

Identifying critical success factors for Enterprise Social Network success

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ENTERPRISE SOCIAL Networks (ESNs) are changing the way that people within organizations collaborate – both internally with colleagues, as well as externally with vendors, suppliers, and customers. Deployed and nurtured correctly, ESNs can be an effective tool used by knowledge management (KM) practitioners to provide a platform that can support real-time knowledge sharing/capture/reuse, enable organizational learning, increase speed to market, and improve margins. Robert K. Logan describes KM as ‘the organizational activity of creating the social environment and technical infrastructure so that knowledge can be accessed, shared and created.’¹ ESNs are representative of the types of KM activities that focus on both connection and collection strategies; that is, connecting people-to-people and people-to-content. They are capable of transforming a workplace as a result of their ability to connect an organization’s people to both colleagues and content in a natural and engaging way.

Organizations have gained a number of benefits from implementing ESNs such as improved employee access to experts, better cross-functional collaboration, increased speed and reach of communications, ease of knowledge sharing/reuse, increased employee engagement, reduced email traffic, identification of process

improvements, increased access to senior management, and a shift in culture to more open and transparent ways of working.

Unfortunately, many organizations are now discovering that realizing these benefits is much more involved than simply providing access to a technology platform and assuming that employees will adopt the tool and derive value from it as expected. Gartner found that this type of hands-off approach to deploying an ESN has only a 10 per cent success rate.² With the enterprise social software market estimated to grow to at least 4.5 billion by 2016³ and a 2013 IDC study that stated that 79 per cent of organizations have or are planning to implement an ESN,⁴ organizations are clearly beginning to understand the value proposition of ESNs and are planning to invest heavily in this area as a result. For organizations adopting these social software tools, the challenge will be to understand the factors that are the most critical to the success of their ESNs. The ability to differentiate between factors that are critical for success, and ones that are merely nice-to-have, should serve as the foundation for planning and implementing an ESN.

Critical success factors

Organizations face challenges implementing and sustaining successful ESN initiatives for a variety of reasons such as unrealistic expectations, a one-size-fits-all approach, lack of understanding about the tool, overemphasis on technology, and lack

of strategic alignment or purpose. As organizations seek to develop enterprise collaboration as an organizational competency, it is vital that they overcome common challenges and issues associated with implementing an ESN. Identifying and addressing the critical success factors (CSFs) of an ESN should be top priority for any organization investing time, money, and resources in this type of tool.

As defined by Bullen and Rockart, CSFs are the “few key areas where “things must go right” for the business to flourish and for the managers’ goals to be attained.”¹⁵ The CSF approach, which seeks to identify what factors have the most potential to impact either the success or failure of initiatives, is a popular approach in KM and other related disciplines. The concept suggests that with any project a small number of factors are absolutely critical for success. The framework proposed here identifies 15 CSFs for ESNs, and places them in five distinct factor groups:

1. Factors related to the ESN initiative;
2. Factors related to the organization;
3. Factors related to the ESN manager;
4. Factors related to the ESN team; and
5. Factors related to the external environment.

Organizations that plan to invest in an ESN should view the CSFs outlined below as a general guide. An organization’s industry, size, and primary geographic location have all been found to influence the strength to which some factors are or are not critical. Therefore, this list does not account for every possible factor that could be important for an ESN initiative, and is not meant to be equally applicable to all organizations. However, it does account for the most common factors identified in research and should serve to help organizations to plan

and build the foundation needed for a successful ESN initiative.

Factors related to the ESN initiative

Link to corporate/business strategy

Some organizations will formally launch a collaborative knowledge network/ESN because they see it as a trend, while others may be placed in a situation where their employees have begun using third party ESN tools and the organization will formally adopt the tool because of the perceived value employees are getting from it. The challenge is that, in both of these cases, the cart is being placed before the horse. The degree to which the KM efforts support, align, and are integrated with the corporate and/or business level strategy of the organization are critical. To be successful and truly meaningful to the organization, the ESN should support corporate and business strategies and be completely integrated within the strategic planning process of the organization. Efforts that are not aligned or integrated with an organization’s strategy from the start will find it extremely difficult, if not impossible, to have a positive impact on the organization. ESNs that are adopted because they are trendy, or in response to employee demand without first understanding how the tool is linked to corporate/business-level strategies, will struggle with adoption.

Measurement

Measurement provides milestones and benchmarks from which targets, goals, and improvements can be calculated. This is vital, as it allows those responsible for ESN efforts to evaluate the impact and to provide evidence of value to top management and other stakeholders. A recent Altimeter report found that of organizations with a deployed ESN, almost

70 per cent felt that their organization was doing a poor job of measuring impact.⁶ Metrics developed to assess the impact of an ESN are often both qualitative (for example, engagement metrics) or quantitative (for example, collecting anecdotes and examples of how the ESN has driven business results). In either case, those responsible for the success of an ESN should ensure that they are communicating these achievements to top management on a regular basis to demonstrate the continuing value of the tool.

Training and education

The role of ongoing training and education is an important consideration when driving adoption of an ESN. While some members of an organization may have an understanding of what the tool is and how they can integrate it into their work, it is important to educate employees of all technical inclinations. They should be given guidance about what the tool is, the value they can expect to gain from engaging with it, and clear situational guidance for when/how they should be using the tool. Moreover, as the ESN develops and evolves, ongoing training and education should take place to keep employees aware of the different ways that they can engage. Taking a social norming approach by using actual examples of how other people and groups are using the tool to achieve business results can go much further in raising awareness than generic lists of ambiguous benefits. Not every example shared will produce a breakthrough moment of understanding for every person, but the more examples that employees see of how their peers are using the tool, the greater chance there will be that they identify ways that they can integrate the tool within their day-to-day work.

ESN champion(s)

An individual, or individuals, from each level or unit of an organization should be identified to support and promote ESN efforts and advocate for the tool. These individuals should serve as the link between the business units that they represent and the central team responsible for managing the ESN. As advocates for the ESN, they are uniquely positioned to communicate and demonstrate the value of the tool to their network. They are also able to represent the needs of their stakeholders by highlighting any challenges or frustrations that the ESN team likely would not have heard otherwise. Those managing ESN efforts should continually look to identify, train, and support these strategic partners.

Factors related to the organization

Top management/leadership support

The support and engagement of top management and leadership for ESN initiatives is crucial. Two key benefits of an ESN is that it should make leadership highly visible and accessible to employees, as well as provide leadership with a transparent platform for communicating directly with employees. However, high visibility can be a double-edged sword. If leadership supports the ESN with funding, resources, and words, but does not actively engage with the tool themselves, their absence on the tool sends just as powerful of a message. It is critical for top management and leadership to support and model knowledge sharing behaviors within the organization, as their behavior will influence the likelihood that other employees will engage in similar efforts. Top management and leadership visibly engaging on the ESN serves to model the behavior that employees are asked to demonstrate.

Organizational culture

Often cited as one of the most difficult factors to influence, an organizational culture that encourages knowledge sharing, exploration, innovation, collaboration, and contribution to organizational knowledge structures is critical to the success of an ESN. It is in this type of environment where an ESN can thrive. Organizations that are highly bureaucratic, discourage collaboration or open communications will struggle to gain traction. However, even in open, collaborative organizational cultures there may be people or groups that view an ESN as a waste of time. This could be because they have a misunderstanding about the tool itself, or because they could simply view all social collaboration tools as a waste of time (which is not helped at all when ESNs are often described as 'Facebook for the enterprise'). However, by demonstrating value over time and engaging in social norming by showing how their peers are successfully leveraging the tool, it is possible to turn ESN pessimists into champions that ultimately help to drive adoption.

Technology infrastructure

Available and appropriate technology to support the ESN should be in place. Slow networks, restricted access to groups of employees, multiple logins, lack of integration, and lack of mobile enablement are all infrastructure issues that can create barriers to adoption. An ESN should be widely available, simple to use, and support the work of all employees.

Factors related to the ESN manager **Change management skills**

ESNs can become a great catalyst for organizational transformation. Because of the high degree of integration needed for ESN efforts, ESN managers require the

ability to effectively manage and facilitate organizational change. This requires that the ESN manager be able to articulate a vision for the ESN, communicate this throughout the organization, gain alignment from stakeholders, and implement programs and initiatives that support people throughout the evolution of individual habits and organizational culture.

Commitment

The degree of dedication to ensuring the success of the ESN initiative is crucial for an ESN manager. Their ability to drive sequences of events, tasks, governance, training, and deliverables (etc.) that are required for success despite organizational politics, critics of ESNs, or other unexpected roadblocks, is vital. Additionally, their ability to create a vision and cultivate commitment to that vision from leadership, their team, ESN champions, and the rest of the organization is just as important. Without this personal dedication and the ability to generate commitment of others to the vision, the result of the ESN implementation may end up fractured by competing visions, or critics/pessimists actively working to undermine support for the ESN.

Relevant past experience

An ESN manager does not necessarily have to have past experience managing an ESN, but should be well versed in Communities of Practice, social collaboration tools, and should have an appreciation for how these tools are reshaping the way that people learn, create, share, and connect with their colleagues, vendors, suppliers, and customers. While an ESN is a technology tool, it is not necessary that the manager needs to have a heavy IT background. However, they should have an understanding for how the ESN is connected and can

integrate with the larger suite of available collaboration tools within the organization, and be capable of articulating the use cases to employees based on the strengths and weaknesses of each tool. Finally, the ESN manager should have proven experience leading successful organizational change initiatives.

Factors related to the ESN team

Full-time/dedicated staff

If an organization is committed to the success of their ESN, budget should be allocated to create a core team of employees whose sole focus is to support the ESN initiative. The skill set of each dedicated team member should be complementary to the group as a whole; with diverse roles ranging from technical team members with backgrounds in portals/intranets, information architecture, web 2.0 tools, and coding skills, to team members focused on community management with backgrounds in Communities of Practice, communications, learning and development, and usability.

Commitment

As an extension of the commitment required by the ESN manager, the degree of dedication from each ESN team member to ensuring the success of the initiative is also critical. Team members should be aligned to the vision for the ESN, understand the role they play in getting to that desired end state, and be committed to working towards that goal.

Factors related to the external environment

Competition

The degree to which competition drives the need for ESN initiatives is also a critical influencing factor. ESN initiatives are often directly linked to external competitive

forces. Competition can be a very powerful influencer, such as when an organization learns that their primary competitor(s) are seeing: reductions in costs, innovative ideas being shared and implemented, increased employee engagement, faster time to market, increased connectivity between employees, and a transformation to a more open and transparent culture. The reality is that many organizations that have adopted collaborative knowledge networks are still in the beginning stages of understanding exactly how they can realize these benefits. However, seeing a competitor signal that they are investing in an ESN can be a powerful motivator to adopt a fast-follower strategy with regard to social collaboration tools.

Markets

The degree to which the consumer market drives the need for an ESN initiative is also an important consideration. Most organizations treat their internal and external social initiatives as disconnected efforts. While only 4 per cent of organizations have merged their internal and external social initiatives today, 45 per cent are planning to integrate the two in the future.⁷ As customers, vendors, and suppliers also grow in their maturity in using social collaboration tools, there will be increased expectations on their part to be able to collaborate and more easily build relationships with people in an organization that were previously inaccessible due to rigid and outdated communication and collaboration capabilities.

Technology With the market for enterprise social software expected to reach \$4.5 billion by 2016, and new vendors and products entering the market on a regular basis, the technology landscape for ESNs is shaping up to be quite competitive in the

long term. The technology on which an ESN is built has evolved dramatically in the past five years, and has seen established companies like Microsoft acquire Yammer, VMware acquire SocialCast, and LinkedIn also preparing to enter the enterprise collaboration space with their own product.⁸ With all of the existing options available, an organization should be careful to select the ESN platform that best meets the needs of their organization. Given the number of vendors now entering the market with numerous products already present in many organizations, the ability to integrate with those existing tools and technologies internally could become a powerful influencing factor for many organizations.

Conclusion

The benefits that can be realized through the adoption of an ESN are both many and varied. As organizations are increasingly drawn to ESNs by their potential benefits and begin to launch their own networks, the importance of addressing the factors that are most critical for the success becomes paramount. The risk of ignoring the importance of change management skills, cultivating ESN champions, developing and monitoring actionable metrics, failing to connect the ESN to corporate or business level strategies, or any of the CSFs discussed here can severely limit the potential of an ESN. Ensuring that the CSFs for ESNs identified here are addressed, as well as any CSFs that may be unique to your organization, will create an organizational environment where your ESN has the best chances for success.

References

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