tool, with employees regularly swapping ideas on how to display products or handle customer complaints, for example.

According to Gary Koelling, the internal advertising executive



behind the BlueShirt Nation project, a fifth of the conversations that take place on the site involve some kind of knowledge transfer relevant to work.

This kind of social network is particularly valuable for multi-branch retailers, who tend to have a young but geographically dispersed workforce, and not just because it allows them to share skills and knowledge. It also helps to create a sense of community among the employees, helping the company to motivate and retain staff.

## ERNST & YOUNG

Amhurst College is a private arts college in Massachusetts, USA that was ranked ninth in a *Wall Street Journal* survey of feeder



colleges to the top 15 business, law and medical schools in the country.

Of the 438 students who enrolled in 2008, only 1% said they could be contacted via a landline, a recent survey found. But 99% had a Facebook profile.

Professional services firm Ernst & Young has a voracious appetite for new recruits: it adds 3,500 graduates to its payroll every year. The figures from Amhurst College demonstrate why, for Ernst & Young, having a recruiting presence on Facebook is not so much an innovative use of Web 2.0 as an absolute necessity.

In 2007, the company created a careers group on the website, which thousands of interested students have joined. Members receive job updates from the company, but more importantly they can use the site to interact directly with Ernst & Young recruiters and fellow potential employees.

Competition for top graduates is intense, and by connecting with graduates on the Facebook platform – where they already organise their social lives – companies such as Ernst & Young can establish a more personal and, it is hoped, lasting connection with the best candidates than with just a website and email address.

## PROCTER & GAMBLE

Procter & Gamble's BeingGirl site is a textbook example of using Web 2.0



software to build a community around a product. Aimed at introducing its Always and Tampax brands of feminine care products to young girls, the site provides a forum to learn about and discuss the issues that occupy adolescent female minds, such as beauty tips, relationships and periods. It includes its own agony aunt, 'Ask Iris', as well as user-led discussion forums.

By creating an environment where the target audience feels safe discussing these issues, Procter & Gamble has built itself a medium through which it can introduce its brands without causing the kind of embarrassment that might be created by a TV advertisement shown during family viewing hours.

The site attracts more than two million visitors a month. Forrester analysts Charlene Li and Josh Bernoff estimate that the site costs \$3 million a year to run, a fraction of P&G's \$8 billion worldwide advertising spend. But far better than mere eyeballs, BeingGirl evokes a personal connection to a brand in a business where customer loyalty is everything.

Indeed, according to Forrester's calculations, BeingGirl.com is four times more effective than similarly priced alternative marketing techniques.

## WACHOVIA BANK

Wachovia Bank's collaboration and networking platform is the world's largest production implementation of Microsoft



## WACHOVIA

SharePoint Server. It is effectively an intranet site that includes Web 2.0 functionality such as blogs, wikis, video conferencing, instant messaging and presence information.

The project, which began in early 2006 and was finally launched in December 2007

after five months of technical delays, was aimed at directly addressing some of the broader issues facing the company.

The US bank (due to be acquired by Citigroup) has seen most improvement in its ability to collaborate across geographies. The company employs 110,000 people across over 100 countries but, Fields recalls, "We weren't very good at working across time zones."

Video conferencing has been especially valuable in this regard: the company now conducts 6,000 video conferences a month, each saving an average of \$214 in travel expenses. (Several departments of the bank provided 5% of their travel budgets to fund the project.)

Another issue facing the company was the prospect of losing valuable knowledge as the baby-boomer generation retired. It was an issue that the business had no idea how to address, says Pete Fields, the bank's eBusiness director for employees and corporate services. "So when I showed them how blogs and wikis could capture that knowledge, they said, 'Sign me up; at least we'll be doing something'," he explains. The company's blogs receive around 50,000 visits a month.

Less tangible but no less important is the engagement of employees. Fields says that there have been anecdotal signs of improved engagement among workers, especially the younger generation.

By focussing on 'big picture' issues, Fields says, he was able to get the executive backing required to fund and roll-out the project. "Going for some quick wins is a viable approach, but nobody who matters will ever notice. If you aim for some of the big issues, the CEO will take notice."

## DELL

Dell is today seen as one of the most competent corporate users of Web 2.0 technologies, but for a while quite the opposite was true.

The ubiquitous systems manufacturer was once the object of the wrath of various high-profile bloggers, triggered by malfunctioning equipment and what they perceived as poor service exacerbated by the company's silence in the blogosphere.



In 2005, it decided to 'enter the conversation' (in Web 2.0 enthusiasts' parlance) and launched a blog to respond to these issues. As documented in the book *Groundswell* by Forrester Research analysts Charlene Li and Josh Bernoff, the success of that initiative triggered a company-wide conversion to the cause.

It has since established IdeaStorm, a website where customers can submit ideas for new products or improvements to existing services. Visitors to the site, which number in the thousands, can vote for the ideas they would most like to see realised. IdeaStorm is for Dell an invaluable source of new ideas and customer feedback. Among the 200 ideas already adopted so far are light-up keyboards for business laptops (so users can work when the lights go down on a flight) and multiple enhancements to device support for Linux environments.

Salesforce.com and Oracle use similar systems to allow customers to vote on what they should develop next.

## GE

The phrase Web 2.0 might only be few years old, but the projects it effectively describes need not be so young.

US technology and services giant GE began building its internal collaboration platform and intranet in 1999. Nearly a decade of gradual development and growing adoption later, it now stands as one of the most sophisticated and powerful internal Web 2.0 projects in the world.

Dr Sukh Grewal, a former rocket scientist who now manages the SupportCentral platform, describes it as a 'professional network'. All 400,000 of GE's employees

have a profile on the network; they can use the system to form communities around any area of interest or expertise they like.

Communities can collect and collaborate on documents, and individuals can put questions out to a group of experts, with their answers then maintained on the system for all to see.

"Even experts will not be able to document all the knowledge in their heads without being prompted," Grewal explains. "About half of the knowledge contained in these community areas is in answers to questions; that has really justified the Q&A tool for us."

But users soon sought something more sophisticated. They wanted a way to collaborate on projects using the SupportCentral system; as Grewal saw it, they needed workflow. His team added workflow functionality which allowed users to move documents around the organisation for approval from various relevant departments.

Using this system to draft customer

contracts has cut the

average time

required to

prepare a

customer

contract from

three months

to two weeks.

SupportCentral

now integrates

with online word

processing tool Zoho,

meaning more work can be completed within the system itself.



## ELSEVIER

The business of providing information is changing irreparably, as audiences expect to participate in, interact with and repurpose the information they consume.

This is no less true in academic circles. That is why scientific publisher Elsevier has looked to Web 2.0 technologies to help engage and retain its subscribers.

One way in which the company has added to the value of its content is to develop the community information that already exists in the research papers it has

published. It has built a database of published researchers that describes their areas of expertise – this is a valuable resource for scientists

seeking collaborators, especially across disciplines.

A forthcoming service, which identifies research grants that would be of particular relevance to a given subscriber, will make this information all the more valuable.

2collab is a 'social bookmarking' site that allows readers to tag and rate research papers. This not only allows the users to interact with the content itself, but provides Elsevier with valuable insight into how readers perceive the content. "We can start to build that into indexing and search algorithms," explains Jay Katzen, Elsevier's managing director for academic and government products.

These tools and services represent a fundamental shift in Elsevier's role, says Katzen, from publisher to 'information solution provider'. "In the end we are trying to improve research performance productivity," Katzen explains, "and enable researchers to connect to each other in new and better ways."

## IBM

Web 2.0 tools can help companies to maintain an ongoing dialogue between staff, or among customers, but they can also be used more episodically.

Computing giant IBM uses Web 2.0 collaboration software to bring its



employees together for an annual, online 'Jam' event. Starting in 2001, these Jams provide a temporary forum for IBM's

300,000-strong workforce to discuss the company's strategy and direction.

In 2003, for example, the event was dubbed ValuesJam and employees were invited to discuss the company's core identity. In 2006, the

InnovationJam saw 150,000 IBM employees convene online to discuss new ideas. Based on ideas mooted at the InnovationJam, 10 new IBM businesses were set up and allocated a total of \$100 million in seed capital.

Innovation is the topic in hand again this year, and in early October 2008 IBM employees convened again for InnovationJam 2008 to discuss the enterprise of the future.

The software that supports the Jams is built in J2EE on IBM's WebSphere SOA platform, and includes forums, live chat and social tagging. It is hosted on the company's Special Events infrastructure, which is also used for the company's information processing role at Wimbledon and the US Open.

"Jams have helped IBM deliver cutting-edge and game-changing products, taking us in directions we may never have thought of, changing our culture and the fundamental way we collaborate across our business," says Liam Cleaver, director, IBM Jam programme office.

## PLUSNET

Many of the Web 2.0 projects highlighted here focus either on internal collaboration or external marketing. But there is a potential for the two to be combined, and to let customers play a far greater role in a company's internal operations.

PlusNet is an Internet service provider which, according to product development director Neil Armstrong, built its business

on automated internal processes and word-of-mouth recommendations.

The company uses a self-built collaboration platform, called WorkSpace, to support all internal communications (email is banned) and collaboration. When a meeting happens, for example, a single record of the minutes and action points is placed on the WorkSpace system.

And the system allows customers to conduct administrative tasks – such as producing a bill – themselves. "Everything our staff can do, customers can do via the website," explains Armstrong.

So far, so good. But what really separates PlusNet is the community – perhaps attracted by the company's transparency – that has sprung up around it.

PlusNet's user forums allow customers to interact with one another and speak to employees about issues. Gradually a group of forum users emerged as an unofficial user group, taking it upon themselves to help out fellow users, testing new products and discussing technical and product issues with the company.

The contribution made by this user group – who are unpaid and don't even receive a discount for fear of reduced impartiality – is quite staggering. Not only does it help out new customers with technical problems, the user group has even gone as far as developing issue tracking software to help PlusNet support its customer service.

There is a drawback to such transparency, says Armstrong. When the company suffered service issues in late 2005, the shortcomings were there for all to see. But that taught the company some valuable lessons, and perhaps PlusNet's openness in times of troubles earned its customers' respect and loyalty. 

