Building a business case for social collaboration

Angela Ashenden, Principal Analyst

There are many potential benefits to be gained from a successful social collaboration initiative. But before you can start to address the practicalities of achieving that success, it’s often necessary to build a business case to convince your organisation’s business leaders that this is a worthwhile investment. This becomes doubly important when you consider that many social collaboration initiatives fall short of people’s expectations – whether through poor planning and strategy, or through unreasonable expectations in the first place – and are ultimately deemed a failure; consequently the exercise of building a clear, forward-looking business case is vital not just to get the necessary buy-in and financial commitment to get started, but also to ensure that you give your initiative the best chances of success in the long term.

In this report we outline the key aspects you need to think about as you create your own business case for social collaboration, starting with getting a clear handle on why this is a worthwhile investment for your organisation, but also addressing considerations such as budget and resourcing concerns, how you can measure the success of your initiative and demonstrate ROI, and the major risks you need to bear in mind over the lifetime of the initiative.
Top takeaways

1. Clarify your specific business need for social collaboration

Getting buy-in from executives – as well as the rest of the organisation – needs more than a commitment to better collaboration; you need to clearly articulate how social collaboration will bring value to your specific organisation, given its key business goals and strategies. Getting this right from the start will provide a crucial foundation for all your other decisions and activities surrounding your initiative, and creates a framework for measuring your success.

2. Social collaboration requires a long-term investment commitment to succeed

Although often viewed as a low-cost opportunity, the technology investment is only a small proportion of the overall cost of a successful social collaboration initiative, with the long-term cost of business change often underestimated and presenting a significant risk to the initiative. Your business case needs to set expectations for the long-term investment required to bring about business change, ensuring you have budget for the resources required to manage and sustain the adoption process over several years, supporting the workforce’s gradual shift to new ways of working while at the same time ensuring they get their work done.

3. Define your metrics and benchmark early to ensure you can measure your success

While the benefits of social collaboration are often softer and more difficult to quantify than some business technologies, it is certainly possible to measure the success of your initiative, and it is vital to reassure executives, managers and employees alike that the initiative continues to deliver value. However, to ensure you have the data points to demonstrate this, it’s vital to think about the way you define success up front, drawing on your central business goals and benchmarking your position well in advance of the launch of the initiative.
Laying the foundations: understand your business needs

The starting place for any business case for social collaboration is ensuring that you have a clear understanding of what – specifically – you are hoping to achieve through better collaboration in your organisation, and what your organisation will look like when you have achieved your goals. It’s not enough to simply focus on “improving collaboration”; your goals must relate to your particular organisation’s situation and business needs, taking into account your current culture, your type and size of organisation, the scale of your proposed initiative (i.e. whether enterprise-wide or focused on a specific area of the business), and the key business and organisational challenges you face.

As we discussed in our report What is social collaboration?, there are many potential benefits to improved collaboration. But to ensure that your initiative has the best chances of success, it’s important to identify which will make the greatest difference to your business and, where possible, to tie these explicitly with your organisation’s broader strategic initiatives to help provide context and credibility. The following are examples of targeted business needs identified in our ongoing case study research:

- **Ricoh** turned to social collaboration as part of a corporate unification strategy following its acquisition of IKON, helping to better connect the different parts of the organisation to support sharing of knowledge, expertise and best practices in order to drive efficiencies and maximise opportunities following the merger.

- As part of a company-wide business transformation strategy focused on expanding from a purely paper-based publishing model to a digital media and marketing solutions service provider, **Yellow Pages Group** embraced social collaboration as a way to open up the organisation, break down existing regional and departmental siloes, and become a company where staff work together to streamline decision-making and enable the real-time, multi-channel business model that is the company’s future.

- As a company whose business centres on the skills, knowledge and expertise of its people, systems integrator **Avanade**’s social collaboration initiative is part of a broader vision designed to change the way the company interacts with its customers and the way its people work together as a team, in order to drive long-term business growth.

This process of identifying – and clearly articulating – the central purpose of your social collaboration initiative is important not just as a central part of your business case; it provides a key foundation for everything that is to follow during the initiative, including convincing key stakeholders – including middle management and your staff on the ground, as well as the senior management who sign off the business case – of its value, and provides a frame of reference for measuring the return on your investment.

---

Fundamentals: budgeting and resourcing

Budget for a strategic initiative, not a short-term project

Your budget for social collaboration needs to take into account two fundamental costs:

- The cost of any technology implementation, including the cost of the software or subscription, any customisation or configuration required (including integration with your existing IT infrastructure and business systems), and any ongoing maintenance or support costs for the technology (either through internal or external resources).
- The cost of delivering the business change element of the initiative, including providing education, familiarisation and support to employees.

Thanks to some hosted platforms that you can set up for free (“freemium” services), we’ve encountered a widely held belief that social collaboration technology can be implemented “on the cheap”. The reality is that it can’t, particularly if you are planning an enterprise-wide deployment, and you have expectations around aspects such as reliability, security, and administrative control (for example, making sure someone who leaves your company no longer has access to the system). Like most things in life, you get what you pay for – and to deploy a social collaboration platform successfully on an enterprise-wide scale, you need to invest in it, just like any other enterprise application. Smaller-scale investments clearly carry a smaller software cost, and if your business case is for a pilot or proof-of-concept exercise, you may be able to take advantage of the trial or entry-level offerings provided by vendors specifically to support this purpose. However, you must set clear expectations in your business case for how these costs will increase as you scale up your deployment.

While both technology and business change costs have long-term aspects to them, it’s the second area which is most commonly underestimated at the budgeting stage, due either to over-optimistic expectations, or to a lack of understanding of the complexity of the business change process, and the degree of readiness of the workforce for this level of change, for example. Changing the established work patterns and behaviours of individuals right across the organisation, breaking old habits and countering resistance to change, all takes time. In practice your collaboration initiative will need to run over several years, so it’s important to consider up front how you will manage the long-term cost implications of the project. Above all, it’s vital that the business case does not position social collaboration as a standard IT implementation project with short-term budget setting and ROI expectations to match, but as a strategic business initiative that includes a technology component.

Key roles required for social collaboration success

Multiple owner/champions from across the business

While every project needs an Owner, the degree of business change that an enterprise-wide collaboration initiative requires, combined with the fact that it impacts every part of the organisation, means that it is vital to ensure you have an owner with the enthusiasm, ability and clout within the organisation to launch the initiative effectively, manage its direction, and ensure it has access to the funding and resources needed to deliver long-term success. It’s also not enough to be simply supportive of the initiative and its intentions; the Owner must also take the role of Champion, demonstrating his/her commitment and belief in the initiative by actively embracing a collaborative approach in his/her own day-to-day activities, providing an example for others – both senior executives and the broader workforce – to follow.

What’s more, our research into early adopter organisations suggests that collaboration initiatives where there is more than one person sharing the ownership role have the best chance of success. In these organisations, the Co-Owners come from different parts of the organisation, bringing an understanding of how the initiative will impact the different business areas and, therefore, ensuring the strategy is balanced and well-informed.
They can also smooth the path to acceptance and adoption through the ability to tune the message and opportunities for staff in their various divisions. Such joint ownership also means that you can avoid the obstructive politics associated with the initiative being perceived to be a single individual’s personal crusade, and therefore not in the interests of the broader organisation.

Where the initiative does not begin as an enterprise-wide programme, but as a department- or team-focused exercise to support a specific business requirement, it is nonetheless worth ensuring that you engage senior sponsors from other areas of the business – IT being the most obvious example – to help reinforce the long-term credibility of your initiative. In the event that your local initiative gains profile and interest from other areas and is considered as a potential enterprise-wide opportunity, this will help smooth the transition.

Driving change on the ground: the Adoption Manager

Where the Owner/Champion role acts as the figurehead for your social collaboration initiative, the Adoption Manager has responsibility for the practical aspects of enabling business change across the organisation, both in terms of planning and managing the strategy, and the more hands-on activities such as communication, training and education, and stakeholder management. The position, which is typically a full-time activity (sometimes with additional part-time resources assisting), may also include the role of Community Manager on the social collaboration technology platform, helping to establish the internal online community in its early days, and ensuring that it remains focused, valuable and appropriate as it matures. It’s important that every community on the platform has a designated Community Manager, that they understand what is expected of them, and that they are given adequate support and guidance to carry out the role effectively.

In some – typically smaller – organisations, one individual may carry out the Owner and Adoption Manager role, but our research indicates that in larger, more established deployments the latter usually ends up as a separate, more operational role.

What’s more, our research into early adopter organisations suggests that collaboration initiatives where there is more than one person sharing the ownership role have the best chance of success.
Measuring success and ROI

For many organisations considering embarking on their own collaboration initiative, the greatest concern is how to prove their success, and to justify the significant investment needed to sustain the initiative in the longer term. Few of the high profile case studies we see in the media are able to demonstrate in tangible, measurable terms that they have recouped their investment, although there are clearly plenty of less quantified benefits relating to things like increased agility or better knowledge sharing.

The reasons for this lack of a demonstrable ROI are manifold. Certainly, the length of time needed for the major business change involved to take place is a significant issue. In the many months or years it takes for the organisation as a whole to accept the need for change and actively (or passively) change its behaviour, the collaborative culture is not the only thing that will have changed during this time – your collaboration sponsors or business leaders may have changed, company processes may have changed (potentially unrelated to the collaboration initiative), and the company itself may have changed through merger or acquisition. Proving that a particular effect is the result of your collaboration initiative, rather than some other factor (or more likely, a combination of many different factors) is very challenging.

Despite this, there are many important reasons for finding ways to demonstrate your success:

- **Reassuring stakeholders** – even in organisations where the executive management team is fully behind its collaboration initiative from the beginning, there will undoubtedly be calls to demonstrate progress in some way, particularly each year when budgets are agreed. By proactively gathering and sharing evidence of progress on a regular and ongoing basis, rather than waiting to be asked, you will not only help to reassure your stakeholders that the initiative continues to deliver value, but you will also maintain levels of awareness of the initiative within the stakeholder group, which will help to reinforce its value in their minds, and will support your broader education and adoption efforts.

- **Reassuring and rewarding employees** – since fostering a culture of openness and communication should be central to your collaboration initiative, it follows that you should also feedback to your employee community about how the initiative is progressing. Not only will this help to reinforce employees’ recognition of this as a strategic focus for investment by the organisation, but it will also allow you to celebrate positive collaborative activity, enabling employees to feel a sense of ownership from the success of the initiative.

- **Driving your adoption and business change strategies** – more than just a way to prove the value of the investment to others, by assessing your progress and identifying strengths and weaknesses in your approach you will gain a wealth of insight that can help you to refine and adapt your strategy to ensure you are focusing your effort in the right places.

**What does success look like?**

Once you have clearly articulated the purpose of your social collaboration initiative, you need to identify the key metrics that will determine whether you have succeeded in your efforts. It’s important for these to be clearly measurable, and clearly identifiable as business metrics with associated value to the business; simply measuring adoption levels does not demonstrate the real value that the organisation is getting for its investment.

What you should measure will depend entirely on your specific goals, which should in turn be tied to your overall business goals. As a starting point though, here are a few to consider:

- Increased volume or scale of new business opportunities developed within a specified time period through better cross-organisational collaboration.

- Reduction in average help desk call durations through improved access to information or expertise location for help desk staff.
• Reductions in help desk costs through improved self-service support resources for staff.
• Reduction in travel costs and times through greater use of online communities and social collaboration.
• Cost savings through reuse of business materials or processes in different parts of the business.
• Faster on-boarding rates for new staff, allowing them to reach full productivity more quickly through better access and interaction with peers, experts and information.
• Reduction in employee turnover/churn through improved engagement.

The issue of to what extent external factors impact these metrics will remain of course, but if you’re upfront about tracking this data in the context of your social collaboration initiative, it will be easier to convince senior management of the relationship between the initiative and the results.

Set your benchmark up front

In many cases, the real reason why organisations are unable to measure their success in a quantifiable way is that they have nothing to benchmark the result against. Because many initiatives evolve in a bottom-up, un-strategic way, with the first changes taking place under the radar in pockets of the organisation, it becomes very difficult to stop and confidently say how long this process took before people started being more collaborative – and perhaps more importantly, to be able to provide accurate data to evidence this.

However, the earlier you can recognise this issue in your own initiative, the greater opportunity you have of capturing this information within your organisation and helping to prove your success – not just in the long-term, or to justify your activities to your corporate executives, but to drive and direct your own-going strategy, step-by-step over time, and ultimately improve your rate of success.
Potential risks and concerns

While your business case may not need to address all the details of how you will ensure adoption and bring about the required business change, it’s important to consider the potential risks that could limit the overall success of your social collaboration initiative.

Management concerns about governance

In many organisations, the greatest resistance from senior management to a social collaboration initiative comes from concerns about what might happen when communication channels are opened up across the organisation, and the potential for inappropriate behaviour or misuse of the technology leading to HR infractions. In order to allay these concerns, it’s important that your business case lays out your governance strategy for the initiative, taking into account two key elements: your organisation’s current HR policies, and any regulatory requirements that you must comply with. Some industry regulations impose limitations on what is shared openly (for example, restricting the sharing of customer information in open forums), or require e-discovery compliance.

Most organisations create and publish a usage policy for their social collaboration environment. Ideally an extension of your existing HR and email use policies, this should simply reiterate the behaviour expected of employees in the work environment, emphasising the role of the platform as a business collaboration environment.

Change in business priorities or leadership

One of the key challenges for any social collaboration initiative is the length of time needed for the major business change involved to take place. While poorly managed expectations are certainly a potential concern, the natural evolution of the organisation can equally present risks to the initiative. In the many months or years it takes for an organisation as a whole to accept the need for change and actively (or passively) change its behaviour, the collaborative culture is not the only thing that will have changed during this time – your collaboration sponsors or business leaders may have changed, company processes may have changed (potentially unrelated to the collaboration initiative), and the company itself may have changed through merger or acquisition. Not only can this threaten the continued existence of the initiative, but proving that a particular effect is the result of your collaboration initiative, rather than some other factor (or more likely, a combination of many different factors) is very challenging. For this reason, it’s even more important to ensure you have the commitment and support of not just one senior executive, but several from right across the business, to ensure (as much as is possible) that the initiative is protected from this organisational change.

Insufficient commitment to long-term business change and unmanaged expectations

The biggest risk to any social collaboration initiative is that employees do not make the required changes to their daily behaviour to embrace a more collaborative working practice. There are many potential reasons why this might happen, from lack of employee conviction in the value of the initiative, to inadequate training and education, or failure to ensure performance management policies are brought in line with the strategy. Social collaboration requires a long-term commitment to business change, combined with a strategy that is personalised to your specific organisation’s needs, readiness and culture, and that is flexible to adapt over time as the environment evolves and changes. You must ensure that executive, management and staff expectations are managed carefully and on an ongoing basis, and ensure that the openness and transparency that you are aiming to create across your organisation’s working practices are engendered in the planning, communication and implementation of your social collaboration strategy.
Business case checklist

The following table summarises the key priorities we’ve highlighted in this report, offering a breakdown of the major costs and risks you need to consider in developing your business case, as well as some of the potential returns you might look for in defining your metrics for success. While it’s not an exhaustive list, these should help focus your thinking as you address your own organisation’s needs and situation.

<table>
<thead>
<tr>
<th>Costs</th>
<th>Risks</th>
<th>Potential returns/value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td>Concerns about improper usage stifle adoption</td>
<td>Increased volume or scale of new business opportunities developed within a specified time period through better cross-organisational collaboration.</td>
</tr>
<tr>
<td>Core software or subscription costs</td>
<td>Key sponsors leave or business priorities change, negatively impacting investment commitment</td>
<td>Reduction in average help desk call durations through improved access to information or expertise location for help desk staff.</td>
</tr>
<tr>
<td>Customisation or configuration costs (including integration with existing IT infrastructure and business systems) – may be internal or external</td>
<td>Adoption efforts stall due to insufficient business change investment</td>
<td>Reductions in help desk costs through improved self-service support resources for staff.</td>
</tr>
<tr>
<td>Ongoing maintenance or support costs (either through internal or external resources)</td>
<td></td>
<td>Reduction in travel costs and times through greater use of online communities and social collaboration.</td>
</tr>
<tr>
<td><strong>Business change</strong></td>
<td></td>
<td>Cost savings through reuse of business materials or processes in different parts of the business.</td>
</tr>
<tr>
<td>Communications – launch, maintaining awareness</td>
<td></td>
<td>Faster on-boarding rates for new staff, allowing them to reach full productivity more quickly through better access and interaction with peers, experts and information.</td>
</tr>
<tr>
<td>Education &amp; familiarisation – e.g. videos, in-person training, web/audio, workshops, specialist training, exec/management education</td>
<td></td>
<td>Reduction in employee turnover/churn through improved engagement.</td>
</tr>
<tr>
<td>Support – self-service, peer-based (evangelists), help-desk</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>People costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adoption management team – exec sponsors, community management, adoption strategy, governance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
More resources for your success

This report has set out the foundations you need to build before beginning your social collaboration initiative, and has highlighted some of the many risks and concerns you may encounter along the way. Indeed, our research and conversations with organisations that have already gone through a social collaboration initiative show that implementing technology – even if it’s the perfect solution for your business – is not enough by itself: you need a carefully planned, well-managed and well-funded adoption strategy to ensure you bring about the cultural change needed to realised these benefits.

We’ve published a specialised resource library includes a wealth of reports designed to help you through the various stages of your social collaboration initiative, from building a business case, through selecting a technology provider, to best practices for successful adoption.

Get started now by accessing these resources available to you free at http://www.socialcollaborationevent/resource-library/

To get a first-hand experience of how to ensure success with social collaboration, we recommend you attend the MWD Advisors conference Making Social Collaboration Work on October 15th, 2015 in London.

Making Social Collaboration Work is a brand new, one-day event that where you’ll discover and discuss practical tactics and strategies for improving knowledge-sharing and communication across your business. The event will be a truly peer-to-peer affair, where you can learn from others’ experiences of using social collaboration to engage employees and improve productivity.

To find out more about this event and book your place, visit http://www.socialcollaborationevent.com