

# **MAKING SOCIAL TECHNOLOGIES WORK**

**LEVERAGING THE  
POWER AND MANAGING  
PERILS OF SOCIAL  
TECHNOLOGIES IN  
BUSINESS**



**RONAN GRUENBAUM**

**PALGRAVE  
POCKET  
CONSULTANTS**

### Praise for *Making Social Technologies Work*

"My first thought was 'Oh lord, another social media book' but then, I actually read it. This one is worth the time – good analysis, good examples, and good advice."

–Vint Cerf, Internet Pioneer

"A true business-oriented read, going deep into what social technologies are and why they are important from both a historical and future-oriented context. This book should be read by anyone wanting to understand just how important social media is in business. C-levels should carefully consider integrating social technologies into their overall strategies, managers need to know how improve their work processes and team-productivity through them and this book informs that journey."

–James Kent, Senior Solutions Consultant, Google

"With social media comes great responsibility. These networks are communities for building businesses and also for tearing them down. Ronan shows you how to inspire communities to build a meaningful and engaged brand in a new era of connected consumerism."

–Brian Solis, digital analyst; anthropologist; author of  
*What's the Future of Business (WTF)*

"Many books detail why new technologies are changing business – Ronan Gruenbaum refreshingly shows us how organizations can embrace and adopt them."

–Erik Qualman, Pulitzer Prize Nominated Author

"Too many businesses – from start up to scale-up – misunderstand the importance of implementing social media correctly. And with thousands upon thousands of ill-informed blogs, articles, and frankly social-media-voodoo available on the web, the business world is ready for a simple and effective framework like SITCER to bring reality and experience to the forefront of our professional lives. This is a 'must-read'."

–Chris Howard, Mentor & Adviser, Techstars – the world's most  
successful entrepreneur accelerator

"You will not find a more readable, more comprehensive or more commercially pragmatic guide to social technologies. Most useful to business readers, but lots of gems for individuals as well."

–Andrew Campbell, author of more than ten books including *Strategy for the Corporate Level* (2014) and *Think Again* (2008)

"There are many books that talk about the 'what' of social media, but avoid the 'how'. Ronan tackles the latter head on with academic rigour. His framework highlights effectively how to integrate social technologies in any organization."

–Christer Holloman, author of *The Social Media MBA*

"In such a connected world, I find it ironic that the business world can be so disconnected in terms of expectations, acceptance, and successful deployment of social technologies, both internally and for reaching current and potential customers. This book is an invaluable reference to help decision-makers understand the value of social technologies and create strategies for successful deployment."

–Garry Sagert, Director, University of Victoria Online

“Ronan Gruenbaum’s book is a detailed primer covering all aspects of social technologies, and what businesses must consider as they are taken into the ultra-connected future. Recommended for anyone who needs to quickly understand how the world is changing, and who needs to familiarize themselves with the huge range of opportunities – including the pitfalls and gotchas their organizations may encounter along the way.”

–Felix Velarde, digital marketing pioneer,  
founder of Hyperinteractive, Head and Underwired

“Media is not new but the rules are and so are the implications especially when the work social is added. Social media requires a new framework and a fresh approach which is what Ronan delivers in this book. This book delivers a good balance between theory and practice and provides a framework to keep your thinking up to date and relevant.”

–Tony Fish, Entrepreneur, Author and Investor

“Social media is changing our world. How can we turn social activity into revenue or even into a competitive advantage? Ronan Gruenbaum gives very tangible guidance with his framework: to strategize, to incentivize, to create trust, to champion, to engage, and to review. This book is a ‘must-read’ if you want to embrace the new opportunities.”

–Lutz Finger, Director Data Science & Data Engineering, LinkedIn

“Social media is still under-utilized and feared; yet is a strategic differentiator/necessity. What are social technologies; how do you assess - and capture - their value in dynamic and recalcitrant organizations? Ronan’s book provides a pithy, solid overview of frameworks for action - if you are working on strategy, business value - here’s how to mobilize its value and make it work. It is useful both for the new economy and old.”

–Katia Kerswell, social media engager on ISO’s leadership programme  
(and consumer policy team); Principal, Smadja and Associates  
(director of the World Economic Forum); CEO,  
the World Microfinance Forum Geneva

“Virtual is real, and social technologies at work are equal to real technologies in place in this super-interconnected business world. If you do not yet agree, Ronan’s book is the first and last book to challenge your ‘business as usual’. By the time you get to the last page of this book, you will be thinking of your ‘business as un-usual’ with social technologies. Unusual is now everything!”

–Jeong Tae Kim, CEO, Merry Year Social Company;  
advisory board member to the IICPSD of UNDP

“An indispensable guide to the rapidly developing world of social technologies – well-structured and well-written with many engaging examples and tips along the way.”

–Jo Whitehead, Author of *What you Need To Know About Strategy*;  
Director, Ashridge Strategic Management Centre

“This book provides a great overview of business aspects relevant for emergence of social technologies in everyday practices of modern companies. It shows that organizational effectiveness can benefit from new communication tools and concepts, which require careful planning and involvement of all relevant stakeholders for a successful implementation. Thereby, the key success factor is not the technology itself, but rather

the way how people engage around social media and social technologies in order to meet their personal and business targets.”

–Anes Hodzic, Managing Director, Robert Bosch, Car Multimedia

“Finally, a comprehensive survival guide for executives looking to not only understand but also implement social technology within their organizations.”

–Jonathan Metrick, Founder, The Agility Project

“This provides a very comprehensive background and current status of social media. It is an eye-opener to where and how social technologies can bring value in any industry, even where you thought it would not matter. Well worth the time reading!”

–Janet Hoogstraate, MBA, PhD, Assoc. Prof., Director Biovation Park,  
Acturum Life Science AB, Södertälje, Sweden; Chairman,  
Stockholm Brain Institute, Stockholm, Sweden

“Ronan has laid out the benefits of the new age social technologies and how you can make your business (enterprise, projects, activities, etc.) more efficient by early and continued adoption of the guides he has outlined in this well-written book. I recommend this book to social leaders, business leaders, and entrepreneurs who want to succeed in the current internet age.”

–Ucheoma Nwosu, Pipeline Projects Manager, Shell, Dubai

“With 14 global offices and often having engineers on the West and East coasts of the USA, in Europe, India, and Singapore all working on the same Life Science systems integration projects, we rely on using social technologies to deliver quality, manage stakeholders, share knowledge, and ensure consistency of practice. This book will help any organization in similar situations to implement social media and all social technologies to make their organizations work more efficiently, more collaboratively and producing more value.”

–Conor Kane, VP & General Manager, Zenith Technologies, USA

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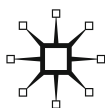
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Leveraging  
the Power and  
Managing Perils of  
Social Technologies  
in Business

# **Making Social Technologies Work**

Ronan Gruenbaum

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macmillan



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*For Magda, Lucas, Ann, and Tom*





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# About the Author

Ronan Gruenbaum is Professor of Marketing and Technology and Associate Dean at the London postgraduate campus of Hult International Business School. Previously, Associate at Ashridge Business School, he has over fifteen years of corporate experience in e-commerce, digital marketing, mobile technologies, online learning, and social media. In addition to teaching on MBA and executive education programs Ronan has spoken extensively on the role of social technologies in business education at conferences for industry organisations AACSB, EFMD, CEEMAN, ECBE, and ABS. He is the author of the chapter “When the Classroom is no Longer a Room” in *The Future of Learning: Insights and Innovations from Executive Development* (2010, Palgrave Macmillan).

Ronan blogs at [www.TechnoWaffle.com](http://www.TechnoWaffle.com) and Tweets as @SealTree.

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Thanks must go to everyone who took part in the primary research, both through the surveys and the extensive interviews. In some cases they spoke to me about practices within their organizations without the permission of said organization. For this reason, all their comments and quotes in the book have been anonymized. But they are all real.

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# Preface

I originally thought of writing this book in 2005 when I first became aware of social media, then still in its infancy, unknown by most, ignored by some, and assumed to have no place in business. I expected someone to write a book on how to successfully implement social technologies in the workplace a long time ago, but all the books I saw talked about the successful uses of social media, often focusing on one particular platform or another, and none of them seemed to address the question of *how* an organization, of any size or type, might be able to overcome the inherent obstacles that exist in implementing any change, let alone a technological change such as this that exists thanks to the large numbers of ordinary people, employees, customers, and stakeholders who have bought into it. Social technologies have not, in general, grown thanks to decisions by the executive boards of the Fortune 500.

The number of platforms and tools proliferated to such an extent that it then seemed to me more relevant to talk about social technologies, rather than social media. Some of the tools being used were not “media” – they were not simply means of communications – but were perhaps better explained by the moniker of “Web 2.0” (all terms will be explained further in the main body of the book). That is to say that they had grown and developed thanks to the increasing use of multiple authors or creators. The ability for individuals to build products and services out of nothing, to create businesses and organizations with no up-front financing, and to disrupt the status quo with their innovations is something new. If you, the reader, can accept that your organization



might not have the best minds in the world to solve a particular task, it might not truly understand its customers, that the leaders are fallible, or that great ideas can come from anywhere, not just the head of strategy, then you are closer to understanding the huge potential social technologies can offer you. If, like many, such acknowledgments for you equate to admissions of weakness and are, therefore, an anathema to the concept of business, then you will struggle to embrace the change. It is worth remembering the old adage that the only constant is change.

A few years ago I conducted some research into who had successfully implemented social media and what they considered to be the keys to their success. I also asked those who had tried and failed to implement social media, to see why they believe the experiment had been abandoned. In addition I spoke to those who had not attempted to implement any type of social media. Time, workload, and procrastination on my part meant that this book, which I had originally hoped to be finished several years ago, is not now as cutting edge as I had intended. Nonetheless, my work with organizations, with business students, with executive education, and through the industry press tells me that there are still a huge number of people who view social technologies as, “you know, for kids.” And even the “kids” don’t always get it, as hundreds of post-graduate business school students remind me every year.

This book is aimed at everyone. Those who still struggle to see the advantages of social technologies are strongly urged to read Part 1, if nothing else, to see the case studies and examples of how different organizations have benefitted from the various tools and platforms.

Those who are familiar with innovation and change will be interested in Part 2, which discusses the academic and business research that has already taken place over the past seven or more decades. This will also help those who need to present a case to their board or manager on why innovation is always resisted at the beginning, demonstrating the importance of the right communication methods and giving some

answers to provide when the board starts listing obstacles and reasons why the innovation won't work with that particular organization.

Part 3 is the framework itself, intended as an instruction manual that can be taken by an individual and used to introduce the social technologies into the organization. Like many frameworks in business literature, everything will seem obvious and straightforward when you see it, but sometimes we need to see things clearly written out to remember to tick all the relevant boxes and not try to cut corners along the way. Cutting corners sometimes works, but it will more often than not involve hitting curbs and crashing into walls, leaving casualties in its wake and ensuring the next people who try to drive through any change are forbidden from even turning at that spot for fear of further accidents (if you will forgive the continued, mangled, metaphor).

Finally, Part 4 is about the future: Its aim is to help readers remember that one should not embrace and implement innovation now and then bury one's head in the sand when newer technologies come along in five, ten, or twenty years. As the text explains, the pace of innovation and the speed of technological development are increasing. The dreams of science-fiction are becoming science-prediction ("sci-pre" anyone?) and the unexpected couplings of disparate technologies often supersede the imaginations of sci-fi writers.

Nostalgia isn't what it used to be.<sup>1</sup> Things never are. Any attempt to only hold on to the technologies we know and use comfortably would keep us in the dark-ages. The future is not what we make of it. The future will happen and we will be a part of it. We can choose to stick our heads in the sand and pretend it will all go quietly away, that "our customers don't like it" and that "that's not the way we do things around here," but of course that won't happen. The future will carry on growing relentlessly. Our competitors, suppliers, and customers will embrace it. Our families, our children, and, eventually, our grandchildren will go through an existence that is inconceivable to us – imagine what your great, great grandparents would have made

of the technologies we enjoy every day, the lifestyles we have become accustomed to.

Embrace the future. It can be bright. It will hopefully be fun. But regardless, it will *be*. It is up to us to change.

Ronan Gruenbaum  
London, 2015

Part **1**

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# What is it?

# What are Social Technologies?

In the beginning there was order, not chaos. Everyone knew what was what and there was a clear direction of information flow from the top to the bottom. Large organizations such as the BBC, ABC, *Financial Times*, *The Wall Street Journal*, or *Le Figaro* would broadcast to millions through TV, radio, and newspapers. Within organizations strategies, directions, and dictats would be decided from on high and passed down to the worker bees. The only way information could flow up the organization was through forming special interest groups, such as trades unions. Businesses were run, more or less, like the military, with a clear hierarchy where one level would obey orders from their “superiors” without questioning them or suggesting modifications. The division of labor means that not only were people expected to perform one specific task, but that it was assumed they would be unable to do anything else.

This paradigm, of top-down control and dissemination of information, existed throughout society, from political movements to the arts and media; from education to shopping. The “little people” did not have the power, and those at the top controlled things to maintain the status quo.

Now there is chaos, not order, and organizations are stuck with the dilemma of trying to ignore what is happening and pretend that there is still order, or accept the fact that there has been a significant paradigm

shift (please forgive the cliché!), that the barriers to entry have fallen, allowing entire industries to develop through the disparate and scattered individuals who would never have previously been able to unite towards a common goal.

This book will help any organization embrace the chaos, keeping a wary eye on the pitfalls and potholes it will encounter on the way.

New technologies, *social technologies*, of which social media and Web 2.0 are probably the best known examples, have completely changed society, how we live, how we work, how we do business, and, of course, how we communicate.

Anyone can do anything and organizations both large and small need to be aware of the threats to their businesses, as well as embrace the new technologies and explore the opportunities that they can offer those who have the courage to change, to experiment, to be bold, and to prepare for the future.

There have, over the past decade, been dozens of books detailing how these technologies are changing businesses and industries, but there seems to be a lack of direction on *how* an organization can embrace and adopt the new technologies.

Those who are well versed in what social technologies are might choose to skip through to Part 2, but the mini-case studies included in Part 1 will hopefully spark the imagination on how your organization can succeed and join the twenty-first century. No strategic analysis today can ignore the influence and effect of social technologies. Take the “4Cs” – the company, the competition, the customers, and the context.<sup>1</sup> The company can be far more efficient and innovative if it explores how to make best use of its human resources and, where appropriate, outsource through crowdsourcing. The competition will no doubt be in a similar situation, so the organization that is not engaging will be left behind. The customers are all using social technologies and utilizing the new opportunities to shop directly from suppliers, publish, help each other, complain as a group, or influence new product development. The context in this situation refers not just to the existence of social technologies but to

their effect on the geo-political landscape, where privacy, data protection, security, ethics, crime, espionage, and freedom of expression are all influenced by, and fundamentally changed by, social technologies.

It is not, therefore, a case of needing to be aware of these new systems, but a business imperative to engage and implement them within the organization.

All of this we can, for the sake of this argument, include under the umbrella label of “old media” not because all examples were in the media industry, but because the media they used – the channels of communication (both internal and external) – contrasts with what became known in business as “new media.” In 1990, Sir Tim Berners-Lee invented the world-wide web following his work at the nuclear research organization CERN. The networks that existed before this, and which led to the development of the internet as we now know it, were focused on peer-to-peer communication but only between academic and military institutions. Peer-to-peer communication existed for a long time before that, through such things as phone calls, letters, bulletin boards, and face-to-face meetings. The birth of the world-wide web promised a great new space where everyone could speak to everyone; and through forums and chat rooms that did occur to a certain extent. The new platform allowed access to information at an unprecedented level with new business opportunities for reaching new audiences and selling products and services online. The websites for the BBC, CNN, Yahoo!, and most other companies were, however, little more than newspapers, journals, and brochures in an online space. Individuals were able to set up websites and publish to the world, but to do so required some programming skills (or the resources to hire a developer) and, therefore, still remained the preserve of the few. The now defunct Geocities is a notable exception to this rule and many non-techies got their first taste of content creation through such tools.

Sites such as Craigslist and eBay showed how simple platforms could, however, enable the great unwashed to get online and make money from it through selling both second-hand and first-hand goods – in some cases making a living out of it.

The internet was, therefore, still characterized by the paradigm of a *one-to-many* communication with most internet usage focused on accessing sites owned by large organizations to consume content or buy products online. Some now choose to refer to that period of the development of the internet as Web 1.0, to differentiate it from the new buzz-word Web 2.0, which was reportedly first used towards the end of the 1990s<sup>2</sup> but only took its current meaning in 2003 when coined by Tim O'Reilly of O'Reilly Media who organized the first Web 2.0 Summit in 2004.

In 2005, O'Reilly said "Web 2.0 is about systems that harness collective intelligence"<sup>3</sup> and he defined the core competencies of Web 2.0 as:

- Services, not packaged software, with cost-effective scalability.
- Control over unique, hard-to-recreate data sources that get richer as more people use them.
- Trusting users as co-developers.
- Harnessing collective intelligence.
- Leveraging the long tail through customer self-service.
- Software above the level of a single device.
- Lightweight user interfaces, development models, AND business models.

This definition has stood the test of time and could be applied to the broader set of *social technologies*. There is now more power in the hands of the users, using online services rather than traditional purchased software, tapping into the "wisdom of crowds" by making use of the extra data they bring and making everything easy for normal users, not just being the preserve of the technically minded.

The terms "social media" and "Web 2.0" are essentially synonyms. "Enterprise 2.0" was a term coined by Andrew McAfee of Harvard Business School in a MIT *Sloan Review* article where he defined it as "those platforms that companies can buy or build in order to make visible the practices and outputs of their knowledge workers."<sup>4</sup> He later defined Enterprise 2.0 as "the use of emergent social software platforms

There is now more power  
in the hands of the users



by organizations in pursuit of their goals”.<sup>5</sup> By “emergent social software platforms” (ESSPs), McAfee refers to all tools (such as the publicly available sites Facebook and YouTube) where the digital environments allow users to connect and collaborate online and where the software allows people’s interactions to become visible over time through links and tags.

According to McAfee, ESSPs share common technical features (which he calls *SLATES* for the acronym), such that they are searchable, they link to each other, they allow for anyone to post, they can be tagged for easier search and horizontal navigation (which shall be discussed more in Chapter 6), they enable content to be repurposed or the tool to be reinvented, and they allow for users to know when new content is published. The following terms are used throughout the book and are all examples of social technologies and all contain the *SLATES* features.

### **Crowdsourcing**

The outsourcing of a project or task to members of the general public (the “crowd”).

### **Crowdfunding**

The public, the crowd, funding projects (entrepreneurial, artistic or “causes”) with small investments and usually no equity in return.

### **Blogging**

Online journals, now also used as easy-to-create personal websites.

### **Microblogging**

Small messages that are “broadcast” to followers of that account (such as Twitter).

### **Folksonomies/Tagging/Social Bookmarks**

The labeling of content by users that makes it easier to find.

### **Wikis**

Websites (or online platforms) that can be edited by any user.

## **Podcasts**

Audio and video content distributed online, often created by non-professionals.

## **Social Networks**

Platforms that allow users to keep in touch and interact with their friends, colleagues and contacts.

## **Widgets/Apps**

Small programs that usually do just one function on a website, a desktop, or a mobile device.

## **Internet of Things (IoT)**

When technologies are social, where everything is connected and sharing information so that the technologies can “decide” what action to take without us needing to give any input.

## **Location-based services**

Such as Foursquare that allow users to “check-in” to physical locations to show others where they are.

## **Mashups**

Combining technologies to achieve a new functionality.

## **Virtual Worlds (VWs)**

Three-dimensional graphical online environments that allow users to interact with each other through their online personas, known as “avatars.”

## **Gamification**

The use of features of games to motivate greater engagement with a product or service.

Whilst this list is not exhaustive – new platforms are being produced every week that seem to provide new connectivity that challenges once more how people interact – it covers the most important and most common tools.

Many readers will no doubt know all of the above vocabulary, a number will know some, and there are those who will only have a cursory passing knowledge of what the terms actually mean and include.

The terms *social media*, *Web 2.0* and *Enterprise 2.0* are, therefore, used interchangeably here to refer to any of the following tools used for business purposes, be they internally or externally focused. Part of the reason for this is that while McAfee suggests Enterprise 2.0 revolves around using internal platforms, it ignores much benefit that can be gained by using the same types of tools externally. Furthermore, those in business are often unsure of terms like “Enterprise 2.0,” whilst others feel that “social media” refers only to social tools that have no place in an organization.

*Social media*, however, suggests media – means of communication, publication platforms, connection through social networks. It does not necessarily include the concepts such as crowdsourcing, mashups, maker communities, or hackathons, which, rather than being separate developments, are all part of the same mindset that allows social media to exist and thrive. That is why it is better to think of these innovations as *social technologies* – innovations that have grown through the combined efforts of many and, often, can only operate with the input of the crowd. For these reasons, “social technologies” will be used here on in: It includes software and hardware; public and private platforms; for both social and business use.

Social technologies are so-called because they are not a part of the old paradigm where a system is designed, created, and implemented with little or no input by the end-user; where potential benefits of combining data or giving more people access to it are ignored; where the system is as the system does, because that is what has been decided.

Having taught this topic to MBA and Masters students as well as executive education participants with ages ranging from early twenties upwards, it is clear that any assumptions made about generational differences in understanding of the nuances and potential of the technology are misleading. Some enthusiastic proponents of social technologies are in their fifties and beyond – whilst there are those starting out on their careers who consider Facebook a waste of time

and have not considered the potential both for themselves and their organizations.

Consequently, whilst some readers may wish to skip this section, all are strongly encouraged to read it to get a better idea of how the tools are being used now in different organizations, both well and badly.

## ／ Social Technologies are...

... all of the above and as explained in the remaining chapters of Part 1. They are all technologies that only work because the people, the crowd, provide the input, create the content, give feedback, accumulate data, and collaborate. Some of them, such as virtual worlds, might not be truly embraced for some years to come – until, for example, every business person has 3D goggles and gloves and can interact with the virtual world in a more natural way, rather than through the archaic qwerty keyboard. Gartner defines social technologies as “Any technology that facilitates social interactions and is enabled by a communications capability, such as the Internet or a mobile device. Examples are social software (e.g., wikis, blogs, social networks) and communication capabilities (e.g., Web conferencing) that are targeted at and enable social interactions.”<sup>6</sup> There are other uses of the term social technologies (see that social “technology” Wikipedia for an explanation of the other uses of “social technology”<sup>7</sup>).

The questions we will explore in the chapters that follow are:

- How can the social technologies described here be effectively implemented in the workplace?
- Why have so many tried and failed to jump on this particular bandwagon?
- And is it worth it?

The answer to that final question has, I hope, already been answered. One can exist without using social technologies. Organizations, both

in the public and private sector, can carry on as they always have done. But any organization that does not keep one eye on new technologies is doomed to fail in the end. *Encyclopædia Britannica* almost went out of business in the 1990s because it failed to see the importance of the CD-rom and how a new competitor, Microsoft's Encarta, was suddenly more relevant.<sup>8</sup>

# Crowdsourcing

## Definition and Description

The *Crowd* refers to the general public. *The great unwashed*. All the people who are not working directly for you or on your project or in your area. James Surowiecki, in his 2004 book *The Wisdom of Crowds*, argued that the collective intelligence of a large group is often more accurate or more useful than that of individuals or small groups. This concept was first noted by Sir Francis Galton a century previously. Amongst other achievements, Galton founded Differential Psychology and developed statistical concepts such as correlation and regression. The concept that the mean of a large group of people is more likely to be the right response rather than any one individual in that group should be obvious to anyone familiar with the traditional bell-curve in Figure 2.1 showing a normal distribution, where most responses of a study would be within one standard deviation of the mean, with a few *outliers* on either side being very high or very low. Most people are more or less the same height, but there are exceptions. Most exams produce a large number of “average” students with a few excellent results at the top end and a few who fail at the bottom.

Galton found at a county fair that the median of 800 guesses of an ox’s dressed weight were within 0.8 per cent of the actual weight.<sup>1</sup> It was later pointed out in a letter to *Nature* that the sample population at