The Evolution of Enterprise Social Intelligence

Why organizations must move beyond today's social media monitoring and social analytics to Social Intelligence- where social media data becomes actionable marketing and business strategy.

Social Media Begins

Although social media and social relationships have been around for a long time (think back to the first Bulletin Board Systems and community sites in the 1970s – even before we had computers in every home and office) the evolution we are experiencing today is just three-to-five years old. The advent of online social networks and the widespread availability of mobile platforms to interface with them have changed the model for social interactions and social relationships forever.
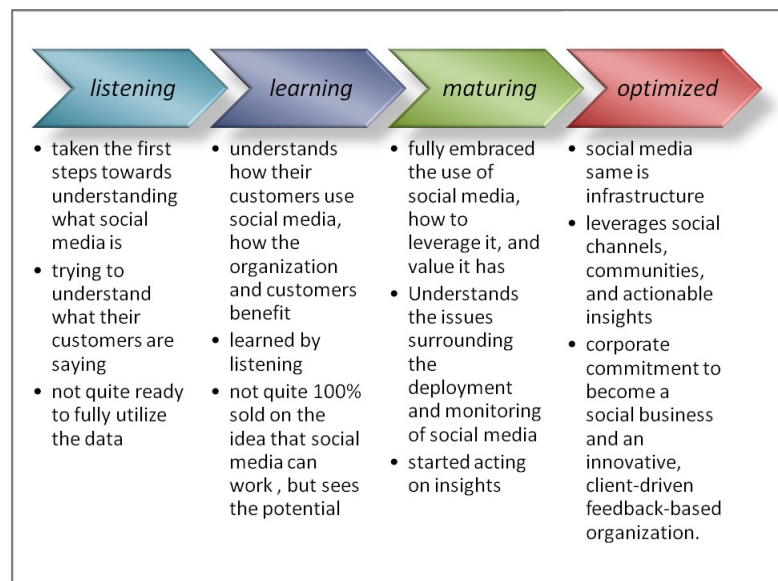
At the beginning of this phase, few customers were present and online discussions were limited. Then little by little, consumers and customers began to realize that social networks could replace some of their offline communities and activities such as: PTA, sports events, parties, water cooler conversations, etc. They realized the benefits of socializing did not have to end at one specific geographic location, and conversations could continue elsewhere. We moved from calling to follow up a conversation to using online communities of all sorts to do the same.

Now, according to Forrester Research over 80 percent of Americans use social media monthly. There are over 200 million blogs, 500 million active Facebook users and 3 billion Google searches are conducted along with 70 million tweets each day.

Brands Listen

The resulting social explosion led brands to sit up and take notice of this new model of Social Networks. They began to listen crudely at first by simply becoming members of relevant communities and searching out content related to them. Later, tools began to appear to help automate finding brand mentions in online conversations. Listening in on sites and communities was replaced by scouring the entire social Internet looking for more and more feedback. This generated loads of data and information in the process.

However, having massive amounts of collected data was not enough. Brands wanted to begin to use this data.   Their needs and demands from social media monitoring vendors shifted from merely collecting the data to tell me what it says, analyze it and summarize the sentiment in it. Vendors were pushed, and they responded with first generation social media monitoring tools with plenty of capturing but only limited data analysis capabilites.

listening	learning	maturing	optimized
• taken the first steps towards understanding what social media is • trying to understand what their customers are saying • not quite ready to fully utilize the data	• understands how their customers use social media, how the organization and customers benefit • learned by listening • not quite 100% sold on the idea that social media can work , but sees the potential	• fully embraced the use of social media, how to leverage it, and value it has • Understands the issues surrounding the deployment and monitoring of social media • started acting on insights	• social media same is infrastructure • leverages social channels, communities, and actionable insights • corporate commitment to become a social business and an innovative, client-driven feedback-based organization.

Realizing Social's Opportunity

The more brands monitored social conversations and collected data, the more they began to see social's win-win opportunity: increase customer satisfaction while learning how to work better with customers. They also learned that social channels:

- Are very different from traditional media – old lessons don't apply well
- Are very fast moving, with broad, rapid adoption
- Generate immense volumes of unstructured, community-generated content that must be analyzed to produce any value
- Feature an overwhelming number of varied contributors – not all known

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> *"Social Intelligence is an emerging discipline. Most brands' listening strategies still only use social media data reactively – mainly monitoring brand mentions. Few have yet to take the next steps toward proactively using the data to inform their marketing and business decisions."*
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> *Zach Hofer-Shall - Forrester Research*
> *"Trends 2010: Listening Platforms" - September 9, 2010*
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Evolving organizations on their way to become optimized (see figure above) ramp up their use of social media data and content, and try to understand it and disseminate it across the organization.

However brands did not have the proper tools for this, as traditional analytics tools could not measure the sentiment and intent inherent to the social data being captured. Brands now look for more advanced tools that will unlock the value of the data.

Social Analytics Enter the Game

Learning the hidden value and meaning of social data is achieved by using social analytics[1], and the lessons learned in the process are applied to grow the organization and become more social. The use of social analytics to create insights, teaches us a few lessons about becoming a social business:

- Analytics and data management systems in place today cannot handle the volumes of the social channels; opening the flow of social data produces 20 times the data previously handled – and it is all unstructured.
- Social analytics provide some relief, but as volumes grow we need to move past the traditional model of storing data and analyzing later to analyzing in real time and storing the results only
- Social data goes beyond the traditional demographic, operational, attitudinal, and behavioral data – it provides clues to attitudes and sentiment; this new perspective into customers' needs and wants enhances the ability to predict behavior and desires and proactively act on that knowledge
- To fully leverage social data, it must correlate and fuel the KPIs and metrics that drive the business strategy – not a stand-alone set of efficiency-driven, channel-management metrics.

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[1] Michael Fauscette at IDC calls it **Socialitycs** and defines it as the set of tools to help organizations make sense of the social data they collect. http://www.mfauscette.com/software_technology_partn/2010/02/socialytics.html

The Social Strategy becomes the Business Strategy – a way to master social data and generate value for the organization through a more complex set of tools that can analyze the social data, mash it up with existing data, generate actionable insights, and ensure they are acted on.

Enter Social Intelligence.

The Evolution to Social Intelligence

Social Intelligence is not a new term.

The original definition, *"the ability to understand and manage men and women, boys and girls, to act wisely in human relations"[2]*, refers to the ability of humans to interact among each other. It has been applied for many years to the process that societies and large, complex human groups go through to become better and grow together.

Until now, it has not had a practical application in the world of business withfew exceptions. A case can be made for massively-large organizations like GE, IBM and Microsoft – since the scale was there to justify the concept.
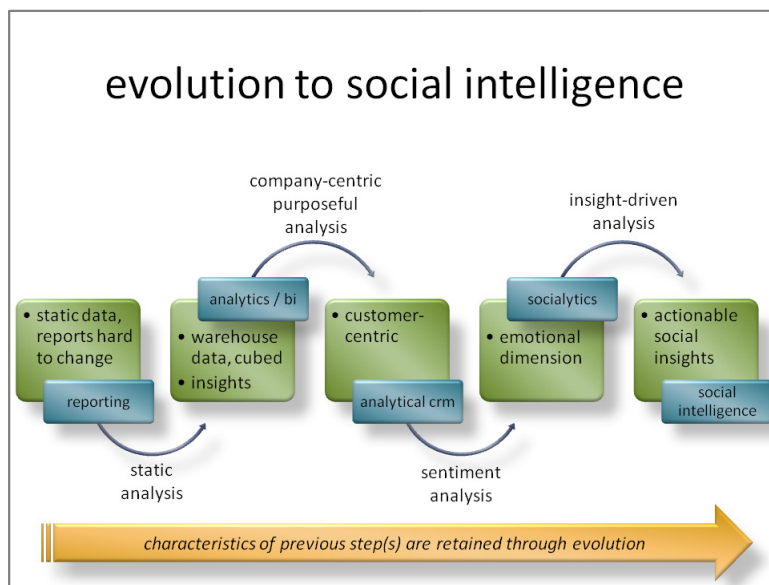

However, as businesses become more social and their sphere of influence and group size goes from only employees to a mixture of employees, partner, consumers, and customers in very large communities we find the concepts and theories of Social Intelligence apply to these larger groups. Until now we had not had the need to automate them or provide tools and technologies to use them – they were simply a place to exchange views and knowledge. As the social business evolves, it needs to leverage the value in these communities to fuel its understanding of how to do better.

Social Intelligence, as applied to these business groups, refers to the tools and practices used by organizations to aggregate social data (gathered via social media monitoring tools and social analytics engines) with existing data and integrate with systems of records and real-time analytics engines. The results are actionable insights that provide brands with new information on their customers, their products, and even their campaigns that they can use to improve what they do and how they do it. Using this information to proactively predict and anticipate customers needs, and deliver on their specific wants and desires, is the value of Social Intelligence.

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[2] http://en.wikipedia.org/wiki/Social_intelligence

Social Intelligence delivers on the evolution of metrics (see figure) by integrating all the different types of data and creating insights not only into who the customer is or what they may want, but how they feel about what they want – allowing organizations to prioritize and select the most relevant insights to act on.
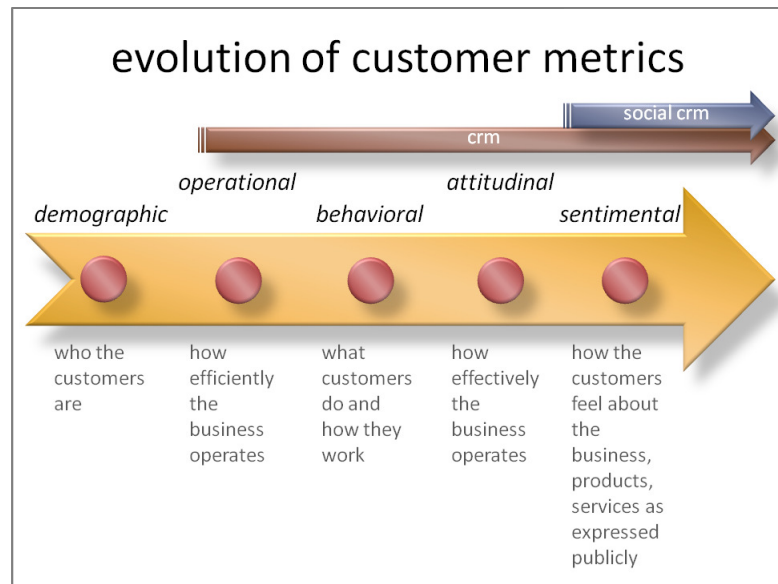
A Case Study: FedEx Embraces Social Intelligence

In the book *Social Intelligence: the New Science of Success*[3] Karl Albrecht discussed the three elements necessary for a society to evolve and become more intelligent socially: a

evolution of customer metrics

strong and committed leadership, a supporting educational system, and the appropriate media support environment to ensure that the lessons and principles are not only spread, but fairly spread throughout.

This is no different for any organization who is undertaking an evolution to become a social business, as shown in this example of FedEx and their move to become a socially intelligent organization.

FedEx understood early on that Social Media was not a passing fad, and the volume of data it generated merited attention. To this extent they signed up very early in this evolution for a pilot project (and later a corporate license) with a Social Intelligence vendor (Visible Technologies).

In the beginning, they ran small projects to learn what value they could extract from social conversations. Small pilots monitored specific keywords and concepts to determine the volume and level of engagement necessary. Once they learned what they needed to do they began to embrace and adopt the concept of social media throughout the enterprise.

Progress at a Steady Pace

First, they discussed the many implications of their social approach with their legal and compliance stakeholders. As a public, global organization they needed to ensure that their social efforts were in line with their operating charters and compliance mandates. After a one-year pilot the case for social media monitoring, analysis and engagement was made and their social media program launched. FedEx is a value-oriented company: they don't deploy any system unless it is proven to deliver value to the business. They used the pilots as proof of concept, learning moments, and a way to calculate the value and benefits FedEx could achieve by leveraging social data across business units.

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[3] Karl Albrecht, Social Intelligence: The New Science of Success, 2006, Wiley & Sons.
http://books.google.com/books?id=5L_7TjmvdYgC&lpg=PP1&ots=KPMuRNwHl8&dq=%22social%20intelligence%22&pg=PP1#v=onepage&q&f=false

Armed with a compliance and governance charter, as well as sufficient data and information to prove value to the business, they set out to find business stakeholders that would be interested in deploying social media as part of their processes and functions.

What they found, as most brand do, was that customer service was the leading business function that could leverage social media. The executive team that supported this launch also wanted to focus on the value it could bring to internal processes (show of social maturity and evolution towards becoming a social business) so they spent some time looking at the relationship between customer service and HR.

World-class organizations already know that human resources and customer service are closely aligned: customer service is a high-churn business, especially for agents or CSRs, and they need to find better ways to indentify, hire, train, and retain top talent – a talented and experienced agent will cost one-third or less than a new agent – even with a higher salary. There is no replacement for the value experience brings to Customer Service jobs.

Finding Value in Social Channels

FedEx also discovered that marketing, PR, and communications business units were deeply interested in being the first to leverage the social infrastructure – their perspectives on the social evolution was that it was a communication channel to engage in conversations with customers. In conjunction with human resources, the original executive sponsor for the project and HR set out to find ways to deploy and leverage social media across the enterprise.

As a result, FedEx was able to engage with customers and consumers via different social networks and gather sufficient social data to improve their HR functions (hire-train-retain) and create a communication strategy (their first two goals). Additionally it provided more data and the need for deeper analysis – pushing them further toward Social Intelligence.

Making a Decision for Social Intelligence – What Must Be Known

As it is evident from the case above, the concept of enterprise Social Intelligence is more than analytics – in essence it encompasses learning, support systems, and strong executive leadership who understands its importance and value.

FedEx recognized the value of social data and blazed the trail for adoption of social media in their business through hard work and learning.

Based on the lessons FedEx and others have learned, a decision framework can be made to help organizations discern when they are ready to move from social media monitoring into social analytics and from social analytics into Social Intelligence. Answering these questions will not yield a yes-no decision, rather will provide the necessary data points to make an informed decision on when you're ready to focus on Social Intelligence:

1) *People*
   a. Company Culture
      i. Is the culture company culture well defined?

      ii. Is the company culture one of collaboration?

      iii. Does the executive team encourage and welcome change as a competitive differentiator?

  b. Change-able and change-ready

      i. Can the culture of the company adapt?

      ii. Has the company undergone a major change in people, process, and technology before?

2) *Processes*

  a. *Documentation*

      i. Are the processes that will be affected well documented?

      ii. Is there a Business Process Management initiative in the organization?

  b. *Flexible use of data*

      i. Can documented processes change data they use?

      ii. Can data be easily altered, stored, or deleted?

3) *Technology*

  a. *Dynamic architecture and technology standards*

      i. Are technology standards in place at the organization?

         1. Can they be altered?

         2. Is IT a flexible and dynamic organization?

      ii. Is the architecture in place open to new systems?

      iii. Do data management policies establish clear guidelines and policies for use and storage of data?

      iv. Are IT objectives aligned with the corporate strategy?

4) *Governance*

  a. *Politics known, or inferred*

      i. Are political battles to be fought known?

         1. Can detractors and promoters be converted?

      ii. Can political allies be found and enlisted?

  b. *Policies in place*

      i. Are existing guidelines and policies in place flexible and able to change?

      ii. Is there a group or committee that owns the social media strategy?

         1. Can they be included in this project?

         2. Do they have to "own" the solution?

      iii. Is policy making a well documented event at the corporation?

  c. *Compliance*

      i. Are compliance rules and regulations well known?

      ii. Are they flexible?

      iii. Can they be altered or expanded to accommodate new systems easily?

5) *Measurement*
   a. *Do you have a strategic measurement strategy in place?*
      i. Can the strategy be modified?
      ii. Does it support the corporate strategy?
   b. *Are the KPIs for social known and implemented?*
      i. Can they be adapted if necessary?

As emphasized in the questions above,   flexibility and dynamicity are key traits of Social Intelligence. There is no need to replace or remove any existing systems or processes in place – simply extend them. It is imperative to understand and evangelize that point. Properly implemented solutions will simply bring additional value to existing solutions and systems, more data points to allow for better decisions.

A Social Intelligence Platform

Once you identify the need to implement a Social Intelligence solution at your organization, the next step is to craft a strategy, determine and document the many changes necessary, adopt change management techniques – and finally look for a Social intelligence platform to support your needs.

A Social Intelligence platform has 3 core components (see figure), which can come from a single vendor or multiple vendors. Additionally, it must have a flexible underlying architecture since this is what allows your organization to embrace a Social Intelligence platform with replaceable components if necessary.

The three core components are:

> *Social Media Capture* – monitor social networks and communities for specific keywords, phrases, or content and capture the relevant information and bring it into the enterprise. No processing is done at this layer, simply scouring the vastness of the social world for relevant information.

> *Social Analytics* – process social media data captured (including the sentiment analysis privy to social networks), mash up social data with existing information to create insights and share with other systems to increase business intelligence.

> *Social Intelligence* – a combination of manual and automated processes that ensure that the social insights created become actionable, and are acted on. This should include a workflow engine, or link to one, as well as a detailed knowledge of the organization.

> "Businesses have to evolve with customers, yet too often, companies spend their resources trying to get customers to behave in old ways rather than adapting as the world changes. As social media becomes more prevalent in our lives for researching products and services, talking about our experiences with brands and looking for support—the companies who are learning about what their customers need, engaging with them, and using the findings to improve customer experiences and product developments will have a clear edge over the competition."
>
> **Vanessa Fox** - Author
> *Marketing in the Age of Google*

Your organization may already use two of them: social media capture and analytics (sometimes these two work together, as in many social media monitoring solutions on the market today); the third component is less common..

It is today made up of custom-built code, manual interpretation of analyzed results, automation of certain processes - or a combination of all of these. There are only a few vendors today that provide ways to interpret analytical results and create actionable insights - and most of the results are no more than an educated guess.
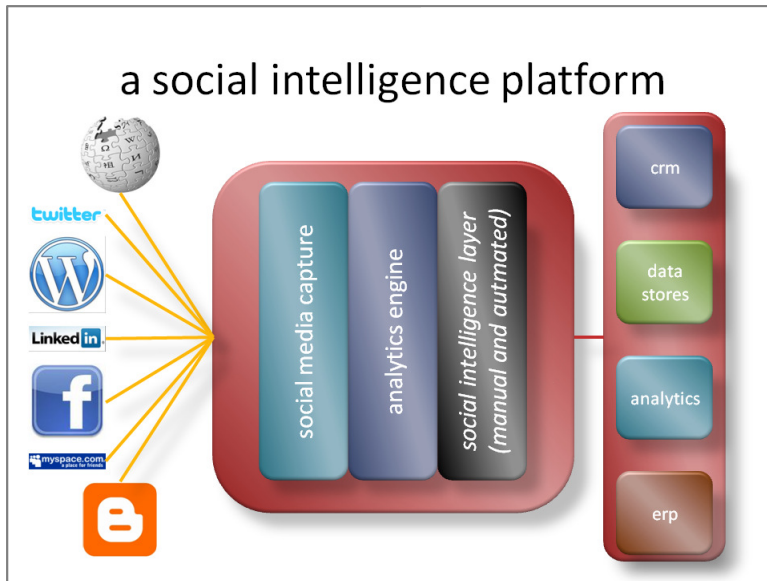
We may never get to fully automating the deduction and resolution of which actions correspond to which insights; a combination of automated tools and manual (or human) assistance is the best we will get from this layer.

Note however that a component of that layer, the routing and workflow for the actionable insights is fully automated today and it is what makes Social Intelligence accountable for their recommendations – and should definitely be part of the plans to implement Social Intelligence.

Three Steps to Social Intelligence

Any organization ready to move to Social Intelligence should understand the level of commitment and work it takes to implement. There is no turn-key solution, no technology that will solve all the problems and deploy instantaneously. As highlighted in the case study and decision framework, a large part of the work that needs to be done is internal – and tedious. Alas, it must be done.

The next three steps to adopt the concept of Social Intelligence are:

1) Run through the decision framework – collect enough information to make a sound, logical decision
2) Measure internal predisposition – your organization must be on board with the need to do more than simple monitor and dashboard analytics from social media to embrace Social Intelligence
3) Find more information – this white paper is just an introduction to a very complex group of technologies, processes, and the entry way to a long journey; find more information on Social Intelligence and plan the journey accordingly.

Conclusion

There is one thing that should be clear and apparent from this discussion – Social Intelligence is not another passing fad – the amount of social data collected and the potential value in it makes it an imperative for all businesses to understand how to collect, analyze it, process it, store it, and use it.

The next few months and years will prove crucial to our understanding of the real value that social data can bring to the organization, and how to leverage it into competitive differentiators.

It will also bring clarity to better ways to interact with customers via social channels – creating in turn an ever larger volume of social data that must be analyzed in real-time (or as close to possible to real-time) to yield value.

This never ending cycle of deeper engagement and more data and content generated can only be tamed with the proper systems, and enterprise Social Intelligence is the model to do just that.