

# CHAPTER 1

## Speed, Scope, Complexity, Power, and Potential

*What's really going on in technology is not a "social media" revolution but an "e-social" revolution, one that involves not just how we interact with others, but how we choose to create things of value, how we transfer value from soul to soul, how we evaluate our existence and try to improve it.*

—Don Peppers

Here is a great story told to us while we were researching this book. We've taken out the names of the hotels to avoid any appearance of favoritism or bias.

I'm standing in the queue at Hotel A in Las Vegas, waiting to check in. Normally the check-in queues there move pretty fast, but today they aren't. A bunch of us

are just standing there, waiting with our bags. Something is clearly wrong at the check-in counter, but no one is telling us anything. I check Twitter on my iPhone and I can see that people are tweeting from the queue I'm standing in. I've experienced this before, and it's amusing, but no big deal.

Then I see a tweet from someone at the Hotel Z, a couple of blocks down the Strip. The tweet says something like "Hey, if you're tired of standing on line at Hotel A, come on over to Hotel Z. We'll set you up with a room—at 50 percent off the regular price."

Then I see a couple of people pick up their bags and head out for the taxi stand. Wow, I thought, somebody at Hotel Z is on the ball.

We're including this story because it's true and because in one fell swoop it illustrates the speed, scope, complexity, power, and potential of social media. And most important from our perspective, it highlights the principal point of this book: You need a strategy for dealing with the social media phenomenon.

Let's take a closer look at the scenario described by our source in the queue. It's an interesting story, but what makes it especially relevant to this book? Can you guess?

What makes it relevant is that Hotel Z clearly had a strategy for generating revenue from its social media resources. The management team at Hotel Z wasn't just using social media because social media is cool—it was using social media to make money!

At some point, the management team at Hotel Z said, "OK, we'll invest in social media—but only because we expect a return on our investment within a reasonable period of time." Then the management team delegated someone to be in charge of social media and charged that person with developing a set of operating guidelines, devising an operating plan, and executing on the plan. There was a budget (for some training, some apps, and some additional staff hours) and a target (something to aim for).

The people assigned to the hotel's social media initiative understood clearly that at the end of the day their primary objective was acquiring new customers—fresh revenue—for the hotel.

Maybe at some point down the road, the hotel's social media program might also include some customer retention activities, some customer relationship management activities, and some pure marketing or promotional activities. All of that would be cool. But what we like about the hotel's initial approach to social media was that it focused on achieving a very tangible, highly measurable result—new revenue.

Here's another quick story, told to us by Kendall Collins, the chief marketing officer at salesforce.com.

Jim Steele, our chief customer officer and president of worldwide sales, was in London, meeting with the CEO of a large software company that uses our products. When Jim updated his status on Chatter (our enterprise social collaboration application and platform), he mentioned the meeting. While Jim is meeting with the CEO in London, somebody deep in our accounting department back in San Francisco reads Jim's update and a light goes on in his head. It turns out the CEO's company is late on its account payable. The accountant posts an update on Chatter, and Jim shows it to the CEO. The CEO says, "Oh, my God!" and sends a message to his accounts payable department. They wired us the money that same day!

Keep these stories in mind as you read the rest of this book.

## THEY LAUGHED AT THE WRIGHT BROTHERS

In the early years of the twentieth century, automobiles and airplanes were ridiculed as overly complex contraptions with little commercial value. In the early years of the twenty-first century, social media was regarded with similarly low esteem. Social media was derided as an unintended consequence of the Internet. It was largely dismissed as a time waster, something used mostly by kids to exchange schoolyard gossip and photos of friends at parties.

Few people laugh at social media today. In Iraq and Afghanistan, it is used by U.S. Army officers to exchange lifesaving tactical information. In Iran, it is used by opponents of the government to organize rallies. In the commercial sphere, it is used by companies to promote

brands, attract attention to new products, and collect valuable insight from customers.

According to comScore, the Internet marketing research company, social media networking accounts for 11 percent of all time spent online in the United States, making it one of the most popular activities across the Web. One study reports that 96 percent of Gen Y has already joined at least one online social network, while another study claims that social media has overtaken porn as the most popular activity on the Internet.

As one popular blogger put it recently, “If Facebook were a country it would be the world’s 4th largest between the United States and Indonesia.”

That extraordinarily high level of acceptance makes it foolhardy for businesses to ignore or downplay the economic value of social media as a comprehensive platform for external and internal communications.

Some experts believe that social media is poised to replace email as an enterprise solution for facilitating collaboration, teamwork, and knowledge sharing across large organizations. In some contexts, social media has replaced Google as the preferred method of search. At several innovative corporations, social media has already become the preferred platform for disseminating critical business information quickly and effectively.

With amazing speed, social media has emerged as a key component of enterprise strategy at large, decentralized organizations where being “first to market” is a critical competitive advantage. Early adopters have already demonstrated that effective social media programs create competitive advantages—in both developed and emerging markets.

Some corporations have already put enterprise social media into the “pockets” of their employees by using readily available social media apps designed for the newest generation of smartphones and mobile devices. These innovative uses of newer social media technologies will completely revolutionize crucial business functions such as sales, marketing, and customer support, where rapid access to expert information often makes the difference between success and failure.

## A WORLD OF NEW CHALLENGES AND OPPORTUNITIES

The rapid acceptance of social media as a business solution presents an array of new challenges and opportunities for management. Executives are spending more time responding to questions about how they plan to leverage social media technologies to achieve strategic business objectives. They are also spending more time considering spending requests for a multitude of new social media projects. These requests are boiling up from all parts of the enterprise.

In effect, these demands will echo the demands for high-speed voice and data networks that boiled up after people began using their laptops and mobile phones for work. Today, high-speed connectivity is a given. Tomorrow, social media will seem just as ordinary. But getting to that state of ordinariness will require imagination, innovation, thought leadership, planning, and successful execution.

## GETTING A FIRM GRASP ON A VIRAL PHENOMENON

Like many new technologies, social media entered the corporate landscape at the grassroots level and is growing virally. As a result, executive-level awareness and oversight of social media has been ad hoc, informal, and haphazard.

This situation must change, and it must change rapidly. Social media is not going away, it's getting bigger. Yet despite all that has been written and said about social media, it remains a mystery for top management. Most executives still regard social media as a *social* phenomenon and have not yet grasped its importance as a *business* tool.

Enterprise social media strategy is the logical response to a worldwide trend that offers enormous potential—and poses enormous risks—for competitive organizations.

Companies that develop comprehensive enterprise social media strategies will gain competitive advantages in swiftly moving markets. They are also likely to avoid the risks associated with social media activities.

Top management should take responsibility for making enterprise social media strategy development a priority and devote sufficient resources toward ensuring that social media programs are developed,

rolled out, managed, and measured in ways that support the stated business goals and objectives of the enterprise.

## WHAT'S THE HURRY?

*Why now? What's the hurry? Can it wait?*

Those are all perfectly valid questions for busy executives to ask when confronting the need for developing a corporate social media strategy.

Here are three quick answers:

1. Your employees have Facebook and Twitter accounts. They watch videos on YouTube. They are already living in a social media universe. *That* is their reality. Your business needs a strategy for operating in that universe.
2. Remember when everyone started using wireless phones and you wondered how long it would be before your company needed a wireless strategy? Social media poses a similar challenge. Like wireless, it's a grassroots phenomenon that infiltrates your business and changes the way people behave. You need a strategy for dealing with it.
3. Your competitors are already using social media. Yes, they are.

## TOO NEWFANGLED FOR YOU?

One executive told us point blank that his company would not “start messing around with social media because we never use bleeding-edge technologies. We only use stable technologies.”

We're sorry to disappoint any readers who were looking for cheap techno-thrills in this book. Social media apps do not require bleeding-edge or even cutting-edge technologies. Virtually all of the technology required to support a comprehensive social media strategy is already mature technology.

We're sure that you are familiar with the Technology Adoption Life Cycle chart made famous in *Crossing the Chasm* by Geoffrey Moore. It looks like a bell curve, with “innovators” at the beginning of the timeline and “laggards” at the end. By now, any business that isn't

using social media is a laggard. It is behind the curve. Is that ever a good place for a business to be?

Look at it this way: Your mom and your grandma probably use social media to share family photos. If you have a smartphone, you probably use social media to check out new restaurants and find cheap parking spots downtown. Most teens that we know don't just use social media—they consume it. In fact, it's not really a stretch to suggest that many teens are addicted to social media. But that's the subject for another book.

Like it or not, we already live in a hypersocialized world. So if you haven't developed a sense of urgency about the need for a corporate social media strategy, now's the time. Embrace the challenge; waiting is not a viable option.

## A VERY COOL SCENARIO

Here is the transcript of a hypothetical scenario—a semifictional “pastiche” of tweets, as it were—developed by the nice folks at Socialtext, a Palo Alto–based software vendor, to demonstrate the use of social media in a competitive business situation. Eugene Lee, the affable CEO of Socialtext, assured us that the user-generated microblogs in this multitier conversation represent credible approximations of real events.

The main “characters” in the scenario are Ryker Solar, a manufacturer of solar power cells; Van Company, one of Ryker's customers; Joseph Hines, a senior sales exec at Ryker; Mandy Cunningham, a junior sales exec at Ryker; Caroline Decker, a customer service rep in the Ryker's western regional office; Kevin Rice, Ryker's vice president of sales; and several automated software applications, or “bots.”


The scenario begins with a short post from a Ryker's TwitterBot, an app that monitors Twitter for mentions of Ryker or its customers.

Twitter Bot one minute ago to Ryker


**<VanCompany> @RykerSolar Can you confirm that our order is shipping ontime. If we don't have it by next week it will affect the delivery of our new vehicles.**

Joe Hines sees the Twitter bot's message on the company's social media platform and gets worried. He pings the company's CRM bot,


an app that interfaces with Ryker's customer database, and receives this reply:

 CRM Bot *one minute ago*  
VanCompany - HQ: Palo Alto, Ca. Annual revenue: \$52 Million. Customer Representative: Mandy Cunningham



From the CRM bot, Joe sees that Van Company is a big customer. He quickly posts a short message for Mandy.

 You *one minute ago*  
Mandy Cunningham There was a tweet from one of your customers, VanCo, that I think you should know about.





Mandy doesn't waste an instant replying—there's a nice commission at stake, and she doesn't want to damage a profitable relationship with a good customer.

 Mandy Cunningham *one minute ago*  
Joseph Hines We need to solve this right away. I've been negotiating with VanCo for a new \$20 million dollar order for solar refrigerated vans.

Mandy also posts the most recent version of her sales presentation to Van Company.

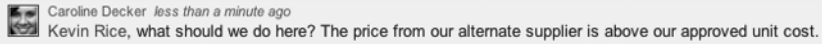
 Mandy Cunningham *one minute ago*  
Mandy Cunningham updated VanCompany Sales Presentation, saying: "Here's the latest update of the sales presentation I've been working on for them – we're critical to their next-generation delivery product strategy."  
Reshared by  Mandy Cunningham in the VanCompany Account Team group

But hold on, the situation is getting more complicated. According to the inventory bot, an app that monitors the company's inventory levels, they're running low on a component that's necessary to complete the order. Inventory bot automatically posts an alert to Ryker's Western Region office.

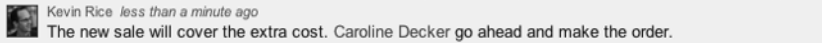
 Inventory Bot *less than a minute ago*  
**Alert:** Western region inventory for solar flux capacitors is running low. Vendor A: **Out of Stock.** Vendor B: **\$3.50/unit.**   
Reshared by  Caroline Decker in the Western Region group  
 Caroline Decker *less than a minute ago*  
The message above was from our automated Inventory Bot, which confirms the stock is out. Here is a link to our live Inventory Status Report.



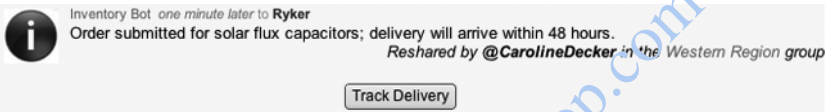
Caroline posts a message for Kevin Rice, Ryker's sales veep.



Kevin replies immediately.



Inventory bot monitors the order and posts its own message.



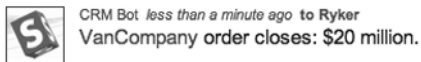
Everyone can breathe a sigh of relief. Joe posts a quick “thank you” to the team.



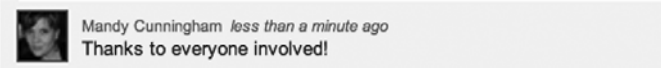
Twitter bot relays a follow-up tweet from Van Company.



CRM bot chimes in . . .



. . . and Mandy's commission is saved!



All of this took place within the span of about 10 minutes. As author David Meerman Scott observed earlier, social media really is compressing time!

The quick resolution of the problem is indeed impressive. But what's even more impressive is the ability of the social media platform to surface critical information from multiple sources—several enterprise business systems, an external social media program, various people in different locations—and present all that information in an easily recognizable format.

Notice that while the initial message that gets the ball rolling is sent over Twitter, which is a very public medium, the rest of the messaging takes place behind Ryker's firewall. The conversations among the members of the Ryker team are essentially private business conversations taking place on a private social media platform.

The platform enables the team to pull information from public and private sources, examine it together, discuss the business implications, deal with an exception (the cost of the solar flux capacitors is higher than normally allowed), and reach a management decision resulting in a profitable deal.

We believe that this type of scenario represents one of the best arguments for the adoption of social technology by competitive business organizations. The elegant combination of information from multiple sources and business systems—all in real time—is what makes this scenario so appealing to champions of enterprise social media.

## STEP UP AND MEET THE MILLENNIAL GENERATION

The book is in no way intended to be a gloomy reminder that we are all getting older. But the truth is that we *are* all getting older and eventually we will be replaced and eclipsed by people who are younger than we are.

That's the way of the world. The "Greatest Generation" is replaced by the Baby Boomers. The Boomers are replaced by Generation X. Gen X is replaced by Gen Y, which will be replaced by the Millennials.

Among these newer generations is a growing tribe of "digital natives"—people who grew up surrounded by digital devices and who

are accustomed to being connected with their peers and their friends *all of the time*. To them, interconnectedness isn't a luxury, it's a basic necessity of life. If you take away their connectivity, they start getting very anxious.

Again, this isn't a fad, a phase, or a trend. This is the new reality. Organizations that don't adapt to this new reality simply will not be able to attract the talent necessary to compete successfully, and they will be overtaken by organizations that are more accommodating.

As managers and executives, we are responsible for grooming our replacements. But first we have to recruit, hire, and train the younger men and women who will eventually replace us. Those younger people won't come to work for us in the first place unless we create work environments that make sense to them.

Social media is now an integral part of this process of continuous replacement. So rather than consider social media as something trendy, faddish, hip, or outlandish, think of social media as something more akin to electricity and indoor plumbing.

Social media is quickly becoming a basic staple of our increasingly frenetic modern lives. Our advice is simple: Get used to it. Then figure out how to make it work to your advantage. It will be easier than you think.

## JUST WHAT YOU NEEDED: ANOTHER "CONVERGENCE"

As we've already mentioned, social networking is not a new phenomenon. What makes this particular moment in history so crucial, however, is the swift emergence and rapid convergence of three new technologies: social, mobile, and cloud computing.

This convergence has already developed its own momentum, and it's hard to predict its full impact. If you're looking for a convenient image that sums it up, think of the whirlpool that swallows the *Pequod* at the end of *Moby Dick*. Unlike the vortex that seizes Ahab's ship, however, this new convergence is global. One way or another, we are all getting sucked into the maelstrom.

In a recent exchange of emails with Don Peppers, one of the early visionaries of one-to-one marketing, Don confronted the problem of trying to define social media as if it existed in a vacuum, instead of

seeing it as one facet of a broader cultural phenomenon. Here's an excerpt from Don's email message:

I also think the whole "social media" idea is underestimated by most people. Human beings are naturally social animals—we want to have friends, help our friends, play games, share ideas—and we have always wanted to do this, offline before online.

What's really going on in technology is not a "social media" revolution but an "e-social" revolution, one that involves not just how we interact with others, but how we choose to create things of value, how we transfer value from soul to soul, how we evaluate our existence and try to improve it.

It's a revolution, I think, that dwarfs the Industrial Revolution in its impact on the species. So to me the term "social media" is a trivialization of the idea.

Strong stuff, from a really smart guy whom we admire. And since we're not likely to come up with a response that is truly worthy, let's move on to the next chapter.