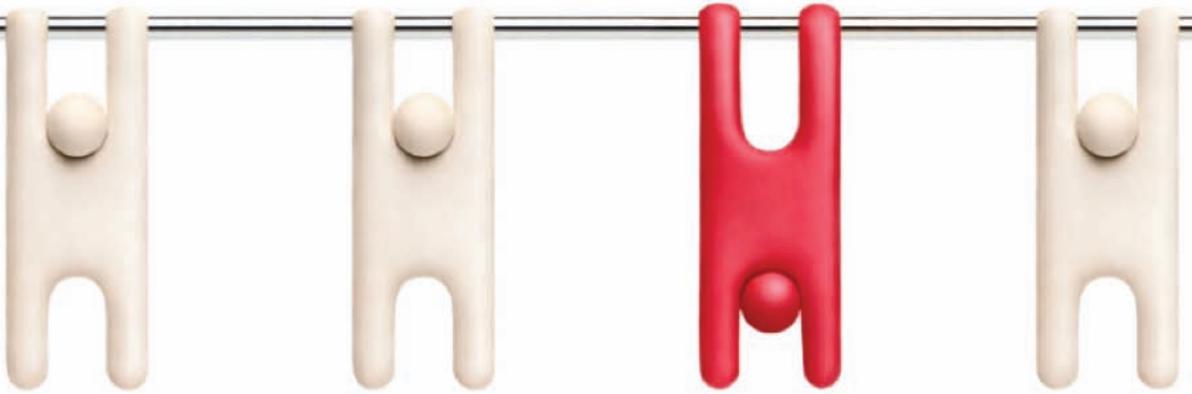# Niall Cook

Enterprise 2.0

How Social Software Will Change the Future of Work

Foreword by Don Tapscott, co-author of
Wikinomics: How Mass Collaboration Changes Everything

Enterprise 2.0

For Lou and Tabitha

Enterprise 2.0

How Social Software Will
Change the Future of Work

NIALL COOK

GOWER

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Acknowledgements

I have not attempted to cite here all the authorities and sources consulted in the preparation of this book. To do so would require a book in itself. In this world of social software where everyone is a journalist, the list would include almost everybody who has ever put digital ink to phosphor on the topics I cover.

I must first acknowledge the role of my employer Hill & Knowlton, for not only having the foresight and bravery to encourage my experiments with social software, but also for allowing me to use the resulting experience and insights as the backbone for this book and many speeches and seminars. They have also kindly given permission to reproduce some previous articles in Part IV.

In this organization I benefit from working with some of the world's best thinkers on communications and many have been instrumental in developing the knowledge that has enabled me to write this book. In particular I would like to thank Hill & Knowlton's Chief Executive Officer Paul Taaffe, Chief Marketing Officer Anthony Burgess-Webb and UK Chief Executive Officer Sally Costerton for their support and advice.

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I am grateful too to Robert Campbell at the University of Toronto in Canada, for the thorough job he has done of reviewing such a limited body of existing knowledge in order to create the appendix. He has ably identified the

commonly agreed definitions, trends, opportunities and barriers, creating a valuable reference point in its own right for anyone interested in the use of social software in the enterprise.

To have Don Tapscott, one of the world's leading authorities on business strategy, write the foreword is both a privilege and an indication of the importance of the topic. Don has led the way when it comes to the application of technology in business and I am grateful to him for his contribution.

Thanks also go to my publisher Jonathan Norman from Gower, for believing in such an embryonic topic and leaving me to write without interference or interruption.

Most importantly, thanks to my wife Lou, who gave birth to our first daughter whilst I gave birth to my first book. She has provided a constant source of advice and support on topics that mean little to her, allowing and occasionally forcing me to ignore her needs so that I can work weekends and holidays to meet my deadlines.

Maybe now my family will begin to understand what I do at work.

Niall Cook

Foreword

The notion that the corporation is changing fundamentally has been around for decades – dating back to Peter Drucker's seminal work in the 1980s on 'The New Organization'. In 1992, I discussed what I called 'The New Enterprise' in my book *Paradigm Shift*, saying 'the corporation of old simply doesn't work anymore. Business transformation enabled by information is required to succeed in the new environment.' I argued that a new enterprise was emerging – open, networked, truly global and focused on knowledge workers who were empowered to innovate. Other management thinkers developed similar views during this period.

During the dot-com period of the mid to late 1990s there was a new surge in discussion of the fundamental changes to the corporation. In fact one magazine still around today was called *Business 2.0*.

But serious discussion of the new enterprise did not begin until almost a decade later. Why not? In hindsight these were ideas in waiting – waiting for fundamental changes in technology and the global business environment that pre-conditioned their success.

In particular, the technology of the past including the dot-com boom had relatively limited economic reach. And as with all big innovations throughout history, like the steam engine, electrical power, telephone or television, we saw a speculative bubble and crash. The next stage that evolves over a period of decades – the one we're entering now – is when the technology comes of age and new business models come to fruition.

Today we can see that a fundamental change is occurring in how companies compete. In particular, the rise of the new web, or so-called Web 2.0, is enabling new business strategies and designs – that enable firms to create differentiated value and/or lower cost structures – and therefore competitive advantage.

Thanks to Web 2.0, companies are beginning to conceive, design, develop, and distribute products and services in profoundly new ways. The old notion that you have to attract, develop and retain the best and brightest inside your corporate boundaries is becoming obsolete. With costs of collaboration falling precipitously, companies can increasingly source ideas, innovations and uniquely qualified minds from a vast global pool of talent.

It is becoming clear that a new kind of enterprise is required – one that orchestrates resources, creates value and competes very differently from traditional firms. These new enterprises also drive important changes in their respective industries and even the rules of competition. My research and experience shows those that understand these changes can gain rapid advantage in their markets and build sustainable businesses. Collaborative innovation is growing at an accelerated pace due to the phenomenal success of early flag bearers. So garnering a head start in accumulating experience pays big dividends.

There are important opportunities inside and beyond corporate walls. Recently, in part due to a widely read article on 'Enterprise 2.0' written by Harvard's Andrew McAfee, the idea has become associated with collaboration inside the firm. While this is only one dimension of the new enterprise, it is a critical one. Managers can exploit social networks, wikis, blogs, tags, collaborative filtering, digital brainstorms, telepresence and other tools of what Anthony Williams and I call 'the wiki workplace' in our book *Wikinomics*. These tools enable powerful new approaches to collaboration that cut across organizational silos and unleash the power of human capital. Loosening hierarchies and giving more power to employees can lead to faster innovation, lower cost structures, greater agility, improved responsiveness to customers and more authenticity and respect in the marketplace. The nature of work is changing.

Niall Cook takes this discussion to the next level by explaining how social software can transform such collaboration. This book provides language and taxonomies that will be very helpful for any manager in understanding and harnessing the myriad new software tools and the opportunities they provide to transform the nature of work for the better.

Read, enjoy and prosper.

Don Tapscott[1]

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1   Don Tapscott is the author of eleven books on the application of technology to business and society, most recently with Anthony D Williams, *Wikinomics: How Mass Collaboration Changes Everything*. His forthcoming book is *Grown Up Digital – The Net Generation Comes of Age* (Autumn 2008).

Introduction

Have you ever wondered why there has been so much fuss about social software – whether focused externally on consumers or internally on employees – amongst those who use it, create it, report on it, and invest in it?

Perhaps you are one of those tasked with introducing blogs, wikis or social networks into your organization alongside all your existing technologies? Maybe you know you ought to be thinking about it, but just don't know how to get started?

Or perhaps you are one of the many internal or external technology and change management advisers who need to educate clients asking for 'some of that social software stuff'.

Whatever has brought social software into your world, my intention in this book is to:

- shine a light on the current interest in social software inside the enterprise;

- ask what the concept means;

- test whether it really is different to existing 'enterprise software' or simply a repackaging of old ideas;

- provide examples of how different organizations are using social software;

- propose a practical framework for those who want to implement social software in their businesses;

- address some of the implications of introducing social software for leaders, internal and external advisers, and employees themselves;

- summarize how organizations are using social software outside the firewall to communicate, share, collaborate and connect with partners, customers and other constituencies;

- provide a review of relevant literature and sources for further reference.

The book is purposely divided into four parts, providing context, focus, practice and further consideration, allowing the reader to read from cover to cover, jump into a specific section, or refer back to the relevant parts at the appropriate time.

In this collaborative age, this book is just the beginning of the conversation. At the end of the main text you will find details of the wiki that has been created to encourage you to contribute your thoughts and opinions on everything you read here.

I Social Media and Social Software

1 The Social Media Explosion

MARKETS ARE CONVERSATIONS

> *A powerful global conversation has begun. Through the Internet, people are discovering and inventing new ways to share relevant knowledge with blinding speed. As a direct result, markets are getting smarter – and getting smarter faster than most companies.*

So begins the introduction to the 95 theses that make up *The Cluetrain Manifesto*, the book that, in April 1999, introduced the concept of markets as conversations. In the process its authors lambasted companies and their corporate mouthpieces for failing to come down from their ivory towers and engage in the dialogue that was already taking place on the Internet about their brands and products.

One of its core premises is that the people who make up markets in the age of the Internet communicate with each other in a human voice, yet most organizations only know how to speak in a corporate voice communicating just what they want their markets to hear. This misalignment, argues the manifesto, is leading to a lack of respect and trust, and thus provides opportunities for companies willing to engage in real two-way discussion with their markets, listening to their questions and concerns and responding openly and honestly.

For most organizations, this is a pretty difficult thing to do. They are encumbered by both real and manufactured barriers that stop the CEO – let alone a mere member of staff – speak either openly or honestly. In fact, as we will discover, it is these workers at the coalface that people actually want to talk to, and in many cases social software is already enabling this conversation, often under the corporate communications radar. *Cluetrain* thesis #84 says it best:

> *We know some people from your company. They're pretty cool online. Do you have any more like that you're hiding? Can they come out and play?*

Yet talking to the market is seen by most companies as being the preserve of the marketing department, even though that 'conversation' is usually just one-way broadcasting, and getting louder and louder in a desperate attempt to attract attention. The problem is that consumers are listening less and less, particularly to the traditional media channels that many organizations continue to insist on prioritizing.

The same is also true inside organizations. Research continues to support the view that, despite the widespread reliance on one-way, mass-media internal communication channels – both traditional media such as magazines and newsletters and new media such as emails and streaming video, employees prefer to get information about their organization from their immediate managers (Larkin and Larkin 1994). Furthermore, the better that manager's communication, the more satisfied employees are with all aspects of their work life. This would appear to indicate that broadcasting internal messages to staff is just as ineffective as broadcasting external messages to consumers. There's a dialogue that needs to take place inside the organization as well as in the outside world, but like the external dialogue, this internal conversation needs to be done correctly. It's not just about managers imparting the same information on the intranet that would have been put in the newsletter, but framing a discussion in a way that encourages engagement in the form of an intra-networked conversation.

Furthermore, employees do not believe that their organizations or their senior management are doing enough to help them become fully engaged and contribute to their companies' success, according to professional services firm Towers Perrin (2007). Only 21 per cent of the employees surveyed as part of their global workforce study are engaged in their work, meaning they are willing to go the extra mile to help their organizations succeed. In fact, 38 per cent are partly or fully *dis*engaged. This is particularly important when you consider that those businesses that had the highest levels of employee engagement in the survey achieved better financial results and were more successful in retaining their most valued employees.

The same study found that the company itself is the most important influencer of employee engagement. According to Towers Perrin's Julie Gebauer:

> *People's views about the company are also shaped more by what senior leaders say and do than by what the individuals' direct bosses say or do. This too contradicts conventional wisdom and suggests that companies have a real opportunity to dramatically improve both engagement levels – starting with listening to what their own employees have to say.*

There are many more books from accomplished authors that focus specifically on the topic of employee engagement. The point of introducing it here is to emphasize to companies who sign up to the principles laid down in *The Cluetrain Manifesto* that the internal conversation is just as – if not more – important than the external one. And it is against this backdrop that the relevance of social software will begin to become clear.

That said, not everyone thought that *The Cluetrain Manifesto* was quite so groundbreaking. In his review of the book in *PC Magazine* in 2002, John C. Dvorak was less than complimentary about both its concepts and authors:

> *The book is written by a cast of characters who were apparently caught up in the dot-com scene at its peak, and they managed to capture in one book almost all of the lunatic fringe dingbat thinking that characterized the Internet boom. Through the miracle of self-serving web logs – or blogs – they have managed to keep these now-retro thoughts alive and kicking in cult form.*

Whether you truly believe that markets are conversations, that conversations are markets, or that it's all just 'lunatic fringe dingbat thinking', the authors of *The Cluetrain Manifesto* undoubtedly managed to predict the explosion of social media and many of the changes that companies have experienced since the book's first appearance in 1999. In some way, perhaps it also ignited the fuse of the social media explosion that we are currently experiencing.

WHAT IS SOCIAL MEDIA?

In this more mature post-Cluetrain age, these conversations are now collectively referred to as *social media*, a wide-ranging term that encompasses the practice and resulting output of all kinds of information created online by those who were previously consumers of that media. The same media that was the sole domain of powerful organizations with the capacity to print and distribute their news and opinion.

Philosophically, social media describes the way in which content (particularly news and opinion) has become democratized by the Internet and the role people now play not only in consuming information and conveying it to others, but also in creating and sharing content with them, be it textual, aural or visual. For this reason, it is interchangeably referred to as consumer- or user-generated content. To some it represents the shift from broadcast to many-to-many media, rooted in the same conversation that *The Cluetrain Manifesto* authors propose now defines a market. To others it is nothing more than another passing fad, of interest only to those who have a vested interest in promoting the concepts that it represents.

Practically, social media is often defined by the categories of software tools that people use to undertake this consuming, conveying, creating and sharing content with them, be it categories such as blogs, podcasts, wikis and social networking that – having found their place on the Internet – are now making their way onto corporate intranets. These will be discussed in detail later in this book.

Various attempts have been made to define social media. In February 2007, Fast Company's Robert Scoble – previously of Microsoft and PodTech – highlighted the differences between 'old media' and social media:

> *When I say 'social media' or 'new media' I'm talking about Internet media that has the ability to interact with it in some way. I.e., not a press release like over on* PR Newswire, *but something like what we did over on Channel 9 where you could say 'Microsoft sucks' right underneath one of my videos.*

Stowe Boyd (2007) offers an alternative, more cerebral definition:

> *Social Media … is the way that we are organizing ourselves to communicate, to learn, and to understand the world and our place in it. And we just won't accept any models for that that aren't intensely social: we won't put up with large organizations telling us what is right, or true, or necessary. We will now have those conversations among ourselves, here, at the edge. Social Media has released us, freed us: and we won't go back.*

Some even argue that the term should be avoided altogether. Doc Searls, one of the authors of *The Cluetrain Manifesto*, identifies the problem:

> *I avoid using the term 'social media'. I don't like it, and I don't even want to know what it means. I may talk about blogging and podcasting and syndication and tagging and stuff like that. But I never think about any of those things as 'media' and rarely visit their 'social' nature (though I am sure they have one) … It's natural to want to lump technologies and practices together into categories that bear Greater Significance. But for some reason we still drag along the limiting concepts that the new stuff should help us escape, no matter what we call it.*

For the purposes of this book, it is more valuable to focus on the general attributes of the phenomenon rather than detailed definitions or even existentialist discussions. Consider instead some of the characteristics of the tools that are enabling this new world.

Peripheral activity

Social media is perhaps the antithesis of mainstream Internet activity, in the sense that it takes place at the edges of the World Wide Web. Its peripheral nature often means that it exists in isolation linked by many nodes and niches, and only those who follow the relevant threads and connections may find it. This is a hard concept for senior executives to get their heads around. They have been conditioned to invest in and respond to those things that reach the biggest audience, but the Internet makes no distinction between mainstream and peripheral activity – in many cases, it actually brings the two together.

Many-to-many

Whereas much of the activity on the worldwide web to date has been of a broadcast nature (that is, one-to-many) social media is seen as *many*-to-many, because of the way in which it relies on the links between peers and aggregators of content for its distribution. For example, a conversation on a single topic (or meme) can be spread across multiple Internet locations, but is joined together by links in a way that ensures no one voice becomes the authority.

Transparency

Transparency has become one of the watchwords of the new Internet revolution, reflecting a similar trend in other spheres of life, from business and politics to media and entertainment. Social media purists believe that there should be no secrets any more, and anyone who tries to keep them will ultimately be exposed using the power of *their* media. Others see this as an ideology that simply doesn't reflect the real world; companies have to keep secrets, sometimes because the law forces them to do so or simply in order to retain any kind of competitive advantage.

Disruption

The Internet has a track record of disrupting the established ways of doing things, and probably always will. Just look at some of the biggest names in e-commerce such as Amazon and eBay. Today they have market capitalizations larger than some of the oldest and most respected companies in the world, yet when they emerged they used the unique nature of the Internet to turn entire industries upside down. Some commentators argue that social media is now doing the same to established media, removing the costs and barriers to entry – and distribution – of publishing news and information.

So far, the media industry is holding its ground, mainly by integrating this 'amateur' commentary into its existing 'professional' reporting, albeit a strategy not always welcomed by those professionals.

In November 2006, the BBC's Jeremy Paxman, renowned for his acerbic and incessant interviewing style when facing the British political elite, poked fun at the corporation's desire to elicit 'citizen' journalism in the form of videos uploaded to websites like YouTube, comparing it to one of the many home video entertainment shows. Closing his late night *Newsnight* show he said:

> *That's all from* Newsnight *tonight. Martha [Kearney] is being punished for some offence in a previous life by presenting tomorrow's programme. In the meantime, it's all available on the website, along with the editor's pathetic pleas for you to send us some bits of your old memories and the like, so we can become the BBC's version of* 'Animals Do The Funniest Things'. *Goodnight.*

There is certainly some truth in these misgivings, but regardless of the views of journalists such as Paxman there is clearly something afoot in the consumer space that is finding its way into previously untouchable industries. Whether by invitation or as a gatecrasher, it is slowly blurring the boundaries between professional and amateur practice, as well as professional and personal lives.

THE POROUS MEMBRANE

The concept of the porous membrane was first introduced by cartoonist and blogger Hugh MacLeod (2005) when explaining why corporate blogging works. MacLeod argues that in a situation where boundary *y* represents a company's market, area *A* represents the conversations taking place inside the company, and area *B* represents the conversations taking place outside in its market, boundary *x* is the membrane that separates the two (see Figure 1.1). He concludes: 'The more porous your membrane (*x*) the easier it is for the internal conversation to inform and align with the external conversation, and vice versa.'

Social media, and blogs in particular, have already begun to puncture this corporate membrane – sometimes from the inside out but more often from the outside in, completely beyond the control of the organization in question. Social media is creating a direct channel of communication between any employee and the people who make up their markets, bypassing the traditional mechanisms their employers have put in place to ensure only certain people are allowed to speak – and hence become their spokespeople.
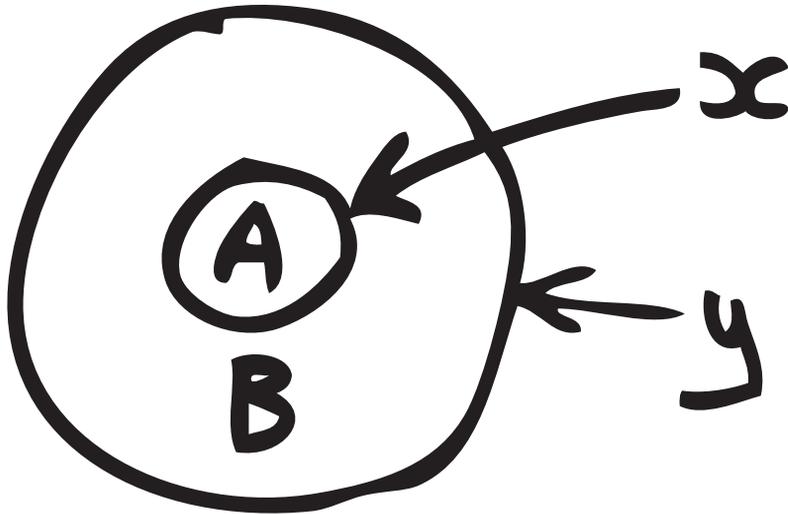
Figure 1.1   The porous membrane
© Hugh MacLeod, http://www.gapingvoid.com

In the world of social media, every employee is the spokesperson. They just don't necessarily know it.

In an interview for software company SAP, Doc Searls picks up on this concept to explain how business will change in the coming years as a result of social media (Israel 2007):

> *The walls of business will come down. That's the main effect of the Net itself. Companies are people and are learning to adapt to a world where everybody is connected, everybody contributes, and everybody is zero distance (or close enough) from everybody else. This is the 'flat world' Tom Friedman wrote 'The World is Flat' about, and he's right. Business on the whole has still not fully noticed this, however.*

The issues and challenges of using social software to deliberately create conversations that transcend corporate boundaries are addressed in detail in Part IV of this book.

INTERNAL HIERARCHIES ARE SUBVERTED

If MacLeod's corporate membrane does indeed become more porous and Searls's walls of business really do come down, then social media *is* going to subvert traditional hierarchies. Marketing will no longer be the preserve of the marketing department. If every employee has the capacity to talk to people in the market what will this mean for the 'official' spokespeople, or even the CEO? As social media permeates the corporation – officially or, more likely to begin with, unofficially – what will happen to the internal hierarchies? By encouraging staff to have open conversations with each other, regardless of level, then information no longer has to be passed down the organizational structure. Without information, many middle managers will have nothing left with which to assert their position in the hierarchy. Indirect communication that relies on intermediaries is slowly becoming a thing of the past. Expect to see the thing happening inside companies, as management focus moves from coercion to cooperation, and ultimately to co-creation.

So it won't just be the world that is flat, but the organization too. Thomas Friedman highlights the blurring boundaries between companies and different groups of workers in *The World is Flat*, as well as the relationships between communities and the businesses that operate within them. In short, the traditional roles of consumer, employee, citizen, taxpayer and shareholder have all become blurred and intertwined, stripped back to what they really are: people. As an entity made up of people, the organization of the future will not know where its barriers are – if indeed it has any. In fact, it will need to make a conscious decision to remove them in order to stay relevant. According to Don Tapscott and Anthony Williams (2006), 'in an age where mass collaboration can reshape an industry overnight, the old hierarchical

ways of organizing work and innovation do not afford the level of agility, creativity and connectivity that companies require to remain competitive in today's environment'.

That is why this new found role for technology will become one of the most disruptive forces in business – externally and internally – for years to come, and probably long after blogs, wikis and the like have been laid to rest. It is not a technological revolution at all, but a truly social one.

FROM WEB 1.0 TO WEB 2.0

In the consumer space, these factors have already started coming together, albeit under yet another label that draws commendation and consternation alike, *Web 2.0*. The supposed future of the web, it was heralded by Tim O'Reilly in November 2005. O'Reilly suggested a compact definition of the term (although it seems more a conceptual description) at the end of 2006:

> *Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as a platform, and an attempt to understand the rules for success on that new platform.*

In the opening talk of the first ever Web 2.0 conference, O'Reilly and John Battelle summarized the key principles of Web 2.0:

- the web as a platform;

- data as the driving force;

- network effects created by an architecture of participation;

- innovation in assembly of systems and sites composed by pulling together features from distributed, independent developers;

- lightweight business models enabled by content and service syndication;

- the end of the software adoption cycle;

- software above the level of a single device;

- ease of picking-up by early adopters.

Further, they also provided for levels and corresponding examples of Web 2.0-ness:

- Level 3: applications which could only exist on the Internet, derived from the human connections and network effects – and growing in power the more people use them. Their examples included eBay, Wikipedia, Delicious and Skype.

- Level 2: applications which operate offline but which gain advantages from going online. Photo-sharing site Flickr is an example of a Level 2 Web 2.0 application.

- Level 1: applications also available offline but which gain features online. Examples include Google Docs, Google Spreadsheets and iTunes.

- Level 0: applications that would work as well offline.

CLASSIFYING SOCIAL SOFTWARE

There are four primary functions of social software, which I will refer to throughout this book as the 4Cs, for reasons that will be obvious.

Communication

Communication platforms allow people to converse with others, either by text, image, voice or video – or a combination of these. Examples include discussion forums, blogs, instant messaging, social presence and virtual worlds.

Cooperation

Sharing software enables people to share content with others in structured and unstructured ways. Image and video sharing, social bookmarking and social cataloguing are all examples of sharing tools.

Collaboration

Collaboration tools encourage people to collaborate with each other on particular problems, directly and indirectly in both central and distributed ways. Examples include wikis and human-based (or evolutionary) computation.

Connection

Networking technologies make it possible for people to make connections with and between both content and other people. Social networking is the most prevalent example of a connecting technology, although enabling technologies such as tagging, syndication and mashups can also be included in this classification.

Of course this is quite a simple classification schema and the reality is not quite so one-dimensional. Rather, each of these social software applications (and others not yet invented) will tend to overlap multiple classifications. Each of these has internal business applications as well as external social ones, both topics that will be revisited later in the book when each area is examined in detail.

IMPLICATIONS FOR BUSINESS LEADERS, ADVISERS AND EMPLOYEES

There can be no doubt that these new technologies are giving employees power over corporate communication and reputation, the like of which has never been seen before. As a result the relationships both between employee and company and between each other are changing dramatically, reshaping their organizations – often from the bottom up.

As the world gets flatter and even the smallest companies begin to compete on a global scale, social software provides the means for a new generation of employees to connect with customers and their colleagues across geographical, functional and management boundaries. New entrants can be catapulted from obscurity into the limelight by their networks of connections, quite literally overnight. Tapscott and Williams (2006) predict that 'in the years to come, this new mode of peer production will displace traditional corporation hierarchies as the key engine of wealth creation in the economy'.

This human instinct to connect is supported by the seismic shift in the psychological contract between employer and employee illustrated by John Smythe (2007) in his book, *The CEO: Chief Engagement Officer*:

Then		**Now**
Cradle to grave	>	*Portfolio careers*
Loyalty	>	*Transactional relationship*
Dependence	>	*Independence*
'Our human resources'	>	*Creative talent on loan*
Employees	>	*Citizens*
Big institutions	>	*My own company*
Command and control	>	*Well-governed inclusivity*
CEO = God	>	*CEO = Guide*
I left the company	>	*I left my boss*
Local community	>	*Workplace communities*

As Smythe outlines, employees today are more concerned about the things that influence what they think and how they feel and behave:

- employability – they want to build their technical, leadership and managerial capabilities so that they can advance themselves and choose who they work for;

- the values, ethics and conduct of their employers;

- bosses and cultures which encourage them to participate appropriately and creatively in the decision making which affects their work;

- work–life balance.

This may go some way to explaining why employees will increasingly expect to be able to use the same 'participatory' tools in the workplace as they do for sharing pictures of their children with relatives or connecting with old colleagues and classmates. This social software will get used in the workplace regardless of whether companies are ready for it. It is more than likely that in some organizations it is already being used without the knowledge of the chief executive, chief information officer or information technology department.

As younger employees build self-organizing networks across traditional boundaries, their work will become more global and more immediate. They will not sit and wait for their employers to evaluate technologies and vendors, then deploy them on a 12-month roll-out schedule. Instead, they will use tools that are already available on the Internet for free. In the future, it will be easier and more cost-effective for organizations to let these workers organize themselves around social software, not the other way round.

To illustrate this point, take the example with which Harvard Business School associate professor Andrew McAfee (2006) opens his seminal article 'Enterprise 2.0: The Dawn of Emergent Collaboration'. He reports how an employee in the London IT department of European investment bank Dresdner Kleinwort Wasserstein (DrKW) used his blog to suggest a new feature for the firm's wiki software. Within an hour, a colleague had developed a solution and sent it to the team who look after the wiki. As McAfee says, 'Within 64 minutes and without any project definition or planning, a presence display solution had been spontaneously taken from concept to implementation, then submitted to the person formally responsible.'

Some managers are sceptical. They see social software as something that their employees only do within a personal context. By bringing it inside the organization, they believe it will simply encourage employee gossip, replacing the water cooler as the place people go to waste time when they should be working. They are more concerned about productivity and profits than communication and collaboration.

Yet research shows that communication and collaboration technologies *can* make a positive difference to business performance. A multi-country study conducted by Harvard Business School (Iansiti et al. 2006) found that firms with superior information technology grow faster than their peers, their managers have more insight into their business and their workers are more productive.

The biggest challenge with this emerging area of social software is, therefore, how well managers and senior executives – not just technologists and early adopters – understand and apply it, topics that are addressed in the next two chapters.